

**June 23, 2020**  
**City Council**  
**Regular Meeting**  
**7:00 p.m.**



Julie Masters, Mayor  
Charles Suderman, Mayor Pro Tem  
Sean Skipworth  
Walter Wilson

**AGENDA**  
City of Dickinson  
**CITY COUNCIL**  
**REGULAR MEETING**

Wally Deats  
Louis Decker  
William H. King III  
Chris Heard, City Administrator

**June 23, 2020**

**NOTICE** is hereby given of a **REGULAR MEETING** of the City Council for the City of Dickinson, County of Galveston, State of Texas, to be held on **Tuesday, June 23, 2020**, at **7:00 p.m.** at: 4403 Highway 3, Dickinson, Texas 77539 for the purpose of considering the following numbered items. The City Council of the City of Dickinson, Texas, reserves the right to meet in a closed session on any of the below items should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

**ITEM 1.) CALL TO ORDER AND CERTIFICATION OF A QUORUM**

**ITEM 2.) INVOCATION**

**ITEM 3.) PLEDGE OF ALLEGIANCE**

**ITEM 4.) PROCLAMATIONS**

**ITEM 5.) ANNOUNCEMENTS AND PRESENTATIONS:**

- A. Council Comments.
- B. Drainage Operations and Maintenance Plan (City Administrator Chris Heard).
- C. Comprehensive Plan Request for Qualifications (City Administrator Chris Heard).
- D. Presentation and Acceptance of Fiscal Year 2018-2019 Audited Comprehensive Annual Financial Report and Federal Single Audit Report Prepared by Belt, Harris Pechacek, LLLP, Certified Public Accountants (Belt, Harris Pechacek, LLLP).

**ITEM 6.) REPORTS:**

- A. Update on Activities of the Houston-Galveston Area Council (Council Member King).
- B. Update on Activities of the Dickinson Economic Development Corporation (Dickinson Economic Development Corporation Chief Executive Officer Scott Jones).
- C. City Administrator's Report and Update on Public Works Projects (City Administrator Chris Heard).

**ITEM 7.) PUBLIC COMMENTS:** At this time, any person with city-related business may speak to the Council. In compliance with the Texas Open Meetings Act, The City Council may not deliberate. **Comments from the public should be limited to a maximum of three (3) minutes per individual speaker.**

**ITEM 8.) CONSENT AGENDA: CONSIDERATION AND POSSIBLE ACTION:**  
The following items are considered routine by the City Council and will be enacted by one motion. There will not be a separate discussion on these items unless a Council member requests, in which event, the item will be removed from the consent agenda and discussed after the consent agenda.

A. Approval of the Minutes of the Regular Council Meeting of June 9, 2020.

B. Approval of the Minutes of the Joint Special Workshop Council Meeting of June 16, 2020.

C. Resolution Number XXX-2020 – **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE CITY OF DICKINSON, TEXAS (“CITY”), DICKINSON INDEPENDENT SCHOOL DISTRICT (“DISD”), AND GALVESTON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 (“WCID#1”) FOR A JOINT ELECTION FOR THE NOVEMBER 3, 2020, GENERAL ELECTION; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.**

D. Resolution Number XXX-2020 – **A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, DESIGNATING AUTHORIZED SIGNATORIES FOR CONTRACTUAL DOCUMENTS AND DOCUMENTS FOR REQUESTING FUNDS PERTAINING TO THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (TxCDBG) CONTRACT NUMBER 7219110.**

**ITEM 9.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance Number XXX-2020 – **AN ORDINANCE OF THE CITY OF DICKINSON, TEXAS, DELETING ARTICLE V, FLOOD HAZARD AREAS, OF CHAPTER 14, PLANNING AND DEVELOPMENT, OF THE CODE OF ORDINANCES AND ADOPTING A NEW ARTICLE V, FLOOD DAMAGE PREVENTION AND PROTECTION, OF CHAPTER 14, PLANNING AND DEVELOPMENT OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED \$500 FOR EACH DAY OF VIOLATION HEREOF; AND PROVIDING A REPEALER CLAUSE, A SAVINGS**

**CLAUSE, A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.**  
(Second of Three Readings)

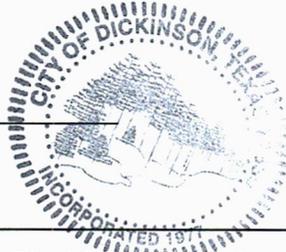
- ITEM 10.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution Number XXX-2020 – A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS ACCEPTING THE COMMISSIONER’S COURT OF GALVESTON COUNTY INVITATION TO JOIN THE GULF COAST TRANSIT DISTRICT (GCTD) AND AUTHORIZING THE CITY ADMINISTRATOR TO FACILITATE THE TRANSFER OF EXISTING INTERLOCAL AGREEMENTS FOR TRANSIT SERVICES, AND OTHER RELATED AGREEMENTS, WITH THE GULF COAST CENTER TO THE GCTD.
- ITEM 11.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution Number XXX-2020 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, AUTHORIZING THE CITY ADMINISTRATOR TO ISSUE AN ORDER FOR TASK WORK AUTHORIZATION NUMBER 5 FOR DRAINAGE REPAIR AND CULVERT REPAIR ON PALM DRIVE, 43RD STREET, ANCHOR WAY, AND FALCO STREET; PROVIDING FOR INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.
- ITEM 12.) EXECUTIVE SESSION:** The City Council will now hold a closed executive meeting pursuant to the provision of Chapter 551, Government Code, Vernon’s Texas Codes annotated, in accordance with the authority contained in:
- A. Section 551.071 – Consultation with Attorney regarding pending litigation and matters in which the duty of the City Attorney requires to be discussed in closed meeting.
- ITEM 13.) RECONVENE**
- ITEM 14.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Matters Discussed in Executive Session.
- ITEM 15.) ADJOURN**

## CERTIFICATION

This is to certify that a copy of the Notice of the Regular City Council meeting for **Tuesday, June 23, 2020**, was posted on the bulletin board at City Hall, 4403 Highway 3, Dickinson, Texas, on this the 19th day of June, 2020, prior to 7:00 p.m.

*Alun W. Thomas*

Alun W. Thomas, City Secretary



In compliance with the Americans with Disabilities Act, the City of Dickinson will provide reasonable accommodations for disabled persons attending City Council Meetings. Requests should be received at least 24 hours prior to the scheduled meeting, by contacting the City Secretary's office at 281-337-6217, or by FAX at 281-337-6190.

# **ITEM 1**

**Call to Order and  
Certification of a  
Quorum**

**CITY OF DICKINSON, TEXAS  
CITY COUNCIL MEETING  
ATTENDANCE LIST**

**MEETING DATE: June 23, 2020  
Regular Meeting**

<u><b>MAYOR/COUNCIL</b></u>	<u><b>PRESENT</b></u>	<u><b>ABSENT</b></u>
MAYOR JULIE MASTERS	_____	_____
POS. 1: COUNCILMEMBER CHARLES SUDERMAN	_____	_____
POS. 2: COUNCILMEMBER SEAN SKIPWORTH	_____	_____
POS. 3: COUNCILMEMBER WALTER WILSON	_____	_____
POS. 4: COUNCILMEMBER WALLY DEATS	_____	_____
POS. 5: COUNCILMEMBER LOUIS DECKER	_____	_____
POS. 6: COUNCILMEMBER WILLIAM KING	_____	_____
 <b><u>ALSO IN ATTENDANCE:</u></b>		
City Attorney David W. Olson	_____	_____
City Administrator Chris Heard	_____	_____
Finance Director _____	_____	_____
City Secretary Alun W. Thomas	_____	_____
Director of Community Services Kola Olayiwola	_____	_____
Police Chief Ron Morales	_____	_____
EMS Director Derek Hunt	_____	_____
Fire Marshal Burt Heddles	_____	_____
Court Administrator Irma Rivera	_____	_____
Library Director Julianne Lane	_____	_____
Bayou Animal Services Manager Sarah Haywood	_____	_____
Assistant to the City Administrator Kerilyn Bascle	_____	_____

# **ITEM 2**

## **Invocation**

# **ITEM 3**

## **Pledge of Allegiance**

# **ITEM 4**

## **Proclamations**

# **ITEM 5**

## **Announcements and Presentations**

# **ITEM 5A**

## **Council Comments**

# **ITEM 5B**

## **Drainage Operations and Maintenance Plan**

# Drainage Operations and Maintenance Program

The City of Dickinson desires to implement a Drainage Operations and Maintenance Program (DOMP) to inventory, operate and maintain the drainage network of the City of Dickinson. The DOMP will identify where infrastructure exists, the sizes of the various parts of the infrastructure, flow direction to schedule or direct resources more efficiently.

Maps of the City of Dickinson show the drainage areas of the eight (8) major watersheds utilized to populate a database with the data required to track and maintain the system. These watersheds are based on the five (5) bayous draining the City of Dickinson. The major watersheds are:

- Benson Bayou
- Borden's Bayou
- Dickinson Bayou NE
- Dickinson Bayou NW
- Dickinson Bayou SE
- Dickinson Bayou SW
- Magnolia Bayou
- West Gum Bayou

The main portion of Dickinson Bayou is delineated as well. These major watersheds have sub-watersheds that are also delineated. These watershed maps indicate the flow direction and pipe sizes along the various drainage infrastructure paths. These maps are Exhibit 1 of this document.

## Procedure

Personnel shall record the condition of all outfalls, channels, roadside ditches, and storm sewers shown on Exhibit 1 initially on the appropriate form attached as Exhibit 2. Thereafter these observations will occur once a year and after a 4-inch rain event and utilize Exhibit 2, Deficiency Report, to record the condition of the infrastructure if there has been any apparent damage to the infrastructure.

Personnel shall inspect the outfalls and channels at every bridge (upstream and downstream) that cross a channel, and inspect roadside ditches and drainage systems. The Personnel shall fill out a Deficiency Report for every deficiency and assign a priority rating indicating the urgency.

These forms will be used to collect any information on the system. Personnel will note flow direction on Exhibit 1 if flow direction is not indicated or is incorrect whenever possible.

These forms are to be turned into the appropriate supervisory personnel at the end of each day.

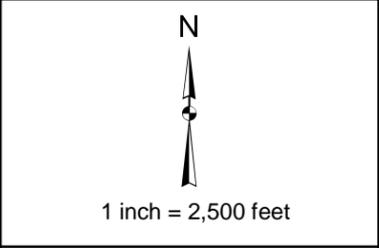
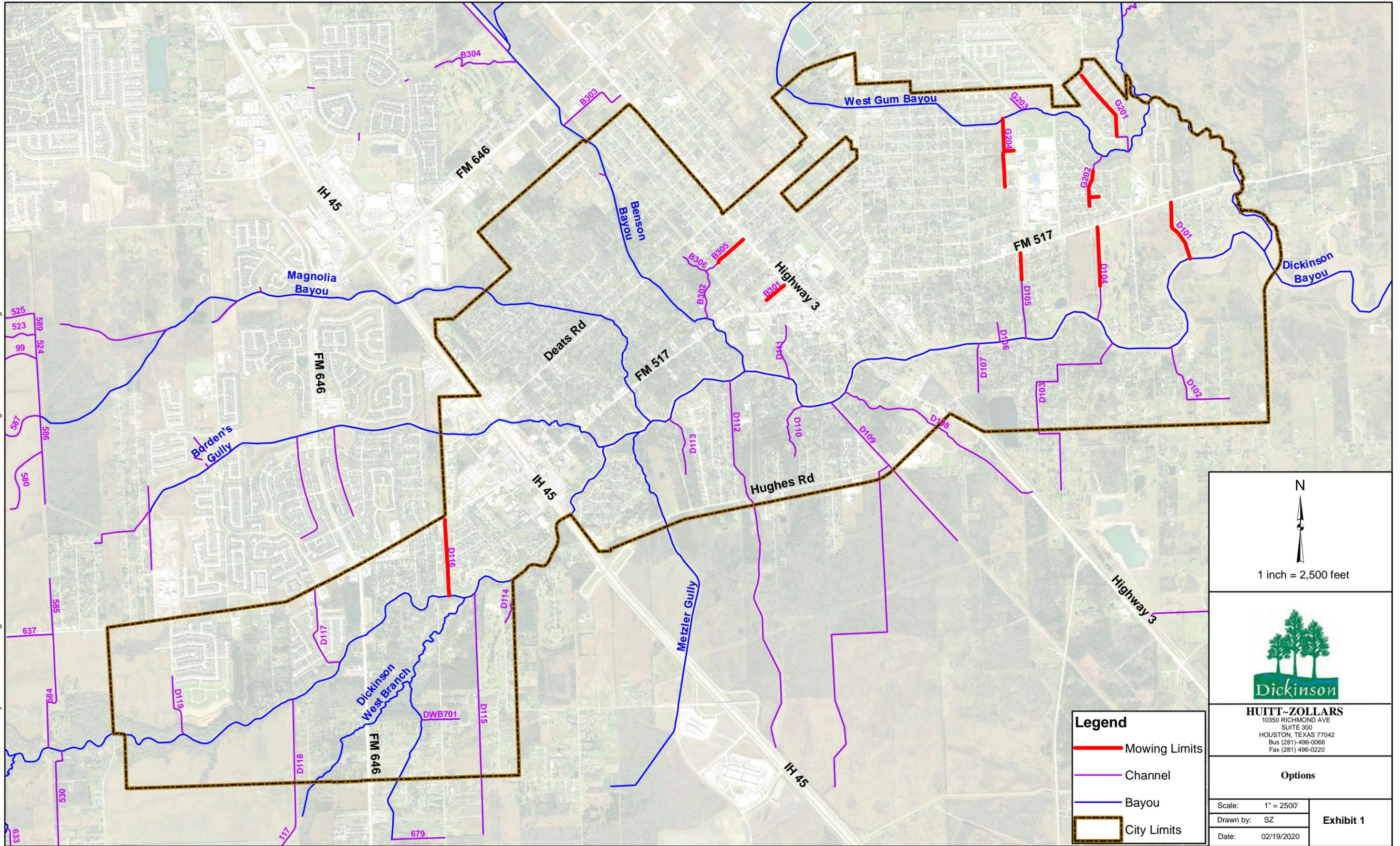
Proactive Maintenance Plan

The forms will be used to update Exhibit 1 and develop a list of projects that require attention. The data will eventually be housed in a database that will be readily available for daily dispatching to perform repairs as well as developing long-range plans for rehabilitation.

This paper version of the DOMP is temporary. This will be converted to an electronic data collection system when possible. One such application possibility is Fulcrum. Fulcrum is a simple, easily modified application that can be used for data collection geospatially. Data is collected using hand held devices (mobile phones) where the location of the deficiency is automatically captured. Data is then entered through a predetermined drop down list for channels, streets or bridges. Other data is entered free form.

The screenshot shows a mobile application interface for data collection. At the top, the status bar displays 'AT&T LTE', '10:03 PM', and '100%' battery. Below this, a header bar contains 'Cancel' on the left, 'JCDD 6' in the center, and 'Save' on the right. The main form area consists of several fields, each with a red asterisk indicating it is required: 'Date' (filled with 'June 17, 2020'), 'Time' (filled with '10:03 PM'), 'Channel Name', 'Nearest Landmark' (with an information icon), 'Priority' (filled with '3 - Necessary - Not Yet Critical'), 'Channel Inspection', 'Length (ft)', 'Width (ft)', 'Depth (ft)', and 'Notes'. At the bottom of the screen, there are three red icons: a document, a location pin, and a trash can.

Sample Data Collection Form using Fulcrum



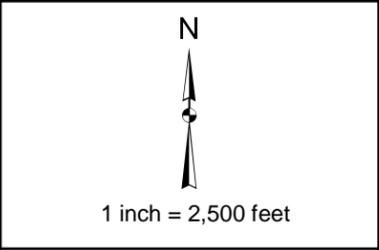
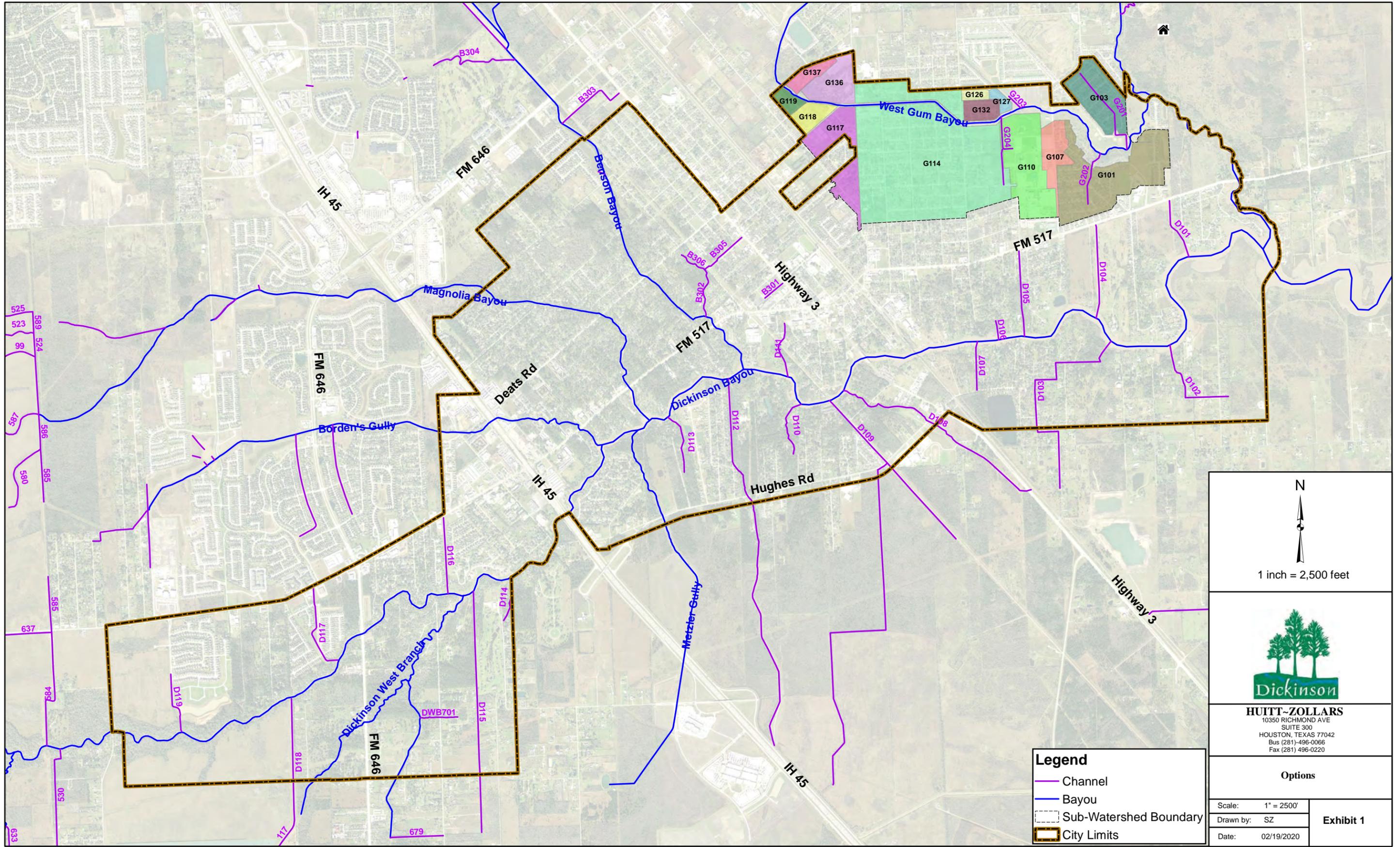
**HUITT-ZOLLARS**  
10350 RICHMOND AVE  
SUITE 300  
HOUSTON, TEXAS 77042  
Bus (281)-496-0066  
Fax (281) 496-0220

Legend	
	Mowing Limits
	Channel
	Bayou
	City Limits

Options	
Scale:	1" = 2500'
Drawn by:	SZ
Date:	02/19/2020

**Exhibit 1**



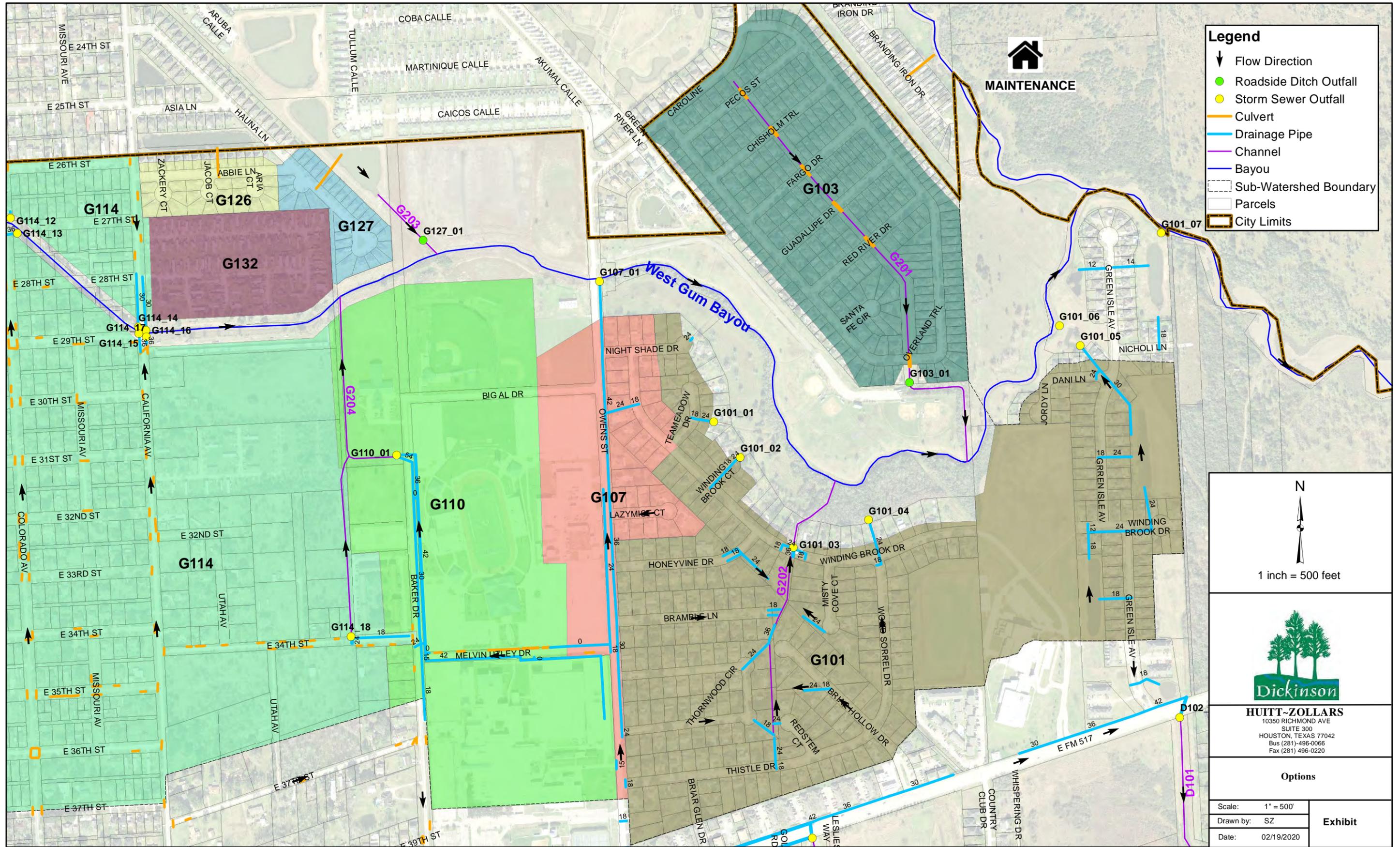


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Legend	
	Channel
	Bayou
	Sub-Watershed Boundary
	City Limits

Options	
Scale:	1" = 2500'
Drawn by:	SZ
Date:	02/19/2020

**Exhibit 1**



**Legend**

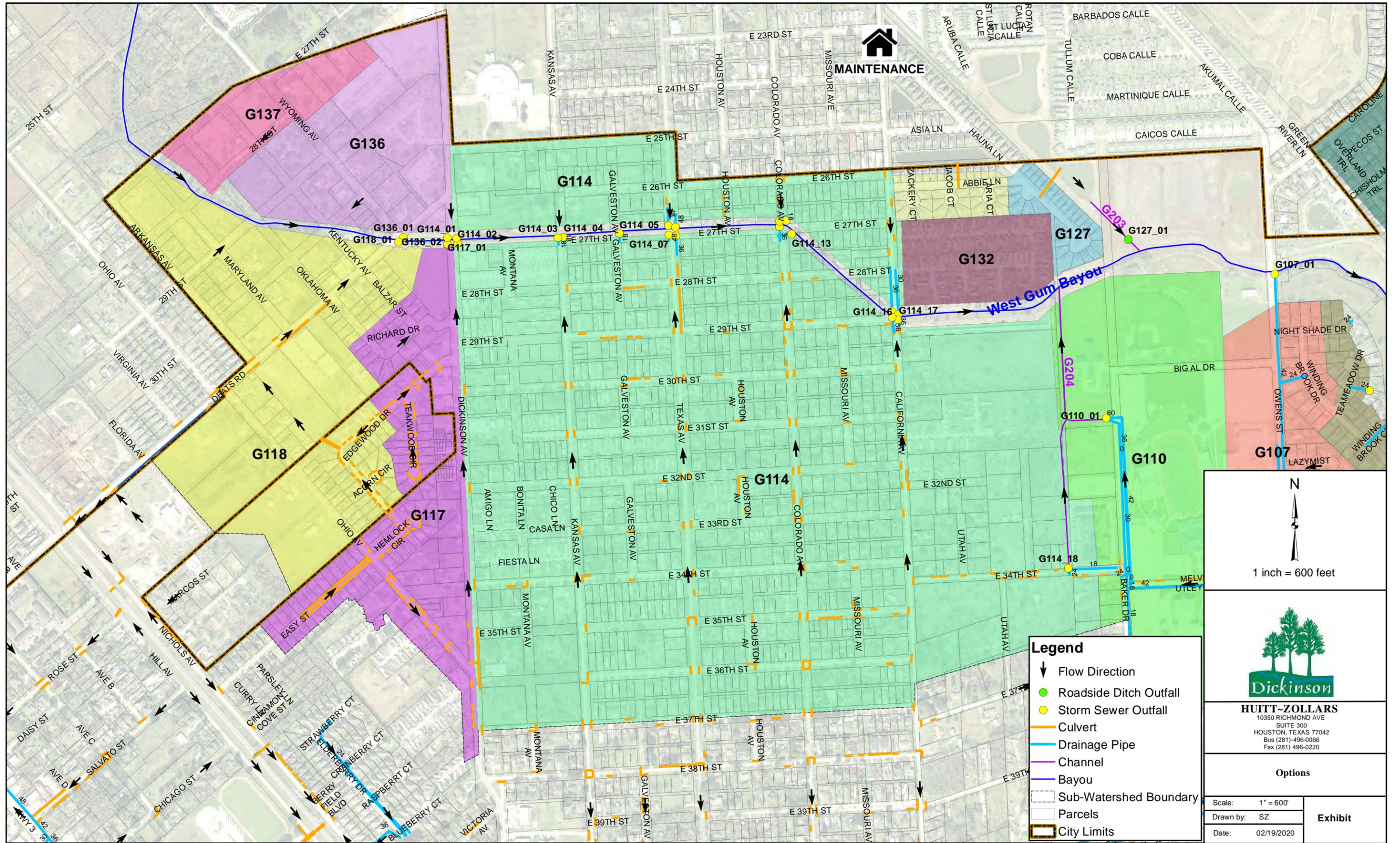
- ↓ Flow Direction
- Roadside Ditch Outfall
- Storm Sewer Outfall
- Culvert
- Drainage Pipe
- Channel
- Bayou
- - - Sub-Watershed Boundary
- ▭ Parcels
- ▭ City Limits

N

1 inch = 500 feet

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Date:	02/19/2020
<b>Exhibit</b>	



**Legend**

- ↓ Flow Direction
- Roadside Ditch Outfall
- Storm Sewer Outfall
- Culvert
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- Channel
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- ▭ Parcels
- ▭ City Limits

N

1 inch = 600 feet

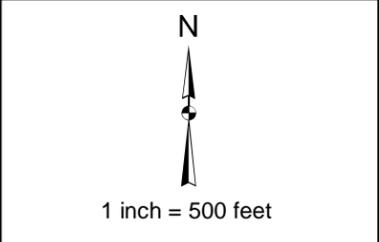
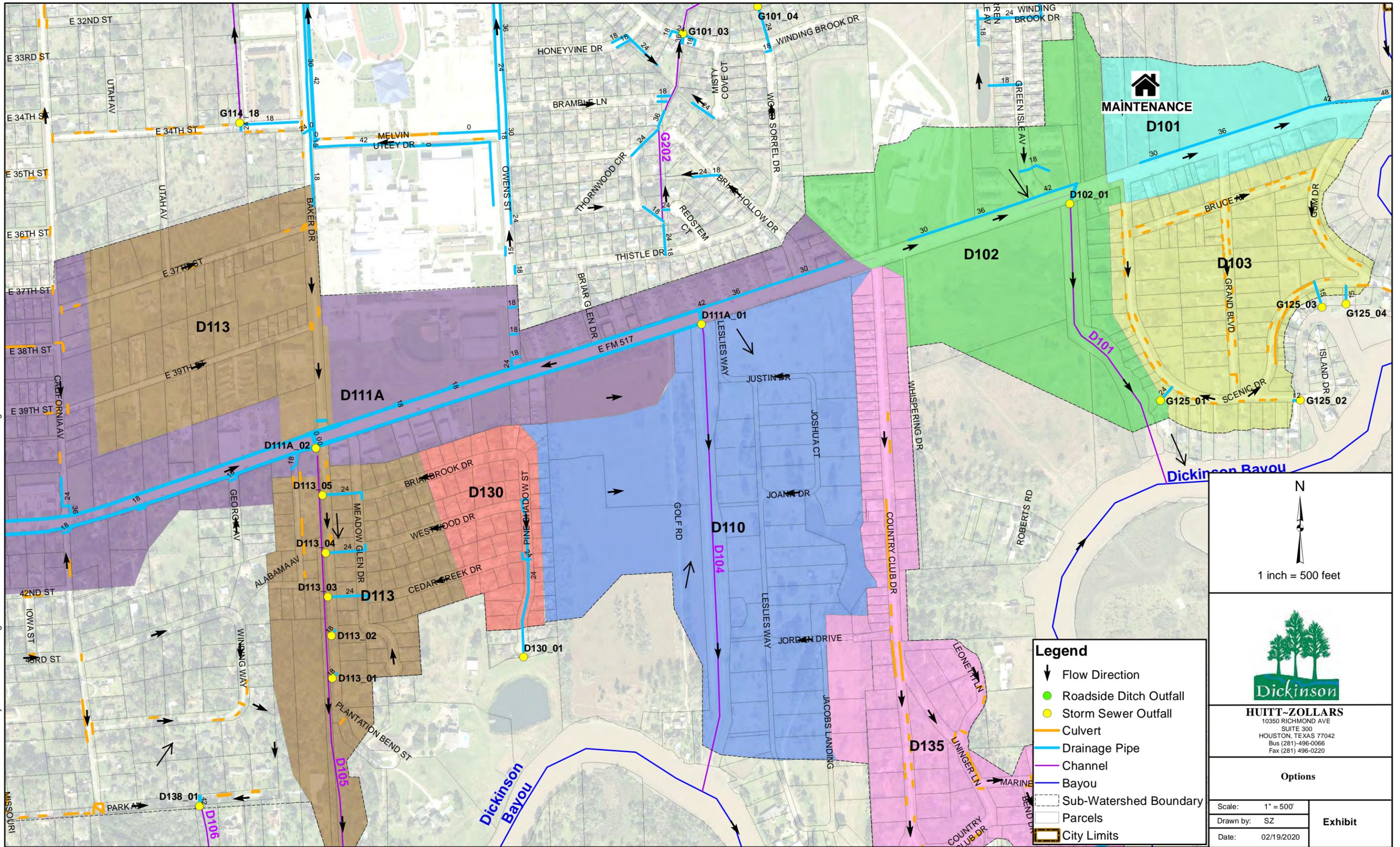
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**Options**

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**Exhibit**

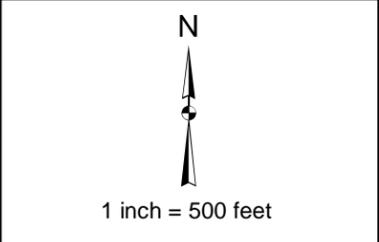
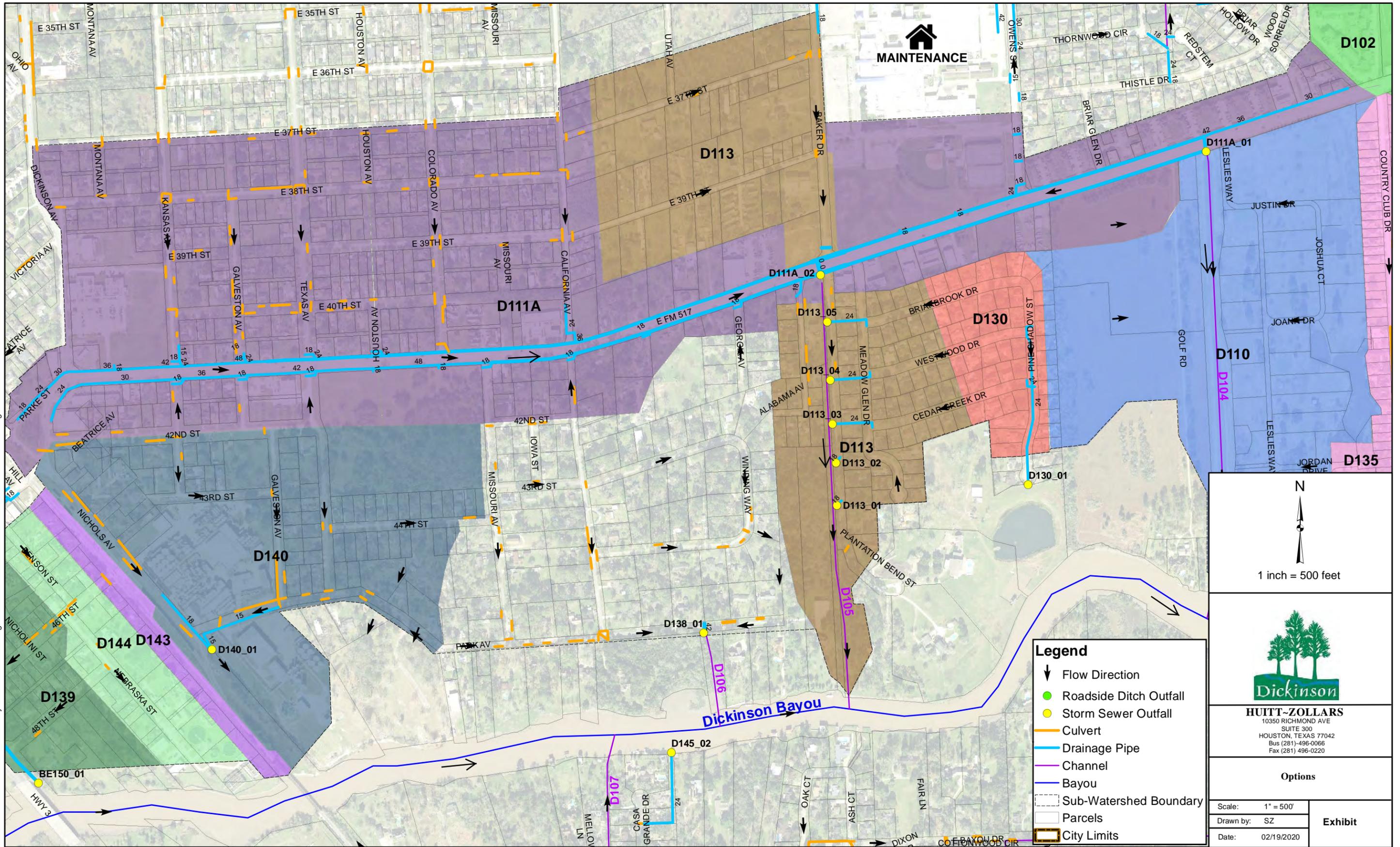




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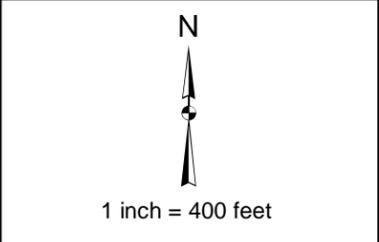
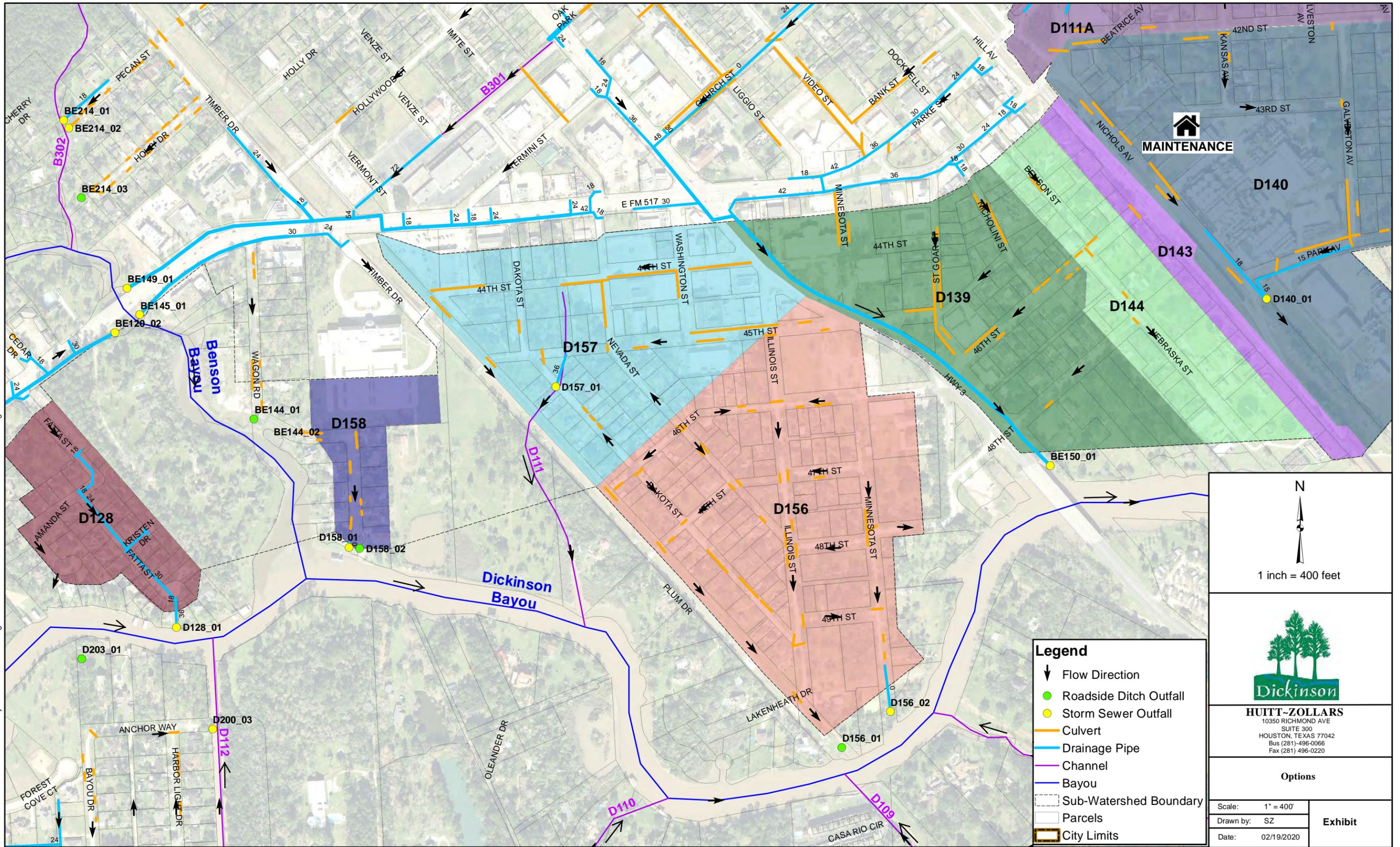
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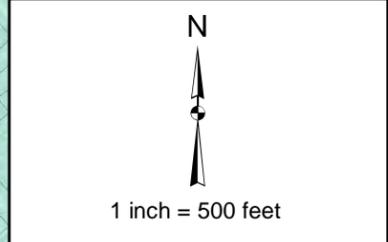
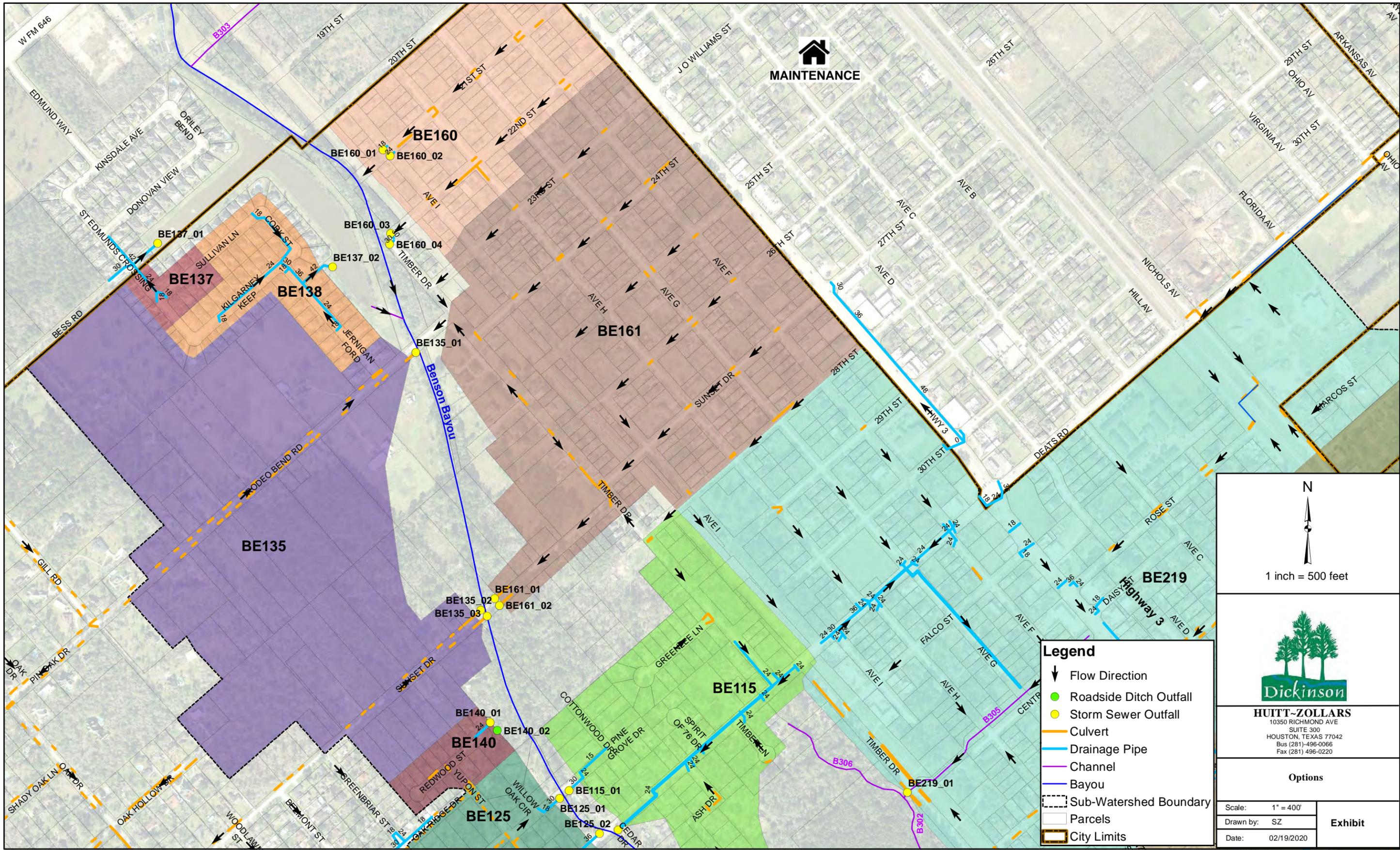


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Options	
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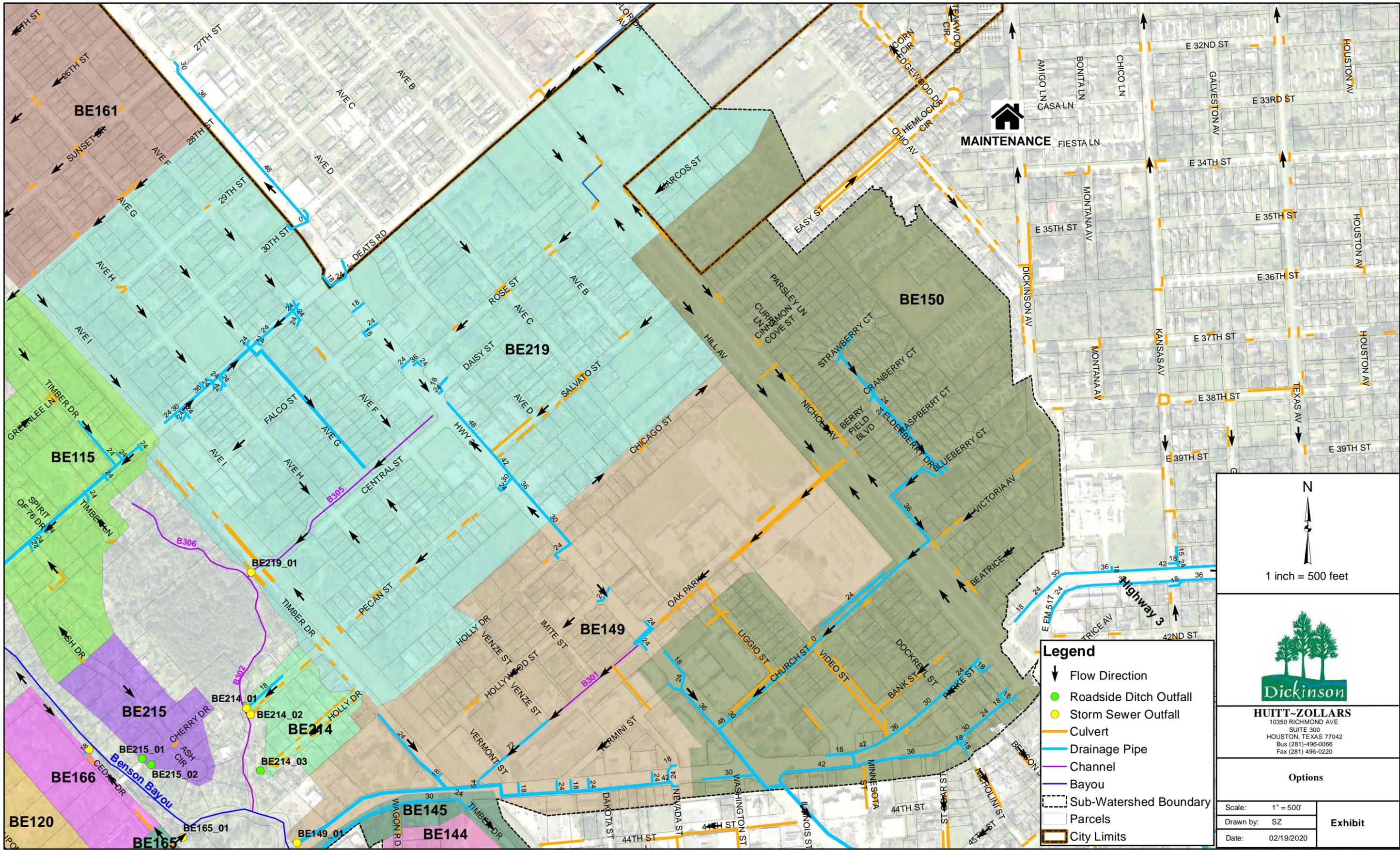


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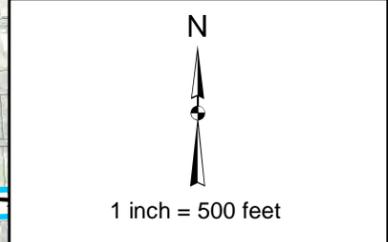
**Legend**

- ↓ Flow Direction
- Roadside Ditch Outfall
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MAINTENANCE

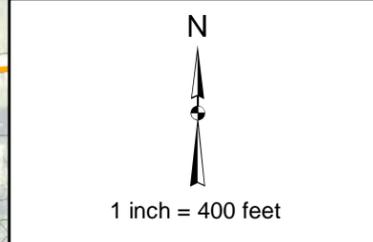
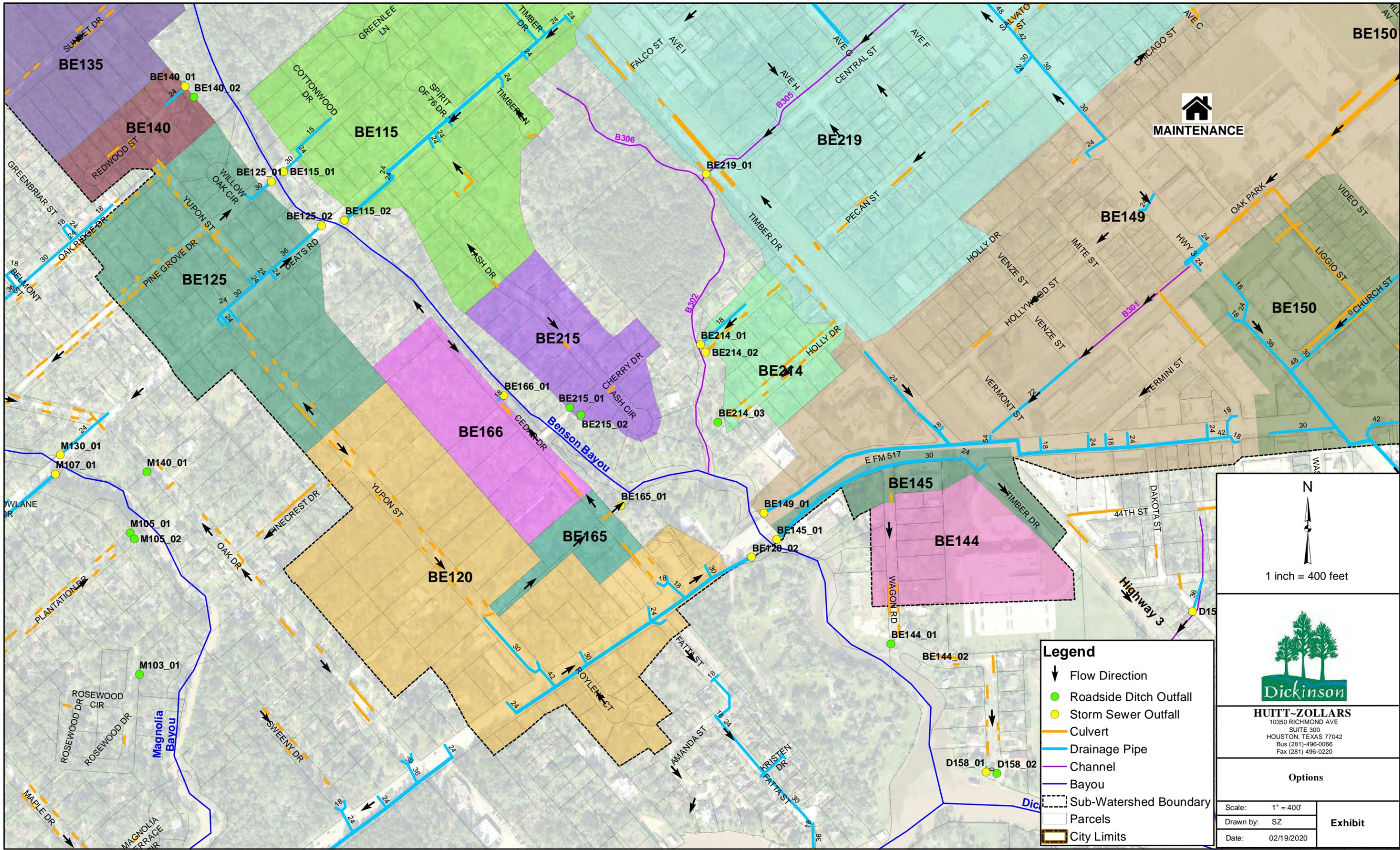


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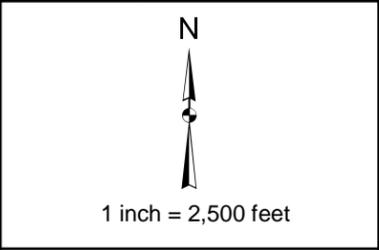
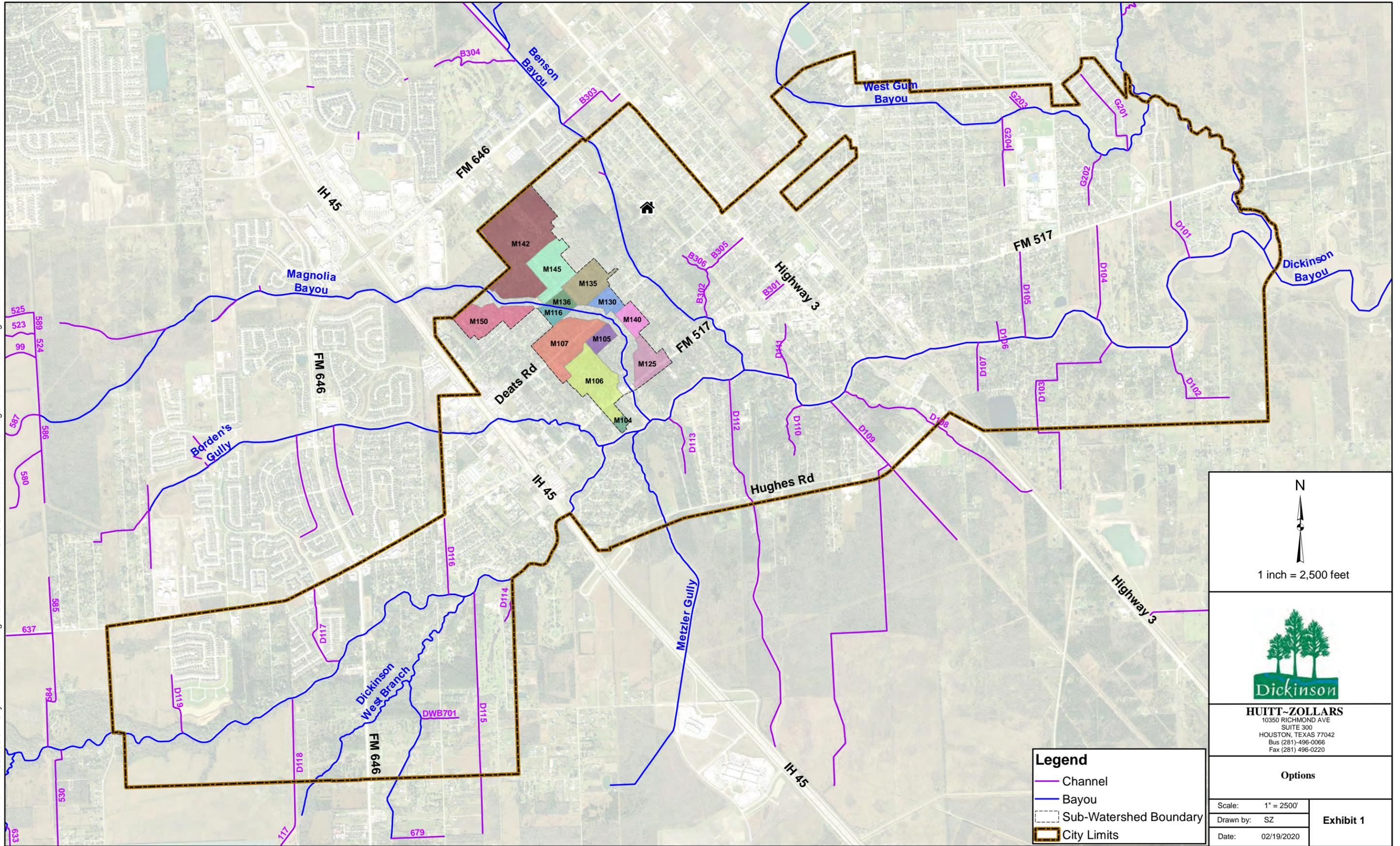
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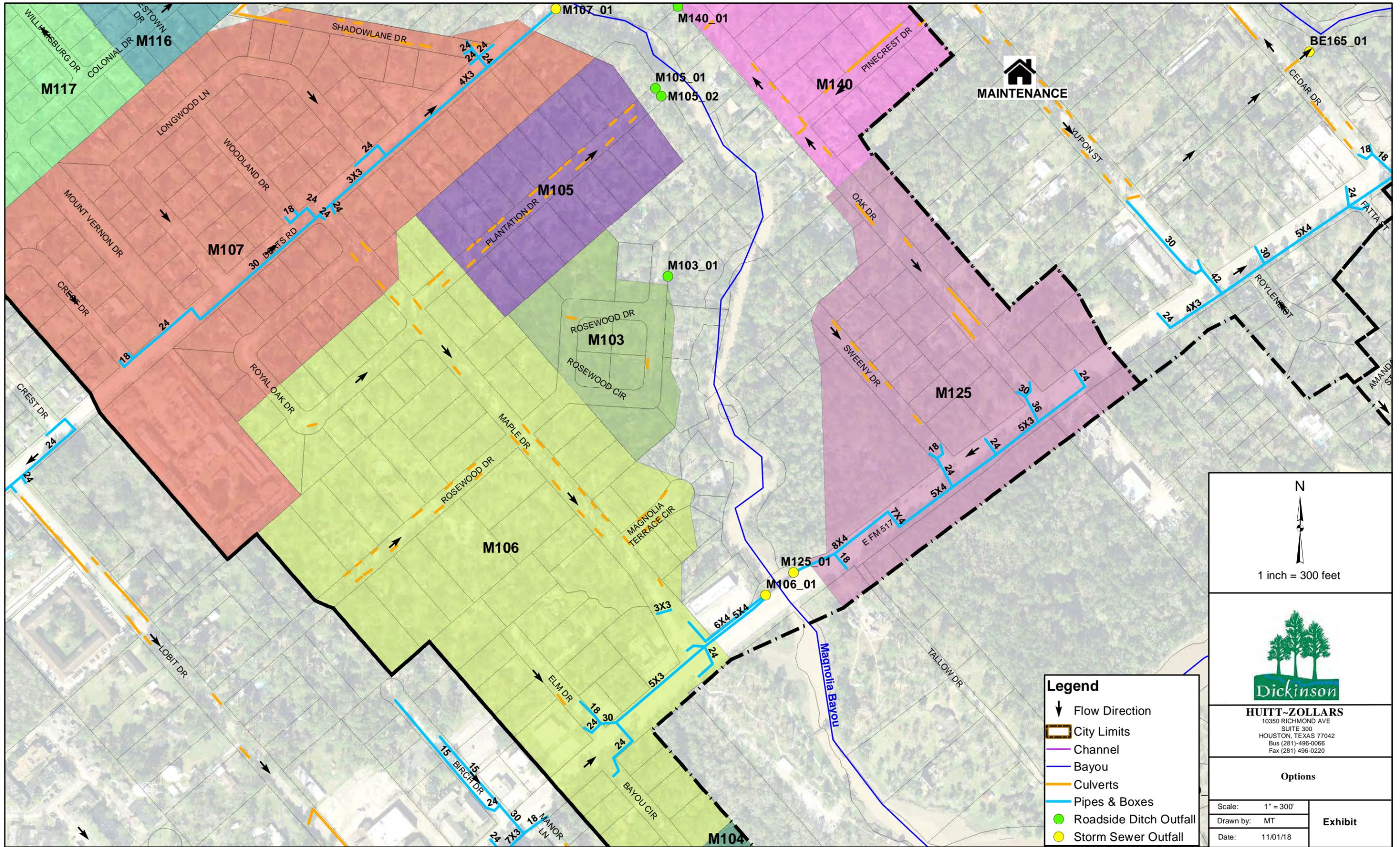
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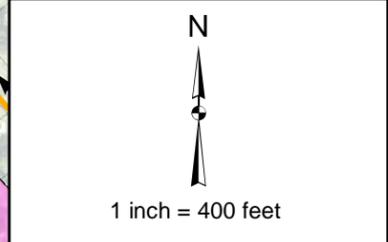
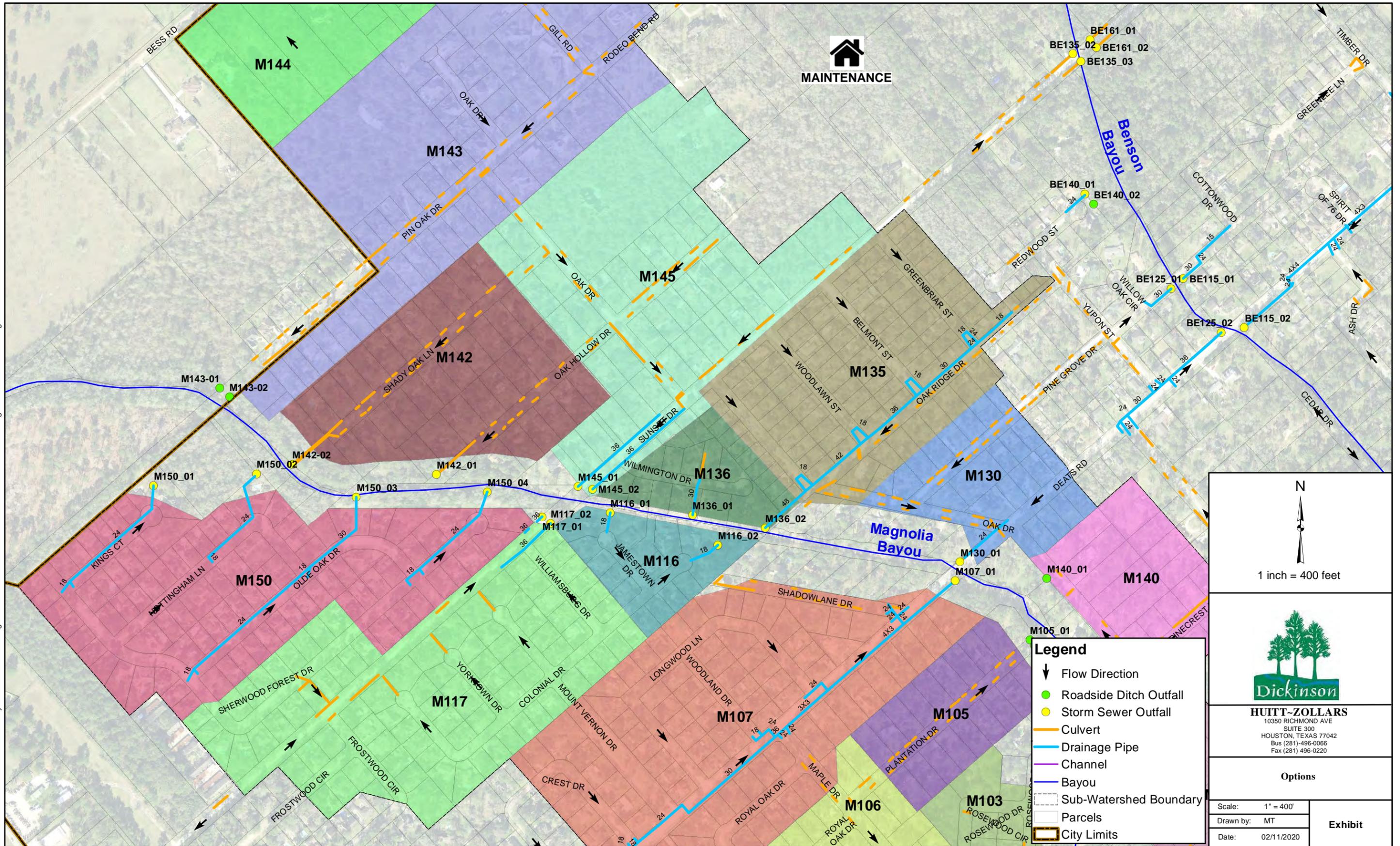
**Options**

Scale:	1" = 2500'	<b>Exhibit 1</b>
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**Legend**

- Channel
- Bayou
- Sub-Watershed Boundary
- City Limits

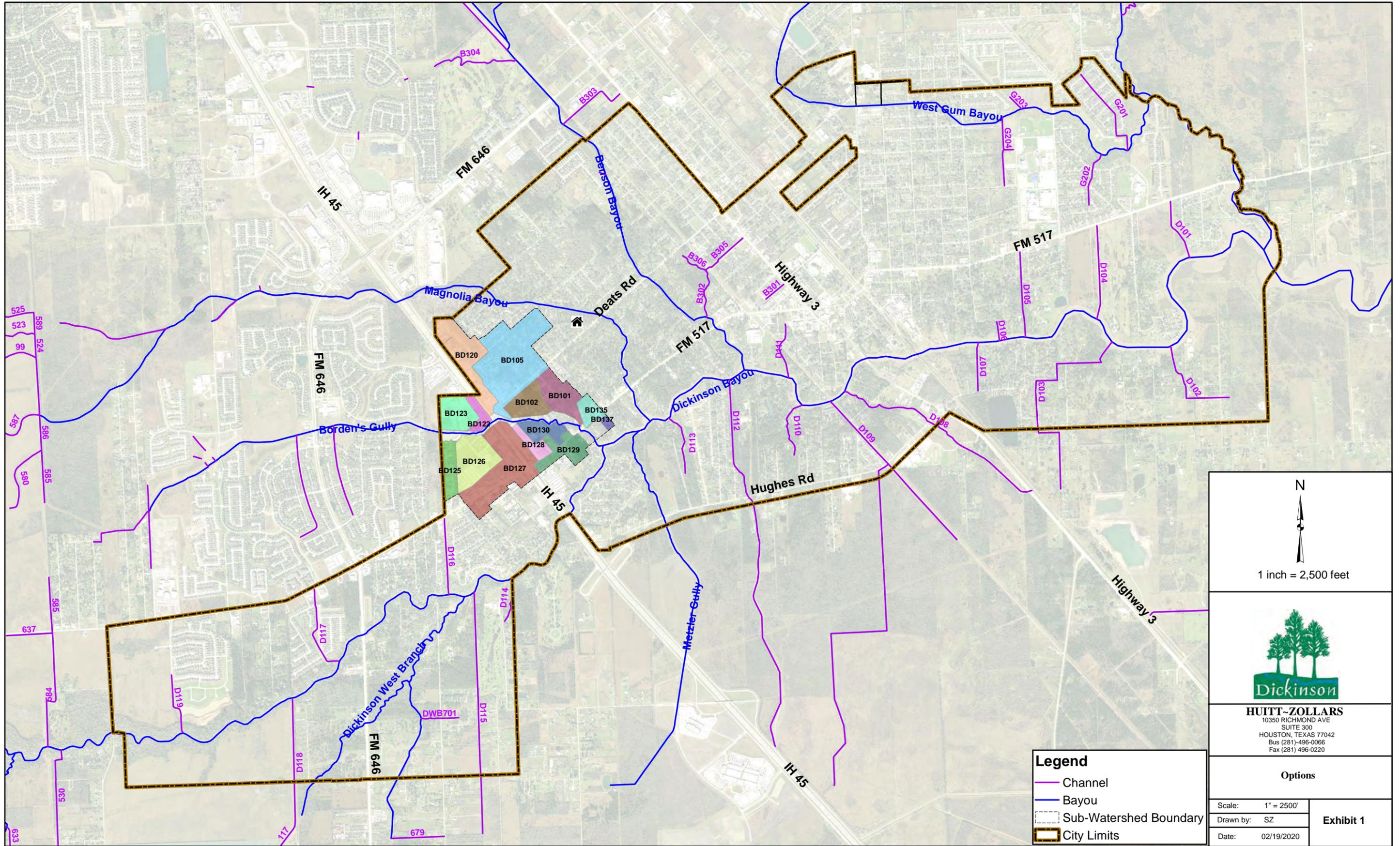




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<b>Options</b>	
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**Legend**

- Channel
- Bayou
- Sub-Watershed Boundary
- City Limits

N

1 inch = 2,500 feet

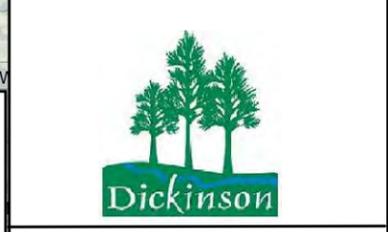
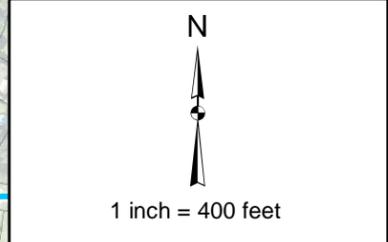
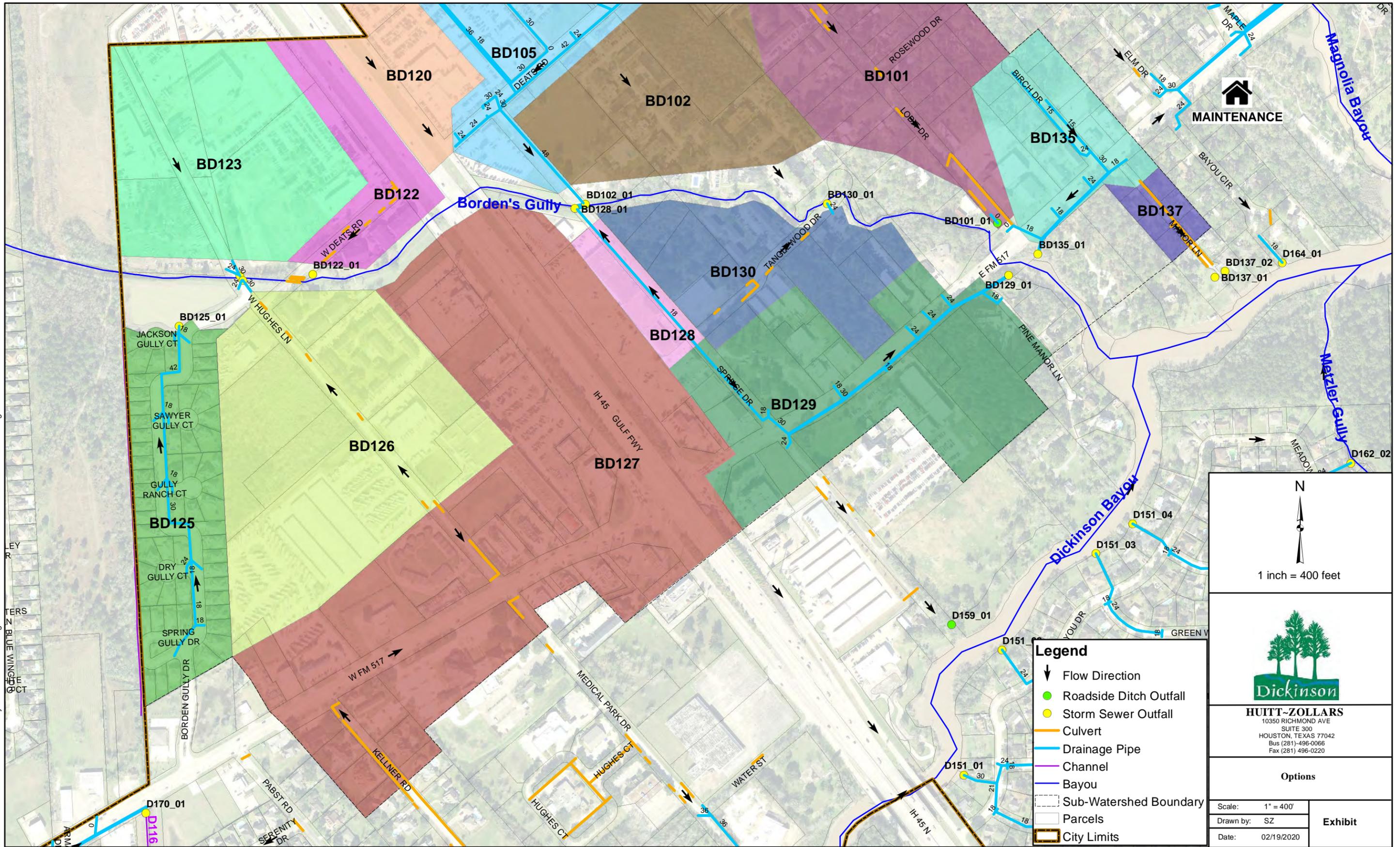


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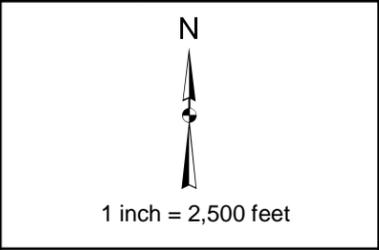
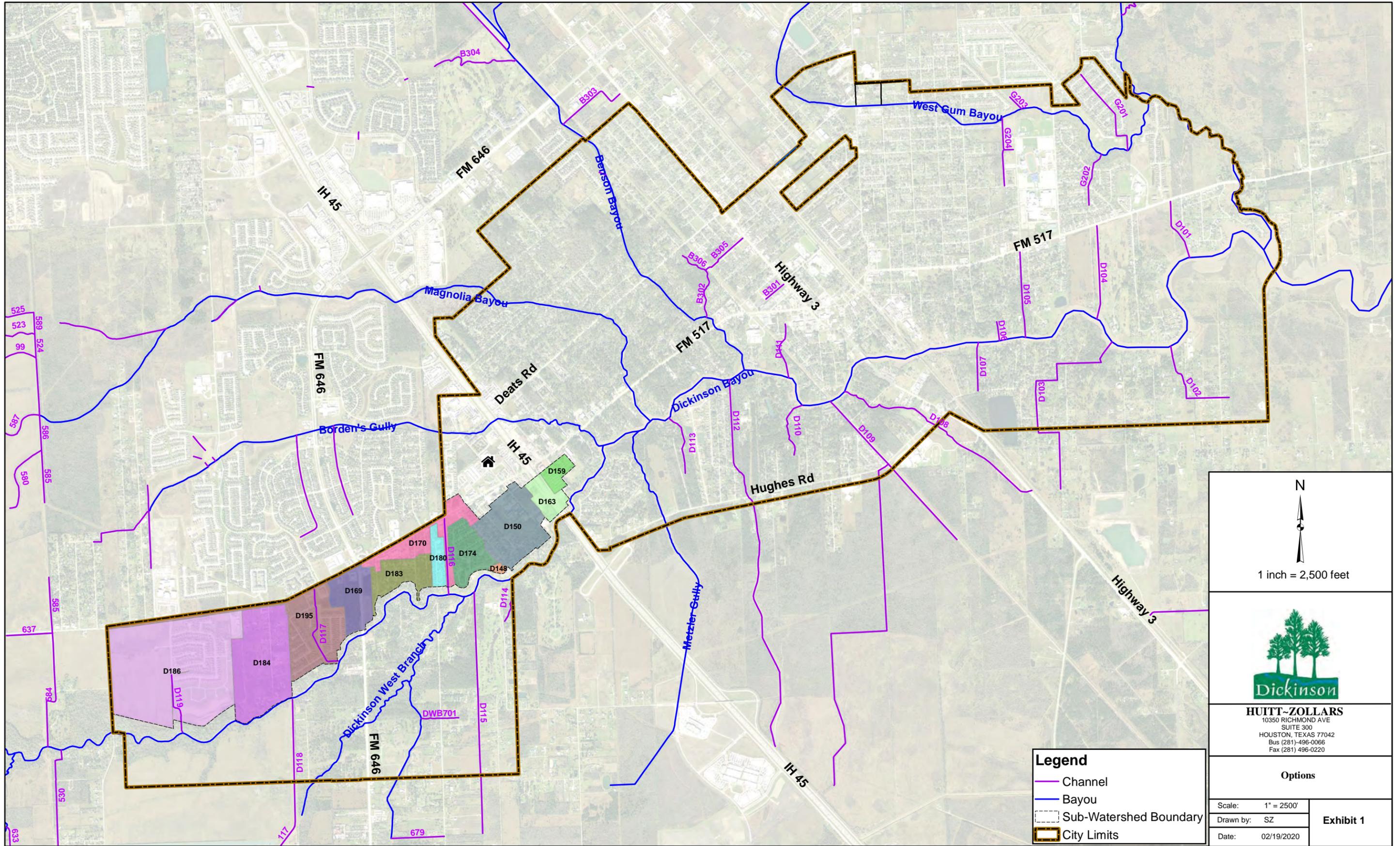




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  - ▭ Parcels
  - ▭ City Limits

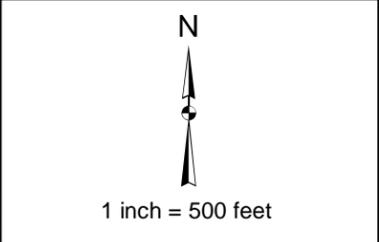
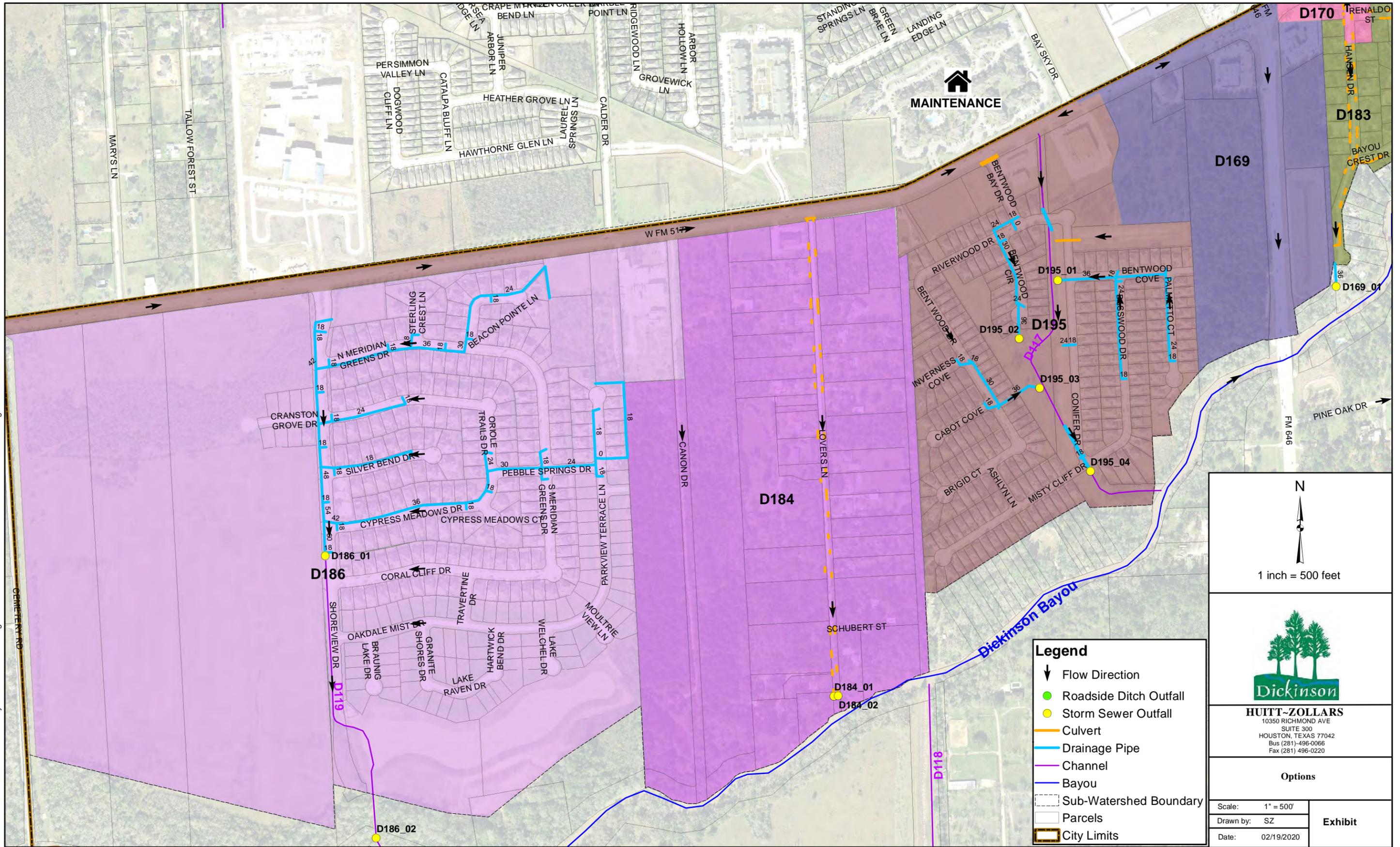
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Date:	02/19/2020
<b>Exhibit</b>	



**HUITT-ZOLLARS**  
10350 RICHMOND AVE  
SUITE 300  
HOUSTON, TEXAS 77042  
Bus (281)-496-0066  
Fax (281) 496-0220

Legend	
	Channel
	Bayou
	Sub-Watershed Boundary
	City Limits

Options	
Scale:	1" = 2500'
Drawn by:	SZ
Date:	02/19/2020
<b>Exhibit 1</b>	

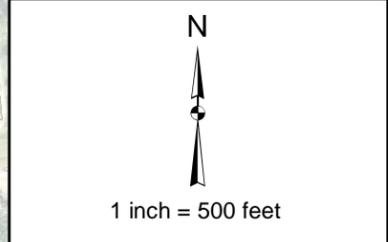
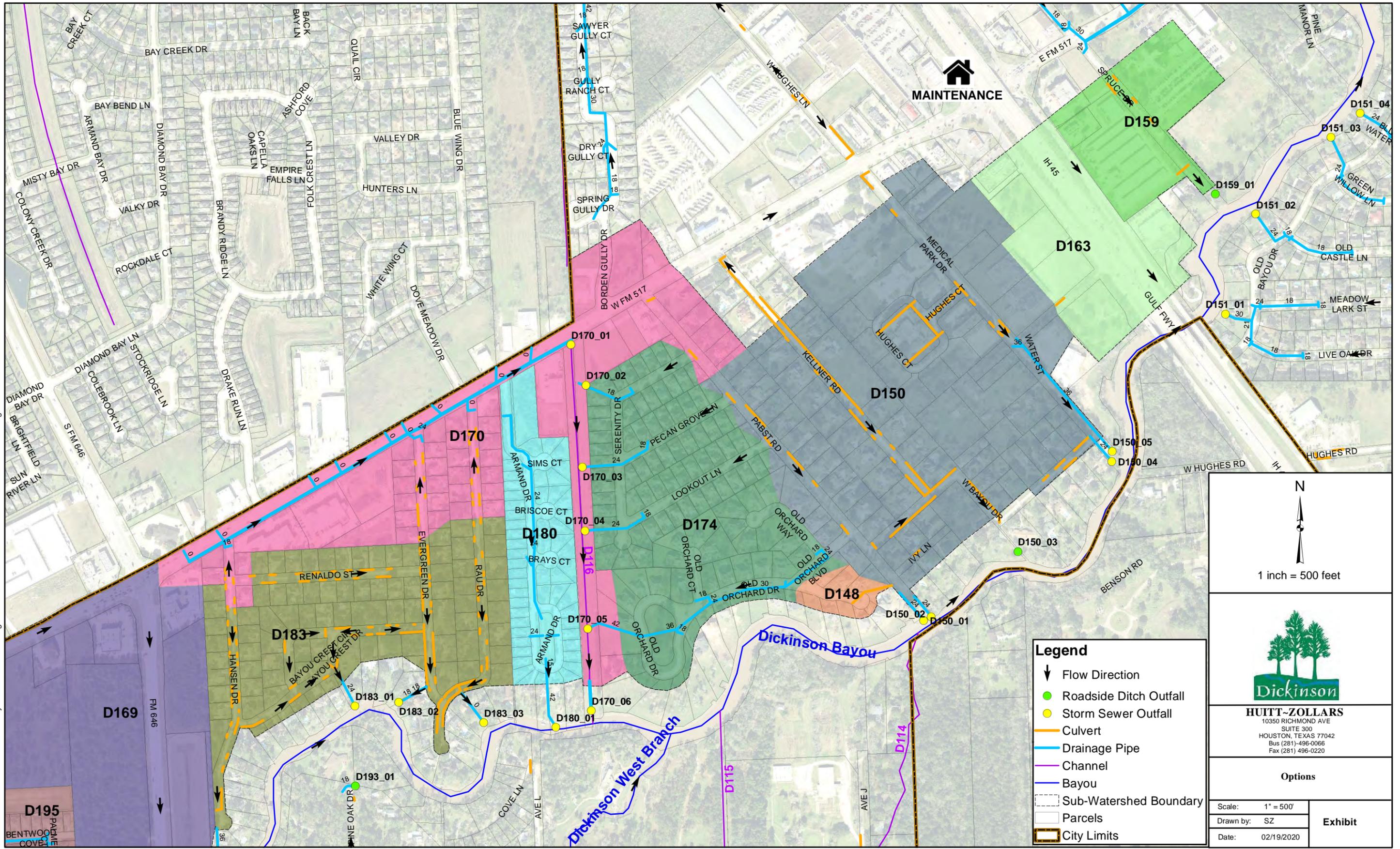


**Legend**

- ↓ Flow Direction
- Roadside Ditch Outfall
- Storm Sewer Outfall
- Culvert
- Drainage Pipe
- Channel
- Bayou
- - - Sub-Watershed Boundary
- ▭ Parcels
- ▭ City Limits

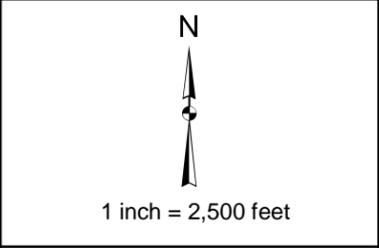
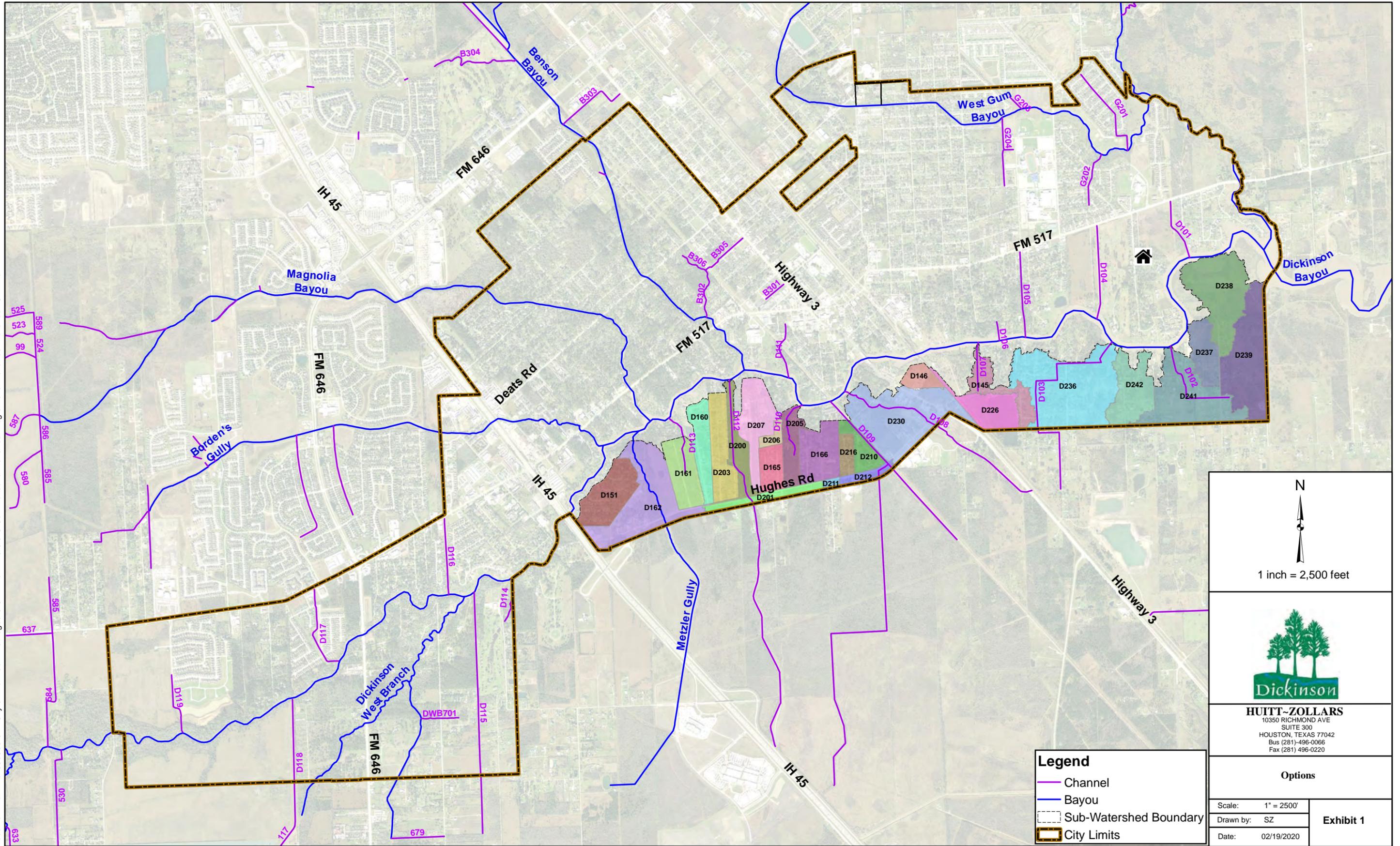
**HUITT~ZOLLARS**  
 10350 RICHMOND AVE  
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Date:	02/19/2020
<b>Exhibit</b>	



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Scale:	1" = 500'
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Date:	02/19/2020
<b>Exhibit</b>	



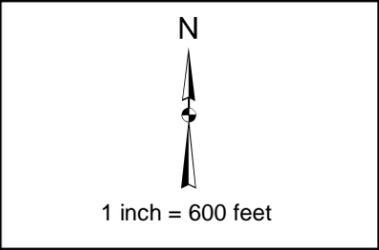
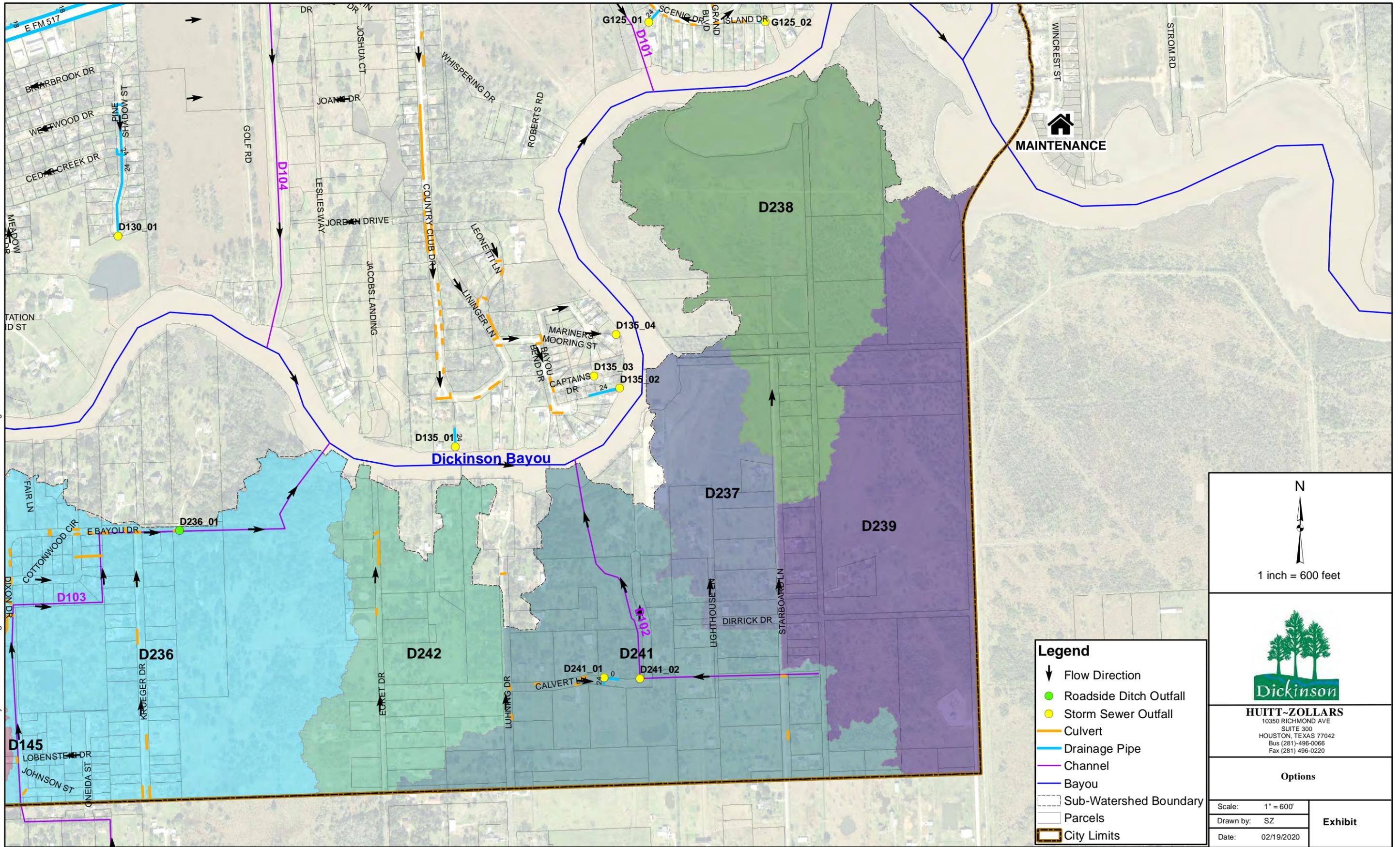
**HUITT-ZOLLARS**  
10350 RICHMOND AVE  
SUITE 300  
HOUSTON, TEXAS 77042  
Bus (281)-496-0066  
Fax (281) 496-0220

Legend	
	Channel
	Bayou
	Sub-Watershed Boundary
	City Limits

Options	
Scale:	1" = 2500'
Drawn by:	SZ
Date:	02/19/2020

**Exhibit 1**

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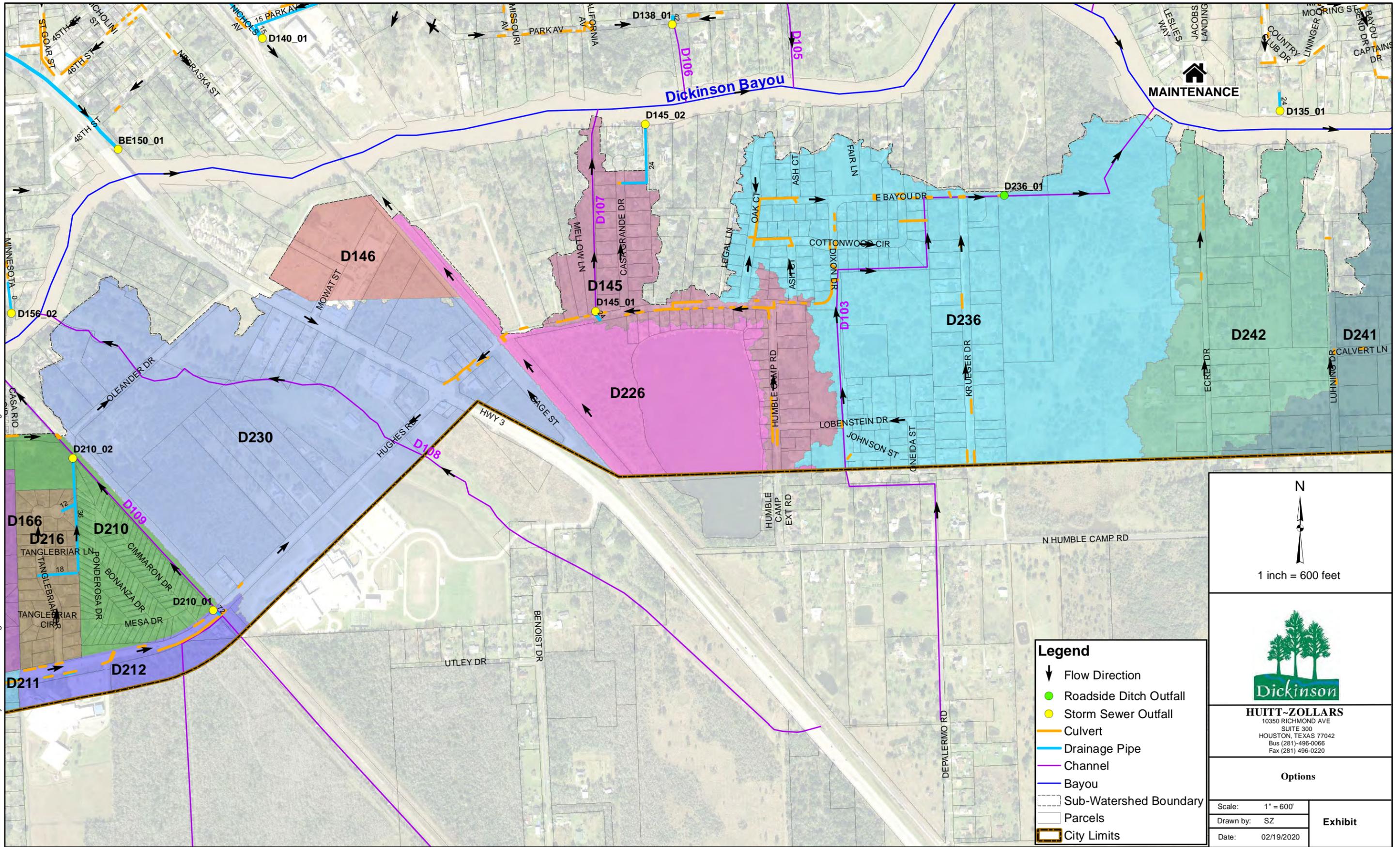


**HUITT-ZOLLARS**  
 10350 RICHMOND AVE  
 SUITE 300  
 HOUSTON, TEXAS 77042  
 Bus (281)-496-0066  
 Fax (281) 496-0220

- Legend**
- ↓ Flow Direction
  - Roadside Ditch Outfall
  - Storm Sewer Outfall
  - Culvert
  - Drainage Pipe
  - Channel
  - Bayou
  - - - Sub-Watershed Boundary
  - ▭ Parcels
  - ▭ City Limits

Options	
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<b>Exhibit</b>	

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**Legend**

- ↓ Flow Direction
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- Storm Sewer Outfall
- Culvert
- Drainage Pipe
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- Bayou
- - - Sub-Watershed Boundary
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- ▭ City Limits

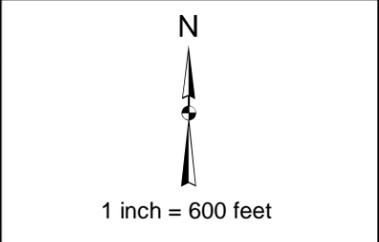
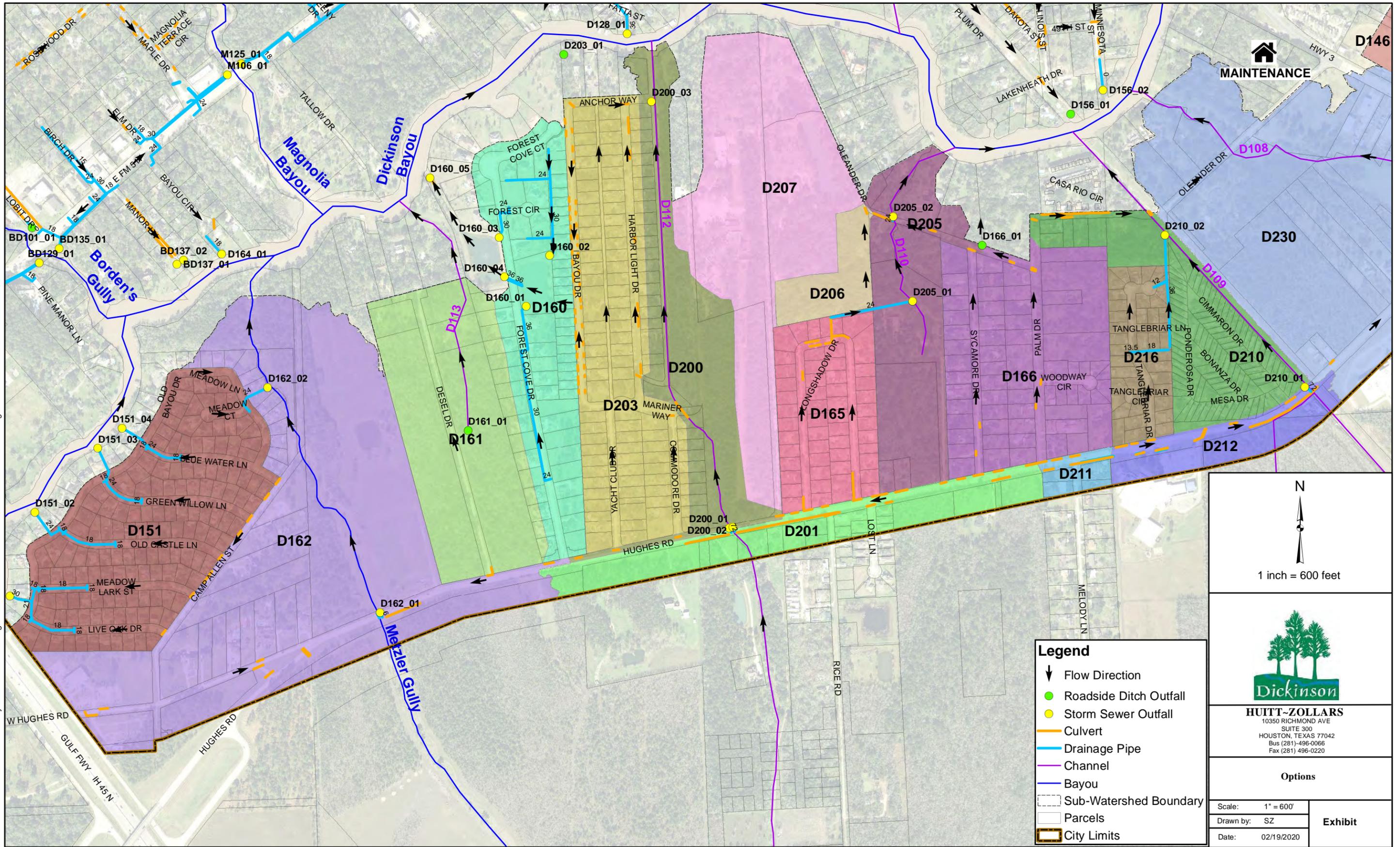
N

1 inch = 600 feet

**HUITT-ZOLLARS**  
 10350 RICHMOND AVE  
 SUITE 300  
 HOUSTON, TEXAS 77042  
 Bus (281) 496-0066  
 Fax (281) 496-0220

**Options**

Scale: 1" = 600'	<b>Exhibit</b>
Drawn by: SZ	
Date: 02/19/2020	



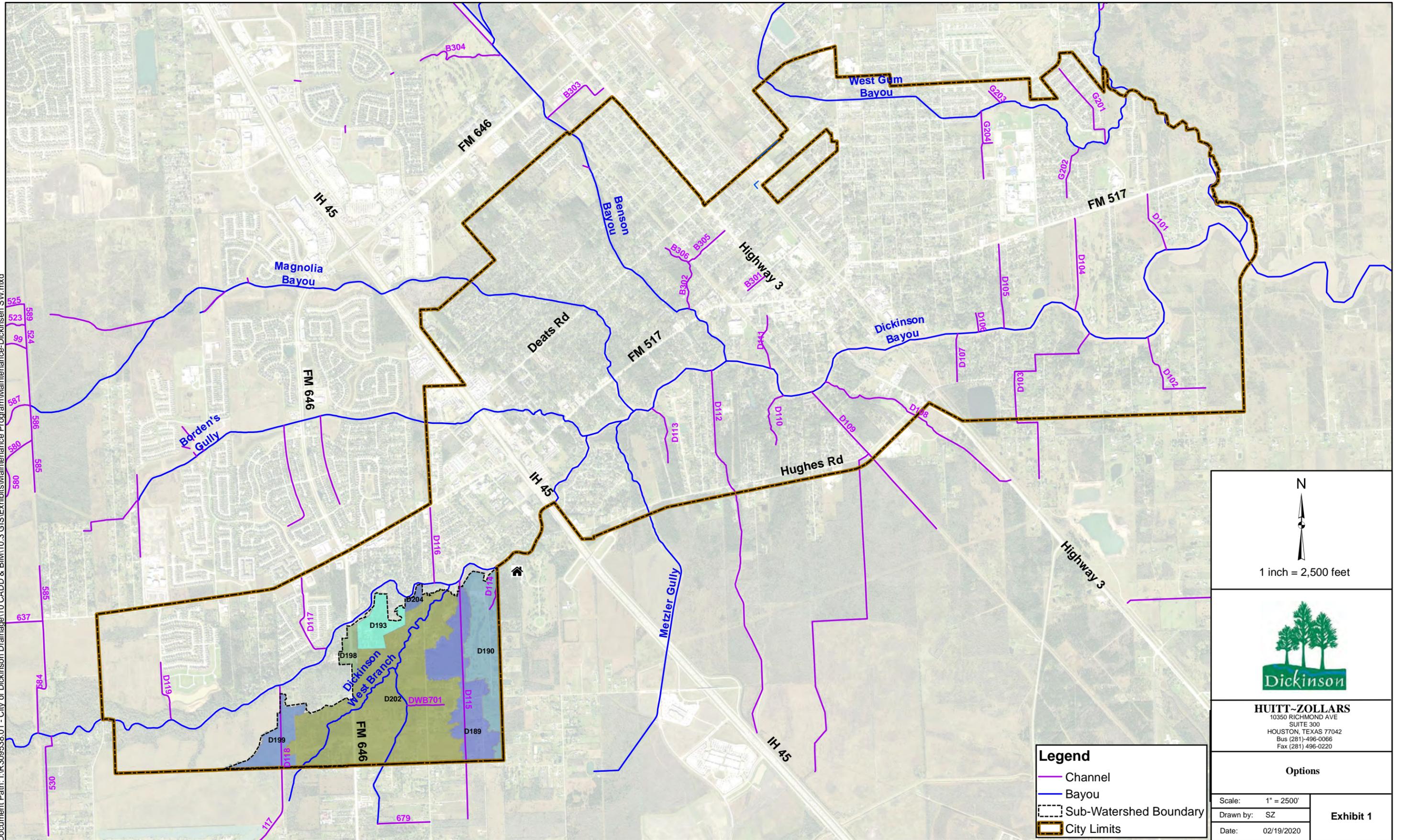
**Legend**

- ↓ Flow Direction
- Roadside Ditch Outfall
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Options	
Scale:	1" = 600'
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Date:	02/19/2020
<b>Exhibit</b>	

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**Legend**

- Channel
- Bayou
- Sub-Watershed Boundary
- City Limits

  
 1 inch = 2,500 feet



**HUITT-ZOLLARS**  
 10350 RICHMOND AVE  
 SUITE 300  
 HOUSTON, TEXAS 77042  
 Bus (281)-496-0066  
 Fax (281) 496-0220

<b>Options</b>	
Scale:	1" = 2500'
Drawn by:	SZ
Date:	02/19/2020
<b>Exhibit 1</b>	



Exhibit 2

Deficiency Data Collection Form

Watershed (See Exhibit 1 for outfall names):	
Channel name, Road, and approximate distance to deficiency:	
Address of the adjacent house to the deficiency:	
Priority of Deficiency:	
Approximate dimensions (Length, Width, and Depth):	
Any relevant information that may be needed to repair said deficiency:	
Circle at least one of the deficiencies noted below and provide a comment:	
<ul style="list-style-type: none"> <li>• Outfalls:             <ul style="list-style-type: none"> <li>○ Silt</li> <li>○ Collapsed</li> <li>○ Debris</li> <li>○ Other</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• Channels:             <ul style="list-style-type: none"> <li>○ Lack of Vegetation</li> <li>○ Overgrowth of Vegetation</li> <li>○ Slope Failure/Erosion</li> <li>○ Other</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• Roadside Ditches:             <ul style="list-style-type: none"> <li>○ Silting of ditches and culverts</li> <li>○ Slope Failures</li> <li>○ Failed culverts</li> <li>○ Traffic Hazards</li> <li>○ Other</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• Storm Sewer Drainage Systems (Pipes and Inlets):             <ul style="list-style-type: none"> <li>○ Broken Inlets</li> <li>○ Clogged Inlet's Intake/Grate</li> <li>○ Clogged inside Inlet/Manhole or Pipe</li> <li>○ Sinkhole</li> <li>○ Other</li> </ul> </li> </ul>	

# **ITEM 5C**

## **Comprehensive Plan Request for Proposals**

# REQUEST FOR PROPOSAL

## City of Dickinson, TX Comprehensive Plan Update

The City of Dickinson is seeking qualified consulting firms to submit statements of qualifications to update the Comprehensive Plan for the City of Dickinson. Proposals will be accepted from individuals, firms, or groups of firms who can demonstrate they have the resources, experience, and qualifications to provide a range of professional planning and recommendations for update and review of the City of Dickinson Comprehensive Plan.

**Sealed proposals will be received until 11:30 a.m., August 3rd, 2020.**

### Return Sealed Proposal to:

City of Dickinson  
Attn: Alun Thomas  
4403 Highway-3  
Dickinson, Texas 77539

### City of Dickinson Vision

*The City of Dickinson is unique, safe, family-oriented, waterways enclave, well-maintained, functional infrastructure and new Subdivisions of buildings that signify managed growth. This community is a part of the cultural arts center of the Bay Area, with a robust economy- revitalized commercial district (Baybrook Mall), tourism, and high technology business (NASA), while reflecting the small-town atmosphere.*

*\*Requesting the Mayor & Council's input.*

## Request for Proposals

### I. Introduction

The City of Dickinson, Texas is soliciting proposals for professional planning services for review, recommendations, and update of the City's Comprehensive Plan. The Comprehensive Plan update will include but not be limited to the following Project Tasks. These tasks are discussed in more detail in Section IX.

- Overview/Review of Existing Information
- Data Collection and Analysis
- Citizen Participation
- Goals and Objectives

- Future Land Use Plan
- “Base Zone” in Overlay Districts
- Developments in Floodplains
- Impacts of Regional Growth
- Housing Choices
- Parks, Recreation and Open Space Review
- Economic Development and Retention of Businesses
- Implementation

Dickinson’s most recent Comprehensive Plan was completed in 2015. The City’s Zoning Map is currently being updated for 2020. Dickinson needs an updated planning document that addresses the City as a whole and focus on the above components as the guideline.

## **II. Schedule of Important Dates**

The tentative schedule for the selection of a consultant for this project is as follows:

- Proposal Submission Deadline: 45 days from posting at 11:30 a.m.
- City Council consideration of bid award by City: Aug 25th, 2020

## **III. Submittal Information**

Interested consultants shall submit the sealed RFP response by 11:30 a.m., August 3rd, 2020, to the contact below. Emailed copies will be accepted.

City of Dickinson  
 Attn: Alun Thomas  
 4403 Highway3  
 Dickinson, Texas 77539

All questions prior to the closing date should be directed to City Administrator, Chris Heard, ([cheard@ci.dickinson.tx.us](mailto:cheard@ci.dickinson.tx.us)) or, Kola Olayiwola, Director of Community Services ([kolayiwola@ci.dickinson.tx.us](mailto:kolayiwola@ci.dickinson.tx.us)). Inquiries should refer to specific section numbers of this RFP. All expenses of proposal preparation, up to and including on-site interview, are not reimbursable by the City of Dickinson and are at the sole discretion of the respondent.

## **IV. City Background and Information for Consideration**

The City of Dickinson, a home rule city, was originally a ranch in an unincorporated area of southern Galveston County. Dickinson was incorporated in 1977 as a City by the Bayou. Dickinson continues to grow as part of the larger Galveston County with proximity to the Johnson Space Center. Dickinson is also situated on I-45, a major travel route between Houston and Galveston. The City population is approximately 18,680 (2010 Census) and growing. Total area is 10.3 sq. mi., with 96.1% as land mass and the remaining 3.9% as waterways. The Weather is Tropical with extended summers outdoor activities. In August 2017 Dickinson was devastated by Hurricane Harvey that flooded 90% of the City and about 50% of homes were destroyed. Since, the City has been undergoing reconstruction with up to 70% of the damaged homes already back to standard. This

RFP to update the City Comprehensive Plan will represent a Phase in continued reconstruction of the City.

## **V. Scope of Services**

The City is expecting a complete review of its Comprehensive Plan- to be inclusive of recommendations of updates. The respondent shall submit a proposed general process for the project using past experience and best practices in similar communities.

The City is expecting a complete review of its Comprehensive Plan- to be inclusive of recommendations of updates. The respondent shall submit a proposed general process for the project using past experience and best practices in similar communities. The comprehensive plan should address in detail a planning directive for 2021 – 2025 and provide tools to guide growth while considering observations and challenges for a planning projection of 2021 – 2030.

Coordination with other affected public agencies including, but not limited to, the Texas Department of Transportation, the Houston-Galveston Area Council, General Land Office, Dickinson Economic Development Corporation and others will be the responsibility of the selected consultant. Once a contract has been approved by the City Council, key City personnel will be available for input, consultation, inquiry, and review of all aspects of the planning effort; but it is not envisioned that City staff will be directly responsible for any work elements other than those specifically described herein.

## **VI. Planning Approach**

A response to this RFP shall include the respondent’s proposed methodology and approach, including a general timeline, for performing a review and update to the Comprehensive Plan. The City is looking forward to a planning approach that:

- I. Is innovative and specific to Dickinson;
- II. Balances the interests of all stake holders in the future of Dickinson;
- III. Serves as Educational medium to the public and development community on best practices and on what similar communities are doing;
- IV. Creates a guide for land use decisions that are consistent with best practices for land development;
- V. Incorporates work completed on other related plans and projects that have been recently updated; and
- VI. Provides for diversified and thorough public involvement in the drafting and adoption process.

## **VII. Successful Respondent Characteristics**

The successful respondent to this RFP shall demonstrate the following characteristics:

- a. High success rate of comprehensive plan adoption;
- b. Experience in developing comprehensive plans in the state of Texas;
- c. The ability to produce win-win solutions;
- d. The knowledge and experience necessary to educate the public and elected officials on the value of comprehensive planning;

- e. An awareness of the economic, social, and environmental consequences of future suburban development; and
- f. A list of highly satisfied previous clients.

## **VIII. Request for Proposals Response Package**

Please provide the City a response that includes:

### **I. A Firm introduction and summary that addresses:**

- Project management approach;
- Planning philosophy;
- Technology and resources to be used in the planning process;
- Public participation approach; and
- Proposed project schedule, including a general timeline.

**II.** Résumés reflecting the qualifications and experience of each member of the planning team, including any potential subcontractors. Only include qualifications for those team members who will be present at most staff and public meetings.

### **III. Related firm experience and professional references, including:**

- Narrative reports describing at least three comprehensive plan projects or revisions completed in the last five years with reference contact information;
- For the referenced projects, provide a summary of the proposed project timeline and budget and the actual project timeline and budget with reasons for increases, if any.

**IV.** Enumeration of the firm's present workload and a schedule indicating the firm's ability to accomplish the project with its present work force. Identify the level of time commitment that the City of Dickinson can expect from senior, principal staff dedicated to this project.

### **V. A detailed description of the work element or service that is proposed for each of the Project Tasks outlined below. This description should include:**

- The proposed methodology that will be utilized to perform the task.
- The projected time frame necessary to accomplish each task and when, during the overall plan preparation, the task will be performed.
- The professional staff that will be directly involved with each task.

**VI.** The specific services to be provided will be determined through negotiation and mutual agreement between the City and the consultant. The City expressly reserves the right to perform any part of the project itself or to use outside services.

## **IX. Project Tasks**

The respondent's proposal should address each of the following Project Tasks:

### **1. Overview and Existing Information Review**

The respondent shall analyze and critique existing plans, projects, studies, and agreements, as well as any additional information that may influence or impact the planning process.

### **2. Data Collection and Analysis**

The respondent shall analyze historic, current, and projected data pertaining (but not limited) to housing, population, employment, economic indicators, and land use statistics. Data should be organized by five-year increments and be used by the respondent to identify major characteristics and shifts that will affect the City during the planning horizon.

### **3. Citizen Participation**

A detailed citizen participation process shall be proposed by the respondent that is patterned after successful experiences the respondent had in prior plans they have prepared. The proposed approach should be very inclusive and incorporate innovative approaches to drawing diverse groups and ideas into the planning process. The respondent will be an integral part of the citizen participation process and will be expected to attend and participate in all meetings.

The citizen participation process may involve multiple approaches including (but not limited to): leadership interviews, community meetings, use of print and social media, and online communication.

The goals of the Citizen Participation task are to:

- Educate involved parties about the comprehensive plan's role and importance to the community;
- Disseminate information to interested and involved parties;
- Provide effective and efficient mechanisms for gathering public input on various issues; and
- Engage the community and build consensus throughout all phases of the planning process.

### **4. Goals and Objectives**

The respondent shall develop a comprehensive and concise set of goals and objectives to guide decisions during the planning period.

### **5. Future Land Use and Zoning Update**

The respondent shall evaluate the current land use and shall make recommendations for any edits or revisions for Future Land Use and Zoning Patterns. Recommendation of and addition or deletion of zoning classification

### **6. Impacts of Regional Growth**

The respondent shall review regional growth in relations to affordable housing, citywide mobility, economic development, etc., and offer recommendations for Dickinson to maintain a sustainable presence in the Region.

### **7. Housing Choices**

The respondent shall analyze the housing options in Dickinson and provide recommendations for maintaining the viability of the existing housing stock and providing housing choices for the future.

### **8. Parks, Recreation, Open Space and Flood Control Plan**

The respondent shall review, update and offer recommendations for better utilizing and creating parks and open spaces. This task shall give consideration to the idea that open space and flood control projects should be incorporated. Expectations would be strong recommendations for expansion or improvement of our open spaces to serve the projected population and development pattern.

## **9. Economic Development and Redevelopment**

The respondent shall propose a scope of services for this task like successful economic development plans and policies that the consultant has completed in the past, including an Inventory of Available Properties and Development Alternatives that will substantially impact Dickinson. Particularly along our Overlay Districts, i.e., Highway 3 Overlay and I-45 Interstate Commerce District and the Dickinson Bayou.

## **X. Implementation**

Specific strategies shall be proposed that detail the resources and actions necessary to implement any recommendations made to the Plan. The respondent shall recommend actions to maximize the benefits and minimize negative reactions to the preferred development pattern. The respondent shall propose strategies to address the findings and recommendations of the various Project Tasks. All recommended implementation strategies shall be prioritized and presented in a format that can easily be tracked and updated.

## **XI. Deliverables**

The City expects several deliverables during this project, as opposed to only one deliverable being produced in the form of a single, final document at the end of the process. Deliverables will be both digital and hard copy in format. The content of these deliverables will be determined during contract negotiation.

## **XII. Miscellaneous Information**

- a. Information Technology.** Any computer-based mapping system should integrate with the City of Dickinson's current system.
- b. Selection Process.** From a review of the responses received, the City intends to invite several respondents to be interviewed and staff will present its recommendation to the City Council for approval. The City of Dickinson reserves the right to reject all proposals and to waive any irregularities.

### **XIII. Contact Information**

The following format should be followed, completed and submitted with your proposal.

<b>Company Name</b>
<b>Address</b>
<b>City, State, Zip</b>
<b>Phone Number</b>
<b>E-mail Address</b>
<b>Tax Identification Number</b>
<b>Signature of Authorized Agent</b>
<b>Printed Name of Authorized Agent</b>
<b>Title</b>
<b>Date</b>

# **ITEM 5D**

**Presentation and  
Acceptance of Fiscal  
Year 2018-2019 Audited  
Comprehensive Annual  
Financial Report and  
Federal Single Audit  
Report Prepared by Belt,  
Harris Pechacek, LLLP,  
Certified Public  
Accountants**



## Management Letter

May 29, 2020

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

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

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

Our report is as follows:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dickinson, Texas (the "City") as of and for the year ended September 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other matters.

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

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

Our findings and additional comments are as follows:

***CURRENT YEAR MATTERS***

***Significant Deficiencies:***

**2019-001. DEFICIT IN CASH BALANCE**

**Criteria**

The City should ensure that there are adequate funds available in the pooled cash account to satisfy the equity interest of all financial reporting funds.

**Condition**

Deficit cash balances were not being identified and/or brought to positive balance.

**Effect**

As of the end of the year, several funds reported negative cash balances totaling \$691,263.

**Cause**

Deficit in cash balances are not being monitoring by management.

**Recommendation**

The City should consider adopting a formal policy on how deficit balances will be communicated to management and City Council and if formal approval will be obtained before or after a fund has a negative balance.

**2019-002. DUE TO AND DUE FROM BALANCES**

**Criteria**

The City should ensure the appropriate use and accurate recording of all interfund transactions.

**Condition**

It was noted during the audit that cash collected in the general fund bank account was transferred to the same general fund in several due to accounts.

**Effect**

As a result of the lack of procedures, it was difficult to agree activity between funds.

**Cause**

The City has not established procedures in which management reviews and reconciles interfund activity.

**Recommendation**

The City should transfer the cash collected for other funds on a quarterly basis to the respective funds.

**2019-003. EDC BANK ACCOUNT**

**Criteria**

The City should ensure the appropriate application of policies and procedures regarding the use of bank accounts.

**Condition**

It was noted during the audit that there was no formal policy or procedure currently in place with regards to the City's management of the EDC bank accounts.

**Effect**

There were several transfers between City and EDC accounts made without a policy in place.

**Recommendation**

The City should implement a service agreement with the EDC that outlines the proper policies and procedures for the use of EDC cash accounts and processing of expenditures.

**2019-004. DEFICIT FUND BALANCE**

**Criteria**

The City should maintain balanced or surplus fund balances in each fund.

**Condition**

The City presented a deficit fund balances in the FEMA Hurricane Harvey, VOCA, Special Revenue and Grants, CDBG Disaster Recovery, Bayou Lakes Public Improvement District No. 2, and Building Maintenance funds.

**Effect**

As of the end of the year, several funds reported deficit fund balances.

**Recommendation**

The City should ensure all fund balances are reconciled at the end of the year. If a deficit balance exists, the City should transfer funds from another fund in order to clear the deficit.

**2019-005. GRANT ADMINISTRATION**

**Criteria**

The City should reconcile and keep track of all grant activity with the federal government to ensure proper recognition of revenue and payment from applicable granting agencies.

**Condition**

The City has not kept detailed reconciliations or records related to several grants. This could lead to funding being denied or restricted from the City until these records are up to date.

**Effect**

FEMA receivables and deferrals were not reconciled or tied to adequate supporting documentation.

**Recommendation**

The City should work with granting agencies to reconcile and confirm that all outstanding amounts are correct, and that any grant funds that should be collected or remitted are done so.

**Managements Responses**

Management has reviewed the significant deficiencies. The deficiencies reflected in this audit are either systemic and have been on-going issues prior to current management or captured as of September 30, 2019.

Each of these issues have been discussed with the auditor and will be addressed during the 2020 fiscal year. A summary of action to address the deficiencies are below:

2019-001-This will be corrected with the auditors' 2019 AJE and we continue to monitor the GL and manage the pooled cash accounts for all financial reporting funds.

2019-002- This is the longest systemic problem. Staff will be working though this issue and will bring something to council by end of 2020 Fiscal Year to legislatively correct this longstanding issue.

2019-003-This was corrected with the passage of the Administrative Services Agreement with the EDC.

2019-004-This will be corrected with the 2019 AJE and FY 2020 activity. Some of these funds are ancillary to the city and others, such as FEMA Hurricane Harvey Fund, had lots of activity, along with transition in key staff. Staff will be putting in policies to ensure fund trial balances are positive prior to the end of the fiscal year.

2019-005-This significant deficiency is related to the FEMA Public Assistance Grant. In FY 17 and FY 18, the City received an advance in this program, which is not typical. Furthermore, FEMA policy change and continued versioning of several projects lead to a lag in administrative approval from FEMA. This lag in process and the work performed along with multiple layers of local, State and Federal approval added to the complexity of managing the work performed and the advance from FEMA. The city has 18 projects; all but one has been obligated and most of the administrative processes has been completed. The one outstanding project is 12327, which is Dickinson Road Damage and eligibility is still being considered for the program. The City will work to consult with all federal granting agencies and implement periodic reconciliations of federal awards.

Staff is appreciative of the auditor bringing these deficiencies to our attention to allow us to work toward continuous improvement of the City's financial system.

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

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

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas



## Required Auditor Disclosure Letter

May 27, 2020

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dickinson, Texas (the "City") for the year ended September 30, 2019. Professional standards require that we provide the City Council (the "governing body") with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit.

### I. Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 10, 2018, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with the governing body's oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the governing body or management of its responsibilities.

### II. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to the governing body in our engagement letter dated September 10, 2018.

### III. Significant Audit Findings

#### 1. *Qualitative Aspects of Accounting Practices*

- A. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

- B. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

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

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

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

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

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

#### *2. Difficulties Encountered in Performing the Audit*

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

#### *3. Corrected and Uncorrected Misstatements*

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

#### *4. Disagreements with Management*

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

#### *5. Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 27, 2020.

*6. Management Consultations with Other Independent Accountants*

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

*7. Other Audit Findings or Issues*

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

IV. Other Matters

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

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

We were not engaged to report on the introductory information, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

V. Restrictions on Use

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

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
Certified Public Accountants  
Houston, Texas

Client: **City of Dickinson, Texas**  
 Engagement: **4.1 - Dickinson 9/30/19**  
 Period Ending: **9/30/2019**  
 Trial Balance: **2.2.01 - TB**  
 Workpaper: **2.5.06 - Adjusting Journal Entries Report**

5/29/2020  
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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>E.02</b>		
To record as AP invoices that were not recorded but should have been.				
01-8543-40-00	GRANT PAYMENTS - 380 CO'S		39,459.06	
41-8543-41-00	380 GRANT PAYMENTS		23,281.99	
41-8543-41-00	380 GRANT PAYMENTS		23,677.80	
01-2102-00-00	Accounts Payable Pending			39,459.06
41-2102-00-00	ACCOUNTS PAYABLE			23,281.99
41-2102-00-00	ACCOUNTS PAYABLE			23,677.80
<b>Total</b>			<b>86,418.85</b>	<b>86,418.85</b>
<b>Adjusting Journal Entries JE # 2</b>		<b>C.01</b>		
To adjust property tax receivable, allowance, and deferred revenue balances.				
01-1401-00-00	Property Tax Receivable		29,273.84	
02-1401-00-00	Property Tax Receivable		3,145.43	
01-1402-00-00	Tax Allow/Uncollectables			1,463.70
01-2501-00-00	Deferred Revenue-Prop.Tax			27,810.13
02-1402-00-00	Tax Allow/Uncollectables			157.27
02-2501-00-00	Deferred Revenue-P.Taxes			2,988.17
<b>Total</b>			<b>32,419.27</b>	<b>32,419.27</b>
<b>Adjusting Journal Entries JE # 3</b>		<b>E.01, A.02f</b>		
To adjust AP debit balance and cash				
11-1258-00-00	FEDERAL SEIZED BANK ACCOUNT		4,446.00	
11-2102-00-00	ACCOUNTS PAYABLE PENDING			4,446.00
<b>Total</b>			<b>4,446.00</b>	<b>4,446.00</b>
<b>Adjusting Journal Entries JE # 4</b>		<b>E.04</b>		
To reverse entry client made				
08-2200-00-00	RETAINAGE PAYABLE		32,584.23	
30-2200-00-00	RETAINAGE PAYABLE		113,683.81	
08-8801-12-00	2019 STREET PRGM - ENGINEERING			32,584.23
30-8445-42-00-	PROJECTS			113,683.81
<b>Total</b>			<b>146,268.04</b>	<b>146,268.04</b>
<b>Adjusting Journal Entries JE # 5</b>		<b>E.04</b>		
To correct retainage balances				
08-8801-12-00	2019 STREET PRGM - ENGINEERING		27,435.13	
30-8445-42-00-	PROJECTS		77,135.21	
08-2200-00-00	RETAINAGE PAYABLE			27,435.13
30-2200-00-00	RETAINAGE PAYABLE			77,135.21
<b>Total</b>			<b>104,570.34</b>	<b>104,570.34</b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 6</b>		<b>D.01</b>		
To correct drainage amount				
06-1700-00-00	CURRENT YEAR UNCOLL ALLOWANCE		320.00	
06-1410-00-00	Drainage Receivable			48.00
06-1422-00-00	PREPAID RECEIVABLE			272.00
<b>Total</b>			<b>320.00</b>	<b>320.00</b>
<b>Adjusting Journal Entries JE # 7</b>		<b>J.01</b>		
To adjust for SRF and GEN Fund balance				
01-7603-00-00	Miscellaneous Income		13,843.03	
03-2512-00-00	UNEXPENDED SETH GRANT FUNDS		48,459.60	
03-7619-00-00	TCLEOSE Training Fund		10,097.98	
01-3500-00-00	Beginning Fund Balance			13,843.03
03-3011-00-00	Appropriation;LE Reserves			1,200.00
03-3012-00-00	Appropriation;LEOSE-PD			2,300.68
03-3105-00-00	RESERVE-BULLET PROOF VEST			3,745.00
03-3115-00-00	APPROP: JAG GRANT			2,852.30
03-3500-00-00	Beginning Fund Balance			48,459.60
<b>Total</b>			<b>72,400.61</b>	<b>72,400.61</b>
<b>Adjusting Journal Entries JE # 8</b>		<b>H.01</b>		
To record current year depreciation for EDC				
49-70900	Depreciation Expense		9,235.80	
49-1550-40-00	ACCUMULATED DEPRECIATION			9,235.80
<b>Total</b>			<b>9,235.80</b>	<b>9,235.80</b>
<b>Adjusting Journal Entries JE # 9</b>		<b>F.05</b>		
To correct payroll accrual				
01-8101-01-00	FTE Base Salary		2,154.84	
01-8101-02-00	FTE Base Salary		1,250.15	
01-8101-03-00	Salary & Wages		2,643.54	
01-8101-04-00	Salary & Wages		1,573.83	
01-8101-05-00	FTE Base Salary		25,548.37	
01-8101-10-00	Salary and Wages		517.32	
01-8101-12-00	Salary & Wages		2,441.67	
01-8101-15-00	Salary and Wages		1,939.81	
01-8101-17-00	FTE Base Salary		5,824.95	
01-2489-00-00	Accrued Payroll Payables			43,894.48
<b>Total</b>			<b>43,894.48</b>	<b>43,894.48</b>

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<b>Account</b>	<b>Description</b>	<b>W/P Ref</b>	<b>Debit</b>	<b>Credit</b>
<b>Adjusting Journal Entries JE # 10</b>		<b>F.03</b>		
To correct compensated absences				
40-8160-02-00	COMP ABSENCES EXPENSE		2,063.57	
40-2600-00-00	COMPENSATED ABSENCES			2,063.57
<b>Total</b>			<b>2,063.57</b>	<b>2,063.57</b>
<b>Adjusting Journal Entries JE # 11</b>		<b>A.10</b>		
PBC to adjust Claim on Cash balance				
01-1130-00-00	Claim On Cash		1,445,030.44	
01-1300-00-00	Due from other funds		448,514.77	
01-1300-00-00	Due from other funds		719,379.03	
03-1130-00-00	Claim On Cash		1,599,273.18	
16-1130-00-00	CLAIM ON CASH		17,637.11	
17-1130-00-00	CLAIM ON CASH		4,060.40	
23-1130-00-00	CLAIM ON CASH		426,817.26	
25-1130-00-00	Claim on Cash		14,625.00	
30-1130-00-00	CLAIM ON CASH		271,817.96	
42-1300-00-00	DUE FROM OTHER FUNDS		286,442.96	
42-1300-00-00	DUE FROM OTHER FUNDS		879,894.15	
01-1130-00-00	Claim On Cash			448,514.77
01-1130-00-00	Claim On Cash			719,379.03
01-3500-00-00	Beginning Fund Balance			1,445,030.44
03-2300-00-00	Due To Other Funds			1,599,273.18
16-2300-00-00	DUE TO OTHER FUNDS			17,637.11
17-2300-00-00	DUE TO OTHER FUNDS			4,060.40
23-2300-00-00	DUE TO OTHER FUNDS			426,817.26
25-2300-00-00	Due to other funds			14,625.00
30-2300-00-00	Due to other funds			271,817.96
42-1130-00-00	CLAIM ON CASH			286,442.96
42-1130-00-00	CLAIM ON CASH			879,894.15
<b>Total</b>			<b>6,113,492.26</b>	<b>6,113,492.26</b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 12</b>		<b>A.10</b>		
PBC to adjust pooled cash				
99-1301-00-00	DUE TO/FROM GENERAL FUND		1,068,043.10	
99-1303-00-00	DUE TO/FROM SPECIAL REV. FUND		24,316.72	
99-1304-00-00	DUE TO/FROM DISASTER FUND		52,300.53	
99-1307-00-00	DUE TO/FROM EMS FUND		49,053.59	
99-1311-00-00	DUE TO/FROM SEIZED FUNDS		34,510.09	
99-1313-00-00	DUE TO/FROM SEIZED-STATE/NARC		9,854.26	
99-1315-00-00	DUE TO/FROM PID#1 FUND		49,241.04	
99-1317-00-00	DUE TO/FROM LIBRARY GRANT FUND		3,339.01	
99-2101-00-00	Accounts Payable		878,940.91	
99-2300-00-00	Due To Other Funds		1,047,347.01	
99-1305-00-00	DUE TO/FROM PID#1 FUND			56,616.85
99-1306-00-00	DUE TO/FROM DRAINAGE FUND			206,229.08
99-1308-00-00	DUE TO/FROM STREET MAINT. FUND			181,614.53
99-1316-00-00	DUE TO/FROM VOCA FUND			11,463.47
99-1319-00-00	DUE TO/FROM CDBG GRANT FUND			2,934.31
99-1320-00-00	DUE TO/FROM CAPITAL PROJ. FUND			232,727.04
99-1321-00-00	DUE TO/FROM VERF FUND			450,497.23
99-1323-00-00	DUE TO/FROM CDBG RD 2.1/2.2			147,945.42
99-1330-00-00	DUE TO/FROM BLDG MAINT FUND			405,803.23
99-1331-00-00	DUE TO/FROM CHILD SAFETY FUND			10,192.36
99-1332-00-00	DUE TO/FROM COURT EFFICIENCY			19,871.62
99-1333-00-00	DUE TO/FROM COURT SECURITY			53,506.20
99-1334-00-00	DUE TO/FROM COURT TECHNOLOGY			2,997.04
99-1335-00-00	DUE TO/FROM HOT FUND			250,417.25
99-1340-00-00	Due From DECD			4,987.15
99-1342-00-00	DUE TO/FROM ANIMAL SERVICES			1,179,143.48
<b>Total</b>			<b>3,216,946.26</b>	<b>3,216,946.26</b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 13</b>		<b>C.04a</b>		
To adjust EMS receivables and uncollectibles for the year				
01-1417-00-00	EMS BILLING RECEIVABLES		278,616.02	
01-1419-00-00	EMS UNCOLLECTIBLE ALLOWANCE			278,616.02
<b>Total</b>			<b>278,616.02</b>	<b>278,616.02</b>
<b>Adjusting Journal Entries JE # 14</b>		<b>F.04</b>		
To reverse prior deferred outflows-contributions after measurement date				
06-8998-14-00	Pension Expense		9,973.75	
06-2591-00-00	DEF OUTFLOWS-CONTRIB AFTER			9,973.75
<b>Total</b>			<b>9,973.75</b>	<b>9,973.75</b>
<b>Adjusting Journal Entries JE # 15</b>		<b>F.04</b>		
To recognize deferred outflows-contributions after measurement date for the current year				
06-2591-00-00	DEF OUTFLOWS-CONTRIB AFTER		7,653.10	
06-8998-14-00	Pension Expense			7,653.10
<b>Total</b>			<b>7,653.10</b>	<b>7,653.10</b>
<b>Adjusting Journal Entries JE # 16</b>		<b>F.04</b>		
To record current year amortization of prior year deferred items				
06-2593-00-00	DEF INFLOWS-EXP DIFF		548.75	
06-8998-14-00	Pension Expense		2,304.78	
06-2592-00-00	DEF OUTFLOWS-EARNINGS DIFF			33.76
06-2594-00-00	DEF OUTFLOW-ASSUMP CHGS			1,546.08
06-2595-00-00	DEF OUTFLOW-EXP DIFF			1,273.69
<b>Total</b>			<b>2,853.53</b>	<b>2,853.53</b>
<b>Adjusting Journal Entries JE # 17</b>		<b>F.04</b>		
To recognize beginning balances of new deferred items in current year				
06-2594-00-00	DEF OUTFLOW-ASSUMP CHGS		33,490.55	
06-2590-00-00	NET PENSION LIABILITY			32,575.80
06-8998-14-00	Pension Expense			914.75
<b>Total</b>			<b>33,490.55</b>	<b>33,490.55</b>

Client: **City of Dickinson, Texas**  
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Period Ending: **9/30/2019**  
Trial Balance: **2.2.01 - TB**  
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5/29/2020  
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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 18</b>		<b>F.04</b>		
To recognize pension expense and current year amortizations				
06-2590-00-00	NET PENSION LIABILITY		198.71	
06-2592-00-00	DEF OUTFLOWS-EARNINGS DIFF		5,817.12	
06-2593-00-00	DEF INFLOWS-EXP DIFF		224.20	
06-2596-00-00	DEF INFLOWS - EARNINGS DIFF		10,181.69	
06-8998-14-00	Pension Expense		6,275.20	
06-8998-14-00	Pension Expense		17,501.48	
06-2592-00-00	DEF OUTFLOWS-EARNINGS DIFF			6,698.11
06-2594-00-00	DEF OUTFLOW-ASSUMP CHGS			17,501.48
06-8998-14-00	Pension Expense			15,998.81
<b>Total</b>			<b>40,198.40</b>	<b>40,198.40</b>
<b>Adjusting Journal Entries JE # 19</b>		<b>I.01</b>		
To reclass interest portion of Motorola payment				
21-8700-05-00	INTEREST EXPENSE		4,522.45	
21-8604-05-00	FURNITURE & EQUIPMENT			4,522.45
<b>Total</b>			<b>4,522.45</b>	<b>4,522.45</b>
<b>Adjusting Journal Entries JE # 20</b>		<b>I.02a</b>		
To correct recording of note payable Sussan Property				
49-2410-00-00	NOTES PAYABLE		15,081.07	
49-7600-00-00	GAIN FROM NOTES PAYABLE			15,081.07
<b>Total</b>			<b>15,081.07</b>	<b>15,081.07</b>
<b>Adjusting Journal Entries JE # 21</b>		<b>C.05/C.06</b>		
To restate and balance interfunds				
01-2340-00-00	DUE TO DEDC		124.81	
01-3500-00-00	Beginning Fund Balance		1,453,302.35	
41-1301-00-00	DUE TO/DUE FROM GF		1,282.25	
41-1301-00-00	DUE TO/DUE FROM GF		2,407.75	
01-1306-00-00	Due from Economic Devl. Corp			124.81
01-2300-00-00	Due To Other Funds			1,453,302.35
41-7004	Expenditures:Office Supplies/Postage			1,282.25
41-7621-00-00	INTEREST INCOME			2,407.75
<b>Total</b>			<b>1,457,117.16</b>	<b>1,457,117.16</b>
<b>Adjusting Journal Entries JE # 22</b>				
To reclass \$12,026.12 incorrectly posted to CenterPoint Energy to CenterPoint Gas				
01-7206-00-00	Centerpoint Energy Franchise		12,026.12	
01-7208-00-00	Centerpoint Gas Franchise			12,026.12
<b>Total</b>			<b>12,026.12</b>	<b>12,026.12</b>

*SINGLE AUDIT REPORTS*

**CITY OF  
DICKINSON, TEXAS**

**For the Year Ended  
September 30, 2019**

**CITY OF DICKINSON, TEXAS**  
*SINGLE AUDIT REPORTS*  
September 30, 2019

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

May 29, 2020

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dickinson, Texas (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 29, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider items 2019.001 through 2019.005 to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

May 29, 2020

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Dickinson, Texas' (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2019. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated May 29, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*B*ELT *H*ARRIS *P*ECHACEK, LLLP

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas

**CITY OF DICKINSON, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended September 30, 2019

*Significant Deficiencies:*

**2018.001. POOLED CASH BALANCE**

**Background**

The City uses a consolidated bank account; whereas, one bank account is maintained for all funds and each fund has an equity interest in the bank account. While consolidated bank accounts are highly efficient due to the automated nature, there is no formal approval necessary to advance funds to cover a shortage when a fund's equity in the bank account becomes a deficit.

**Criteria**

The City should ensure all equity in pooled cash accounts is properly recorded.

**Condition**

Pooled cash equity accounts were not being reconciled and/or adjusted.

**Effect**

The balance of the pooled cash account in fund 99 did not agree with the total amount of the cash accounts that comprise this account.

**Cause**

Turnover of accounting personnel and resulting crises management.

**Recommendation**

Fund 99 should be reconciled monthly to ensure that the sum of the claim on cash accounts of the other funds match with the corresponding account balance.

**2018.002. DEFICIT IN CASH BALANCE**

**Criteria**

The City should ensure that there are adequate funds available in the pooled cash account to satisfy the equity interest of all financial reporting funds.

**Condition**

Deficit cash balances were not being identified and/or brought to positive balance.

**Effect**

As of the end of the year, several funds reported negative cash balances totaling \$691,263.

**Cause**

Deficits in cash balances are not being monitoring by management.

**CITY OF DICKINSON, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended September 30, 2019**

**Recommendation**

The City should consider adopting a formal policy on how deficit balances will be communicated to management and City Council and if formal approval will be obtained before or after a fund has a negative balance.

**2018.003. JOURNAL ENTRIES**

**Criteria**

The City should ensure that there are adequate internal controls over the posting of journal entries.

**Condition**

During review and testing of journal entries, it was noted that several adjustments were made incorrectly or made as corrections for other adjustments.

**Effect**

The lack of management oversight of the journal entry process could increase the risk of misstated account balances.

**Cause**

The City has not established procedures for the review of journal entries by management.

**Recommendation**

The City should restrict an employee's ability to both enter and verify journal entries. The authorization of journal entries should be performed by management. With review of journal entries, there will be less chance for incorrect entries to occur.

**2018.004. DUE TO AND DUE FROM BALANCES**

**Criteria**

The City should ensure the appropriate use and accurate recording of all interfund transactions.

**Condition**

It was noted during the audit that cash collected in the general fund bank account was transferred to the same general fund in several due to accounts.

**Effect**

As a result of the lack of procedures, it was difficult to agree activity between funds.

**Cause**

The City has not established procedures in which management reviews and reconciles interfund activity.

**CITY OF DICKINSON, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended September 30, 2019**

**Recommendation**

The City should transfer the cash collected for other funds on a quarterly basis to the respective funds.

**2018.005. CASH DEPOSITS**

**Criteria**

The City should ensure that there are adequate controls and monitoring procedures over the deposit of cash collected.

**Condition**

It was noted during the audit that eight deposits were not deposited in a timely manner, the longest taking seven days after receipt to be deposited.

**Effect**

The lack of monitoring of the daily deposits leads to the noncompliance of the City's cash handling policy, as well as increases the risk of loss from fire, theft, or misappropriation.

**Cause**

Cash was not deposited daily as required by the City's cash handling policy.

**Recommendation**

The City should make deposits daily.

**2018.006. BANK ACCOUNT RECONCILIATION**

**Criteria**

The City should ensure that there are adequate internal controls over cash.

**Condition**

The bank reconciliation for the Hurricane Relief Fund has two outstanding items with the description of "check bank cleared twice" suggesting that the reconciliation either has an error or questionable uncorrected activity.

**Effect**

Lack of adequate internal controls could increase the risk of misappropriation of assets.

**Cause**

The City has not established procedures for the review of bank reconciliations by management.

**Recommendation**

The City should review the nature of these items and make any necessary adjustment.

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the basic financial statements of City of Dickinson, Texas.
2. A material weakness in internal control was not disclosed by the audit of the financial statements.
3. Significant deficiencies in internal control were disclosed by the audit of the financial statements.
4. No instances of noncompliance material to the basic financial statements were disclosed during the audit.
5. No significant deficiencies in internal control over major federal award programs were disclosed by the audit.
6. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.
7. No audit findings relative to the major federal award programs for the City are reported.
8. The programs included as major programs are:

<u>CFDA</u>	<u>Program Title</u>
10.923	Wet Debris Removal

9. The threshold for distinguishing Type A and B programs was \$750,000.
10. The City did not qualify as a low-risk auditee in the context of the Uniform Guidance.

**B. FINDINGS – BASIC FINANCIAL STATEMENTS AUDIT**

***Significant Deficiencies:***

**2019-001. DEFICIT IN CASH BALANCE**

**Criteria**

The City should ensure that there are adequate funds available in the pooled cash account to satisfy the equity interest of all financial reporting funds.

**Condition**

Deficit cash balances were not being identified and/or brought to positive balance.

**Effect**

As of the end of the year, several funds reported negative cash balances totaling \$691,263.

**Cause**

Deficit in cash balances are not being monitoring by management.

**CITY OF DICKINSON, TEXAS**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***  
**For the Year Ended September 30, 2019**

**Recommendation**

The City should consider adopting a formal policy on how deficit balances will be communicated to management and City Council and if formal approval will be obtained before or after a fund has a negative balance.

**Managements Response**

The City will put into place policies and procedures to ensure a regular reconciliation of cash balances.

**2019-002. DUE TO AND DUE FROM BALANCES**

**Criteria**

The City should ensure the appropriate use and accurate recording of all interfund transactions.

**Condition**

It was noted during the audit that cash collected in the general fund bank account was transferred to the same general fund in several due to accounts.

**Effect**

As a result of the lack of procedures, it was difficult to agree activity between funds.

**Cause**

The City has not established procedures in which management reviews and reconciles interfund activity.

**Recommendation**

The City should transfer the cash collected for other funds on a quarterly basis to the respective funds.

**Managements Response**

The City will put into place policies and procedures to ensure a regular reconciliation of interfund activity.

**2019-003. EDC BANK ACCOUNT**

**Criteria**

The City should ensure the appropriate application of policies and procedures regarding the use of bank accounts.

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

**Condition**

It was noted during the audit that there was no formal policy or procedure currently in place with regards to the City's management of the EDC bank accounts.

**Effect**

There were several transfers between City and EDC accounts made without a policy in place.

**Recommendation**

The City should implement a service agreement with the EDC that outlines the proper policies and procedures for the use of EDC cash accounts and processing of expenditures.

**Managements Response**

The City will work with the EDC to adopt an administrative services agreement.

**2019-004. DEFICIT FUND BALANCE**

**Criteria**

The City should maintain balance or surplus fund balances in each fund.

**Condition**

The City presented a deficit fund balances in the FEMA Hurricane Harvey, VOCA, Special Revenue and Grants, CDBG Disaster Recovery, Bayou Lakes Public Improvement District No. 2, and Building Maintenance fund

**Effect**

As of the end of the year, several funds reported deficit fund balances.

**Recommendation**

The City should ensure all fund balances are reconciled at the end of the year. If a deficit balance exists, the City should transfer funds from another fund in order to clear the deficit.

**Managements Response**

The City will implement procedures to ensure fund balances are balanced at the end of each year to avoid deficits.

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

**2019-005. GRANT ADMINISTRATION**

**Criteria**

The City should reconcile and keep track of all grant activity with the federal government to ensure proper recognition of revenue and payment from applicable granting agencies.

**Condition**

The City has not kept detailed reconciliations or records related to several grants. This could lead to funding being denied or restricted from the City until these records are up to date.

**Effect**

FEMA receivables and deferrals were not reconciled or tied to adequate supporting documentation.

**Recommendation**

The City should work with granting agencies to reconcile and confirm that all outstanding amounts are correct, and that any grant funds that should be collected or remitted are done so.

**Managements Response**

The City will work to consult with all federal granting agencies and implement periodic reconciliations of federal awards.

**C. FINDINGS – FEDERAL AWARDS**

None

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended September 30, 2019

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
<b>DEPARTMENT OF JUSTICE</b>			
<i>Direct Award</i>			
Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies	16.922	N/A	\$ 174,910
<i>Pass-through Office of the Governor, Criminal Justice Division</i>			
Crime Victim Assistance	16.575	1890910	70,316
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<u>245,226</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Pass-through Texas General Land Office</i>			
Community Development Block Grant - Disaster Recovery Round 2.2	14.228	GLO-13-128-000-7190	103,210
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>103,210</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Pass-through Texas Division of Emergency Management</i>			
Emergency Management Performance Grant	97.042	17TX-EMPG-0337	162,827
Request for Public Assistance, Hurricane Harvey	97.036	FEMA-TX-4332DR	594,786
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>			<u>757,613</u>
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			
<i>Pass-through Texas State Library and Archives Commission</i>			
Texas State Library and Archives Commission Impact Grant	45.310	475-16010	4,625
ILL Lending Reimbursement Program	45.310	LS-00-19-0044-16	349,498
<b>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			<u>354,123</u>
<b>DEPARTMENT OF AGRICULTURE</b>			
<i>Direct Award</i>			
Wet Debris Removal	10.923	NR187442XXXXCO24	2,186,404
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u>2,186,404</u>
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<u><u>\$ 3,646,576</u></u>

# **CITY OF DICKINSON, TEXAS**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended September 30, 2019**

### **1. REPORTING ENTITY**

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the activity of all federal financial assistance programs of the City of Dickinson, Texas.

### **2. BASIS OF ACCOUNTING**

The Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA, if any, represent, adjustments or credits made in the normal course to amounts reported as expenditures in prior years.

### **4. INDIRECT COST RATE**

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

*ANNUAL FINANCIAL REPORT*

of the

**CITY OF DICKINSON, TEXAS**

**For the Year Ended  
September 30, 2019**

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# CITY OF DICKINSON, TEXAS

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# CITY OF DICKINSON, TEXAS

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***INTRODUCTORY SECTION***

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# CITY OF DICKINSON, TEXAS

## PRINCIPAL OFFICIALS

September 30, 2019

<b>Elected Officials</b>	<b>Position</b>	<b>Term Expires</b>
Julie Masters	Mayor	05/2020
Charles Suderman	Council Member – Position 1/ Mayor Pro Tem	05/2020
Sean Skipworth	Council Member – Position 2	05/2022
Walter Wilson	Council Member – Position 3	05/2020
Wally Deats	Council Member – Position 4	05/2022
Louis Decker	Council Member – Position 5	05/2020
William H. King, III	Council Member – Position 6	05/2022

<b>Appointed Officials</b>	<b>Position</b>
Alun W. Thomas	City Secretary
Olson & Olson, LLP	City Attorney
Richard Cope	Municipal Court Judge
Gregg & Gregg, P.C.	Prosecuting Attorney
Ron Morales	Chief of Police

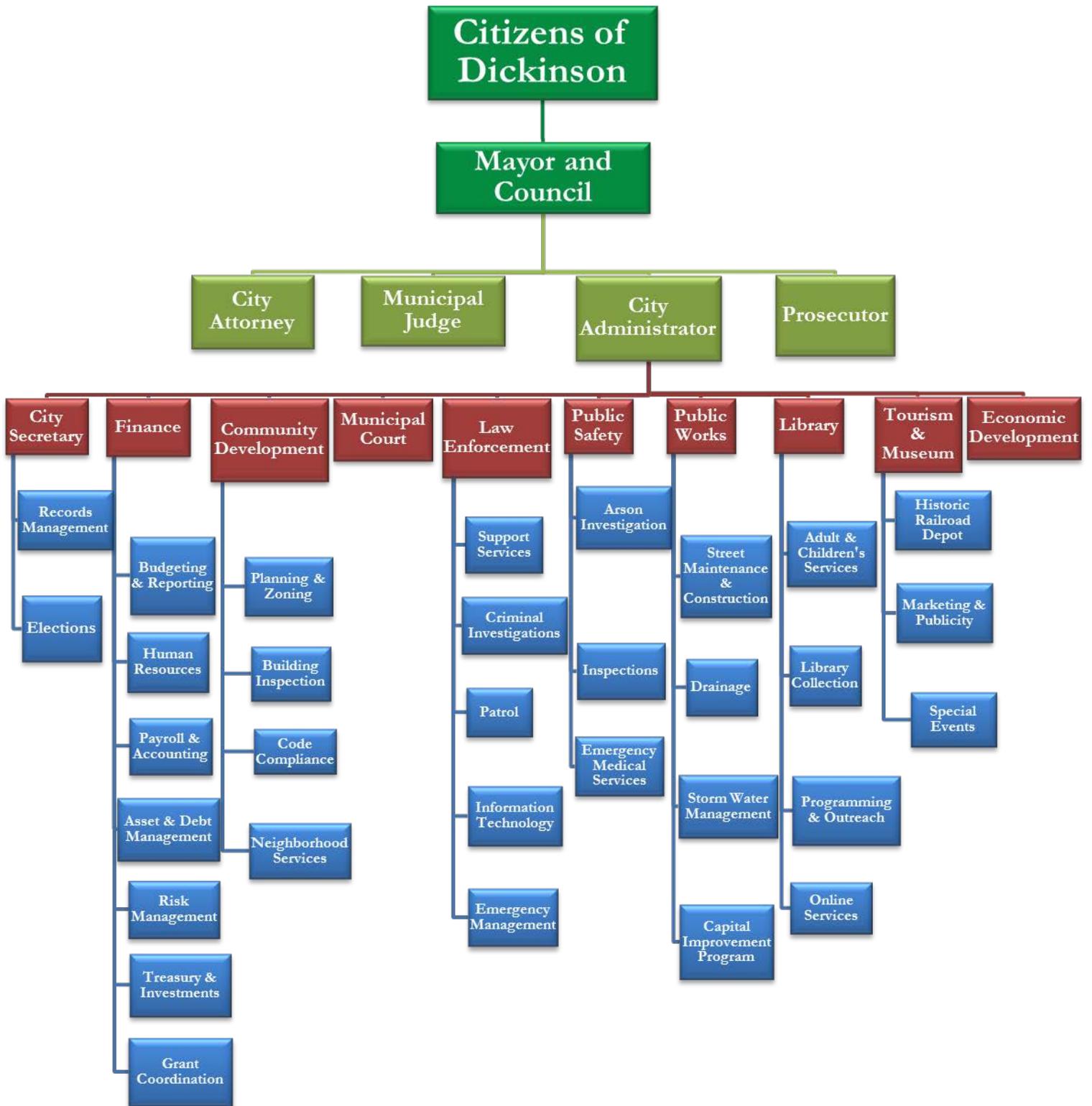
<b>City Management</b>	<b>Position</b>
Chris Heard	City Administrator
Kristen Woolley	Finance Director
Burt Heddles	Fire Marshal
Ray Burgess	Director of Community Development
Irma Rivera	Court Administrator
Derek Hunt	Emergency Medical Services Director
Julianne Lane	Library Director

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# CITY OF DICKINSON, TEXAS

## ORGANIZATION CHART

September 30, 2019



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***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dickinson, Texas (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
May 29, 2020

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





**CITY OF DICKINSON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

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

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

1. *Governmental Activities* – Most of the City's basic services are reported here including general government, public safety, public works, culture and recreation, economic development, and community development. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's drainage services.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation; a legally separate management district, for which the City is financially accountable; and a legally separate education finance corporation. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The public improvement districts and the animal services corporation, although also legally separate, function for all practical purposes as departments of the City and, therefore, have been included as integral parts of the primary government.

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

## **FUND FINANCIAL STATEMENTS**

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

### **Governmental Funds**

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

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

**CITY OF DICKINSON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

The City maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, street maintenance fund, and Federal Emergency Management Agency (FEMA) Hurricane Harvey fund, which are considered to be major funds for reporting purposes.

The City adopts an annual appropriated budget for its general, street maintenance, debt service, VOCA, Bayou Lakes Public Improvement District No. 1, Bayou Lakes Public Improvement District No. 2, federal seized funds, library impact grant, child safety, court efficiency, court security, court technology, and the hotel/motel funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

**Proprietary Funds**

The City maintains two types of proprietary funds, enterprise funds and internal service funds. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its municipal drainage utility fund. The proprietary fund financial statements provide separate information for the municipal drainage utility operations. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses the internal service funds to account for an employee benefit program and building maintenance costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**Component Units Combining Financial Statements**

The City's three discretely presented component units shown in aggregate on the face of the government-wide financial statements have individual information for each of the discretely presented component units presented in the form of combining statements immediately following the fund financial statements of the primary government.

**Notes to Financial Statements**

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

**Other Information**

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

**CITY OF DICKINSON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$32,730,310 as of year end for the primary government.

The largest portion of the City's net position, 89 percent, reflects its investments in capital assets (e.g., land, construction in progress, buildings and improvements, vehicles and heavy equipment, furniture and fixtures, and infrastructure) less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 12,829,002	\$ 20,048,256	\$ 437,777	\$ 401,126	\$ 13,266,779	\$ 20,449,382
Capital assets, net	36,244,880	35,815,051	-	-	36,244,880	35,815,051
<b>Total Assets</b>	<b>49,073,882</b>	<b>55,863,307</b>	<b>437,777</b>	<b>401,126</b>	<b>49,511,659</b>	<b>56,264,433</b>
Deferred charge on refunding	81,909	92,148	-	-	81,909	92,148
Deferred outflows - pensions (TMRS)	1,315,717	167,466	26,882	16,033	1,342,599	183,499
Deferred outflows - pensions (TESRS)	30,646	44,170	-	-	30,646	44,170
Deferred outflows - OPEB (SDBF)	1,093	14,592	-	-	1,093	14,592
<b>Total Deferred Outflows of Resources</b>	<b>1,429,365</b>	<b>318,376</b>	<b>26,882</b>	<b>16,033</b>	<b>1,456,247</b>	<b>334,409</b>
Long-term liabilities	10,140,359	9,377,683	63,100	30,723	10,203,459	9,408,406
Other liabilities	7,859,810	13,380,287	123,205	88,605	7,983,015	13,468,892
<b>Total Liabilities</b>	<b>18,000,169</b>	<b>22,757,970</b>	<b>186,305</b>	<b>119,328</b>	<b>18,186,474</b>	<b>22,877,298</b>
Deferred inflows - pensions (TMRS)	32,646	25,796	1,414	11,454	34,060	37,250
Deferred inflows - pensions (TESRS)	7,856	-	-	-	7,856	-
Deferred inflows - OPEB (SBDF)	9,206	-	-	-	9,206	-
<b>Total Deferred Inflows of Resources</b>	<b>49,708</b>	<b>25,796</b>	<b>1,414</b>	<b>11,454</b>	<b>51,122</b>	<b>37,250</b>
<b>Net Position:</b>						
Net investment in capital assets	29,133,357	27,989,975	-	-	29,133,357	27,989,975
Restricted	5,402,623	4,937,268	-	-	5,402,623	4,937,268
Unrestricted	(2,082,610)	470,674	276,940	286,377	(1,805,670)	757,051
<b>Total Net Position</b>	<b>\$ 32,453,370</b>	<b>\$ 33,397,917</b>	<b>\$ 276,940</b>	<b>\$ 286,377</b>	<b>\$ 32,730,310</b>	<b>\$ 33,684,294</b>

A portion of the primary government's net position, \$5,402,623 or 17%, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position is negative \$1,805,670. The overall condition of the City deteriorated this year as total net position decreased by \$945,712.

**CITY OF DICKINSON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

**Statement of Activities**

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,038,829	\$ 2,386,014	\$ 2,052	\$ 207,310	\$ 2,040,881	\$ 2,593,324
Operating grants and contributions	2,812,599	1,652,670	-	-	2,812,599	1,652,670
Capital grants and contributions	417,608	843,611	-	-	417,608	843,611
General revenues:						
Property taxes	4,316,104	4,250,437	-	-	4,316,104	4,250,437
Sales taxes	8,881,172	8,820,859	-	-	8,881,172	8,820,859
Other fees and taxes	1,167,674	939,304	-	-	1,167,674	939,304
Investment earnings	163,247	104,922	-	-	163,247	104,922
Other revenues	1,541,813	1,757,808	-	-	1,541,813	1,757,808
<b>Total Revenues</b>	<u>21,339,046</u>	<u>20,755,625</u>	<u>2,052</u>	<u>207,310</u>	<u>21,341,098</u>	<u>20,962,935</u>
<b>Expenses</b>						
General government	2,614,323	3,436,576	-	-	2,614,323	3,436,576
Public safety	11,263,131	6,700,704	-	-	11,263,131	6,700,704
Public works	1,655,453	7,866,499	-	-	1,655,453	7,866,499
Culture and recreation	432,958	341,814	-	-	432,958	341,814
Community development	538,139	506,295	-	-	538,139	506,295
Economic development	5,528,026	4,444,184	-	-	5,528,026	4,444,184
Interest on long-term debt	243,291	261,670	-	-	243,291	261,670
Municipal drainage utility	-	-	11,489	315,990	11,489	315,990
<b>Total Expenses</b>	<u>22,275,321</u>	<u>23,557,742</u>	<u>11,489</u>	<u>315,990</u>	<u>22,286,810</u>	<u>23,873,732</u>
<b>Change in Net Position</b>	(936,275)	(2,802,117)	(9,437)	(108,680)	(945,712)	(2,910,797)
Beginning net position	33,389,645	36,200,034	286,377	395,057	33,676,022	36,595,091
<b>Ending Net Position</b>	<u>\$ 32,453,370</u>	<u>\$ 33,397,917</u>	<u>\$ 276,940</u>	<u>\$ 286,377</u>	<u>\$ 32,730,310</u>	<u>\$ 33,684,294</u>

For the year ended September 30, 2019, revenues from governmental activities totaled \$21,339,046. Revenues increased by \$583,421 compared to the prior year mainly due to increases for operating grants and contributions, property taxes, and sales taxes. Property tax revenue increased due to an increase in the City's tax levy. Sales tax revenue increased as a result of an increase in consumer spending. These increases in revenues were partially offset by decreases in revenues from capital grants and contributions as a result of a decrease in revenues related to the Community Development Block Grant program.

For the year ended September 30, 2019, expenses for governmental activities totaled \$22,275,321. The total expenses decreased by 5% from the prior year. This decrease can be attributed mostly due to public works repairs expenses that were occurred in the prior year, but not in the current year.

Business-type activities net position decreased by \$9,437. Revenues decreased by \$205,258 expenses decreased \$304,501 compared to the prior year primarily due to the City discontinuing utility service, therefore decreasing the overall financial activity in the current year.

**CITY OF DICKINSON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

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

The City's governmental funds reflect a combined fund balance of \$5,021,326. Of this, \$14,217 is nonspendable in the form of prepaid items, \$91,235 is restricted for debt service, \$1,332,008 is restricted for enabling legislation, \$3,950,862 is restricted for capital projects, \$28,518 is restricted for special projects, \$338,219 is assigned, and negative \$733,733 is unassigned.

The general fund had a decrease in fund balance of \$727,348 for the year. Revenues increased \$1,352,432 compared to the prior year. This increase was largely attributable to an increase in other revenues primarily due to a one time payment related to a tax abatement agreement refund. The increase in revenues was partially offset by a decrease in license and permits revenues. Expenditures increased \$3,092,166 compared to the prior year due largely to an increase in personnel and equipment costs. Ending fund balance as a percentage of total expenditures was 27.12% as of fiscal year end. Unassigned fund balance as a percentage of total expenditures was 24.98% as of fiscal year end.

The debt service fund had a decrease in fund balance of \$2,491, The decrease in fund balance is primarily because principal and interest payments on long-term debt exceeded revenues.

The street maintenance fund had an increase in fund balance of \$710,057. The increase is primarily a result of sales tax revenue exceeding expenditures related to street projects.

The FEMA Hurricane Harvey fund ended the year with a deficit fund balance of \$4,826,393. As of September 30, 2019, the project worksheets related to Hurricane Harvey-related expenditures were not approved by FEMA and, as a result, revenue was not recognized as earned. If these funds are not approved by FEMA, the general fund would have to transfer money to cover the loss. This would lead to a decrease of \$4,826,393 in the general fund fund balance, leaving the fund with an ending deficit unassigned balance of \$717,283

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgeted revenues exceeded actual revenues by \$1,773,871 during the year mainly due to less than expected other revenues, primarily as a result of grants not received by the City. General fund actual expenditures were less than the final budgeted expenditures by \$2,888,634 mainly due to various departments having less expenditures than originally anticipated.

**CITY OF DICKINSON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

**CAPITAL ASSETS**

At the end of the year, the City's governmental activities funds had invested \$36,244,880 in a variety of capital assets. This represents a net increase of \$429,829.

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

- New camera system project totaling \$122,571
- Purchase of seven vehicles and related equipment totaling \$252,144

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

**LONG-TERM DEBT**

At the end of the current year, the City had total certificates of obligation and general obligation bonds of \$7,090,000. Of this amount, \$1,055,000 represents certificates of obligation and \$6,035,000 represents general obligation bonds.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

City Council approved a \$15,182,530 general fund budget for the 2019-2020 fiscal year. This is a 8% increase from the prior year adopted budget. The total tax rate adopted for the fiscal year 2019-2020 budget will be \$0.44383.

Hurricane Harvey caused widespread damage in Texas in August 2017. It is the costliest natural disaster ever in the United States, primarily from widespread flooding in the Houston metropolitan area and southeast Texas area. In a four day period, many areas received more than 40 inches of rain as the system slowly meandered over eastern Texas and adjacent waters, causing catastrophic flooding. With peak accumulations of 64.58 inches, Hurricane Harvey was the wettest tropical cyclone on record in the United States. The resulting floods inundated hundreds of thousands of homes, displaced more than 30,000 people, and prompted more than 17,000 rescues. Approximately one quarter of the State was impacted by the storm directly or indirectly, including the City, which was significantly impact.

Federal Emergency Management Agency (FEMA) during and immediately after the disaster pledged to assist the City and initially advanced \$10,125,000, but after media attention on the disaster subsided, requested \$5,337,660 be returned, to the agency. FEMA continues to use stringent standards as a means to reduce its initial promises of federal assistant, shifting an increasing burden on citizens that were personally devastated by the disaster, and may now need to help make the City whole, for funds that were pledged by federal officials. The City has \$4,872,156 in funds that were advanced by FEMA, which the City is increasingly concerned will be at risk as the Federal Governments collective memory of the local devastation of the event subsides.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Administrator at City of Dickinson, 4403 Highway 3, Dickinson, Texas 77539.

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## ***BASIC FINANCIAL STATEMENTS***

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# CITY OF DICKINSON, TEXAS

## STATEMENT OF NET POSITION

September 30, 2019

### Primary Government

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 8,438,434	\$ 219,673	\$ 8,658,107	\$ 3,845,679
Receivables, net	4,372,591	218,232	4,590,823	920,288
Internal balances	128	(128)	-	-
Due from component unit	3,632	-	3,632	-
Due from primary government	-	-	-	7,397
Prepaid items	14,217	-	14,217	1,458
	12,829,002	437,777	13,266,779	4,774,822
Capital assets:				
Nondepreciable	3,447,774	-	3,447,774	5,557,463
Net depreciable	32,797,106	-	32,797,106	256,163
	36,244,880	-	36,244,880	5,813,626
<b>Total Assets</b>	49,073,882	437,777	49,511,659	10,588,448
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	81,909	-	81,909	-
Deferred outflows - pensions (TMRS)	1,315,717	26,882	1,342,599	-
Deferred outflows - pensions (TESRS)	30,646	-	30,646	-
Deferred outflows - OPEB (SDBF)	1,093	-	1,093	-
<b>Total Deferred Outflows of Resources</b>	1,429,365	26,882	1,456,247	-
<b>Liabilities</b>				
Accounts payable and accrued liabilities	2,611,828	59,831	2,671,659	301,928
Accrued interest payable	18,548	-	18,548	-
Unearned revenues	5,222,037	63,374	5,285,411	-
Due to component unit	7,397	-	7,397	-
Due to other governments	-	-	-	26,027
Due to primary government	-	-	-	3,632
	7,859,810	123,205	7,983,015	331,587
Noncurrent liabilities:				
Due to other governments	-	-	-	130,138
Long-term liabilities due within one year	867,580	5,464	873,044	211,140
Long-term liabilities due in more than a year	9,272,779	57,636	9,330,415	686,397
	10,140,359	63,100	10,203,459	1,027,675
<b>Total Liabilities</b>	18,000,169	186,305	18,186,474	1,359,262
<b>Deferred Inflows of Resources</b>				
Deferred inflows - pensions (TMRS)	32,646	1,414	34,060	-
Deferred inflows - pensions (TESRS)	7,856	-	7,856	-
Deferred inflows - OPEB (SBDF)	9,206	-	9,206	-
<b>Total Deferred Inflows of Resources</b>	49,708	1,414	51,122	-
<b>Net Position</b>				
Net investment in capital assets	29,133,357	-	29,133,357	6,692,843
Restricted for:				
Debt service	91,235	-	91,235	-
Enabling legislation	1,332,008	-	1,332,008	-
Capital projects	3,950,862	-	3,950,862	-
Special projects	28,518	-	28,518	-
Economic development	-	-	-	2,536,343
Unrestricted	(2,082,610)	276,940	(1,805,670)	-
<b>Total Net Position</b>	\$ 32,453,370	\$ 276,940	\$ 32,730,310	\$ 9,229,186

See Notes to Financial Statements.

# CITY OF DICKINSON, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 2,614,323	\$ 440,813	\$ 156,345	\$ -
Public safety	11,263,131	619,636	2,619,970	-
Public works	1,655,453	978,380	-	417,608
Culture and recreation	432,958	-	3,951	-
Community development	538,139	-	-	-
Economic development	5,528,026	-	32,333	-
Interest and fiscal agent fees on long-term debt	243,291	-	-	-
<b>Total Governmental Activities</b>	<b>22,275,321</b>	<b>2,038,829</b>	<b>2,812,599</b>	<b>417,608</b>
<b>Business-Type Activities</b>				
Municipal drainage utility	11,489	2,052	-	-
<b>Total Business-Type Activities</b>	<b>11,489</b>	<b>2,052</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 22,286,810</b>	<b>\$ 2,040,881</b>	<b>\$ 2,812,599</b>	<b>\$ 417,608</b>
<b>Component Units</b>				
Dickinson Economic Development Corp.	\$ 1,154,553	\$ 3,000	\$ -	\$ -
Dickinson Management District No. 1	3,656,397	-	-	-
<b>Total Component Units</b>	<b>\$ 4,810,950</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>

**General Revenues:**

- Taxes
  - Property taxes
  - Sales taxes
  - Other fees and taxes
- Investment earnings
- Other revenues

**Total General Revenues**

**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (2,017,165)	\$ -	\$ (2,017,165)	\$ -
(8,023,525)	-	(8,023,525)	-
(259,465)	-	(259,465)	-
(429,007)	-	(429,007)	-
(538,139)	-	(538,139)	-
(5,495,693)	-	(5,495,693)	-
(243,291)	-	(243,291)	-
<u>(17,006,285)</u>	<u>-</u>	<u>(17,006,285)</u>	<u>-</u>
-	(9,437)	(9,437)	-
-	(9,437)	(9,437)	-
<u>(17,006,285)</u>	<u>(9,437)</u>	<u>(17,015,722)</u>	<u>-</u>
-	-	-	(1,151,553)
-	-	-	<u>(3,656,397)</u>
-	-	-	<u>(4,807,950)</u>
4,316,104	-	4,316,104	-
8,881,172	-	8,881,172	5,238,187
1,167,674	-	1,167,674	-
163,247	-	163,247	41,157
1,541,813	-	1,541,813	723,871
<u>16,070,010</u>	<u>-</u>	<u>16,070,010</u>	<u>6,003,215</u>
(936,275)	(9,437)	(945,712)	1,195,265
33,389,645	286,377	33,676,022	8,033,921
<u>\$ 32,453,370</u>	<u>\$ 276,940</u>	<u>\$ 32,730,310</u>	<u>\$ 9,229,186</u>

# CITY OF DICKINSON, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2019

	General	Debt Service	Street Maintenance	FEMA Hurricane Harvey
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 3,375,695	\$ 99,067	\$ 3,022,308	\$ 509,210
Receivables, net	1,954,598	57,486	316,522	111,253
Due from other funds	1,838,434	-	206,820	-
Due from component unit	3,632	-	-	-
Prepaid items	14,217	-	-	-
<b>Total Assets</b>	<b>\$ 7,186,576</b>	<b>\$ 156,553</b>	<b>\$ 3,545,650</b>	<b>\$ 620,463</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 1,001,703	\$ -	\$ 84,841	\$ 574,700
Due to other funds	1,454,774	10,548	-	-
Due to component unit	7,397	-	-	-
Unearned revenues	-	-	-	4,872,156
<b>Total Liabilities</b>	<b>2,463,874</b>	<b>10,548</b>	<b>84,841</b>	<b>5,446,856</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	236,262	54,770	-	-
Unavailable revenue - emergency medical services	24,894	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>261,156</b>	<b>54,770</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Prepaid items	14,217	-	-	-
Restricted for:				
Debt service	-	91,235	-	-
Enabling legislation	-	-	-	-
Capital projects	-	-	3,460,809	-
Special projects	-	-	-	-
Assigned:				
Library reserve	104,637	-	-	-
Disaster	227,382	-	-	-
Tree replacements	6,200	-	-	-
Unassigned	4,109,110	-	-	(4,826,393)
<b>Total Fund Balances</b>	<b>4,461,546</b>	<b>91,235</b>	<b>3,460,809</b>	<b>(4,826,393)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,186,576</b>	<b>\$ 156,553</b>	<b>\$ 3,545,650</b>	<b>\$ 620,463</b>

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,432,154	\$ 8,438,434
1,933,292	4,373,151
1,774,404	3,819,658
-	3,632
-	14,217
<u>\$ 5,139,850</u>	<u>\$ 16,649,092</u>
\$ 873,449	\$ 2,534,693
2,082,391	3,547,713
-	7,397
349,881	5,222,037
<u>3,305,721</u>	<u>11,311,840</u>
-	291,032
-	24,894
<u>-</u>	<u>315,926</u>
-	14,217
-	91,235
1,332,008	1,332,008
490,053	3,950,862
28,518	28,518
-	104,637
-	227,382
-	6,200
(16,450)	(733,733)
<u>1,834,129</u>	<u>\$ 5,021,326</u>
<u>\$ 5,139,850</u>	<u>\$ 16,649,092</u>

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**CITY OF DICKINSON, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL**  
**FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**September 30, 2019**

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

Total fund balances - total governmental funds	\$	5,021,326
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in governmental funds.		
Capital assets, nondepreciable		3,447,774
Capital assets, net depreciable		32,797,106
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
		315,926
Internal service funds are used by management to charge costs of insurance and facility maintenance to individual funds. The assets of the internal service fund are included in the governmental activities in the Statement of Net Position.		
		(348,953)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable		(18,548)
Deferred charge on refunding		81,909
Deferred outflows - pensions (TMRS)		1,315,717
Deferred outflows - pensions (TESRS)		30,646
Deferred outflows - OPEB (SDBF)		1,093
Deferred inflows - pensions (TMRS)		(33,205)
Deferred inflows - pensions (TESRS)		(7,856)
Deferred inflows - OPEB (SBDF)		(9,206)
Noncurrent liabilities due in one year		(867,580)
Noncurrent liabilities due in more than one year		(9,272,779)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>32,453,370</u></b>

See Notes to Financial Statements.

# CITY OF DICKINSON, TEXAS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

For the Year Ended September 30, 2019

	General	Debt Service	Street Maintenance	FEMA Hurricane Harvey
<b>Revenues</b>				
Property taxes	\$ 3,584,802	\$ 700,503	\$ -	\$ -
Sales taxes	7,104,938	-	1,776,234	-
Special assessments	-	-	-	-
Franchise fees	1,078,616	-	-	-
Other taxes	61,545	-	-	-
Licenses and permits	596,850	-	-	-
Fines and forfeitures	597,685	-	-	-
Charges for services	439,612	-	-	-
Intergovernmental	672,352	156,345	-	107,529
Investment earnings	97,263	8,126	29,081	26,658
Other revenues	1,487,320	-	-	-
<b>Total Revenues</b>	<b>15,720,983</b>	<b>864,974</b>	<b>1,805,315</b>	<b>134,187</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	1,945,744	-	-	-
Public safety	7,623,086	-	-	594,692
Public works	490,117	-	1,095,258	95
Culture and recreation	345,438	-	-	-
Community development	515,785	-	-	-
Economic development	5,528,026	-	-	-
<b>Debt service:</b>				
Principal	-	625,000	-	-
Interest and fiscal charges	-	242,465	-	-
<b>Total Expenditures</b>	<b>16,448,196</b>	<b>867,465</b>	<b>1,095,258</b>	<b>594,787</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(727,213)</b>	<b>(2,491)</b>	<b>710,057</b>	<b>(460,600)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	15,025	-	-	-
Transfers (out)	(15,160)	-	-	-
Capital lease proceeds	-	-	-	-
Sale of capital assets	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(135)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(727,348)</b>	<b>(2,491)</b>	<b>710,057</b>	<b>(460,600)</b>
Beginning fund balances	5,188,894	93,726	2,750,752	(4,365,793)
<b>Ending Fund Balances</b>	<b>\$ 4,461,546</b>	<b>\$ 91,235</b>	<b>\$ 3,460,809</b>	<b>\$ (4,826,393)</b>

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 4,285,305
-	8,881,172
381,530	381,530
-	1,078,616
27,513	89,058
-	596,850
21,951	619,636
1,201	440,813
2,282,085	3,218,311
2,119	163,247
54,493	1,541,813
<u>2,770,892</u>	<u>21,296,351</u>
413,620	2,359,364
2,444,998	10,662,776
68,827	1,654,297
-	345,438
-	515,785
-	5,528,026
86,146	711,146
4,522	246,987
<u>3,018,113</u>	<u>22,023,819</u>
<u>(247,221)</u>	<u>(727,468)</u>
15,160	30,185
(15,025)	(30,185)
-	0
-	-
<u>135</u>	<u>-</u>
(247,086)	(727,468)
2,081,215	5,748,794
<u>\$ 1,834,129</u>	<u>\$ 5,021,326</u>

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**CITY OF DICKINSON, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2019**

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

Net change in fund balances - total governmental funds	\$	(727,468)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		2,147,876
Depreciation expense		(1,718,047)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		30,799
--	--	--------

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

Principal expenditures		711,146
Amortization of deferred amounts		2,408
Accrued interest		1,288

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

Compensated absences		72,415
Deferred outflows - pensions (TMRS)		1,222,381
Deferred outflows - pensions (TESRS)		245
Deferred outflows - OPEB (SDBF)		(13,499)
Deferred inflows - pensions (TMRS)		(81,539)
Deferred inflows - pensions (TESRS)		(21,625)
Deferred inflows - OPEB (SDBF)		(9,206)
Net pension liability		(1,568,743)
Total OPEB liability - SDBF		9,860

Internal service funds are used by management to charge the costs of insurance and facility maintenance to individual funds. The net revenue is reported with governmental activities.		(994,566)
--	--	-----------

	<b>\$</b>	<b>(936,275)</b>
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See Notes to Financial Statements.

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# CITY OF DICKINSON, TEXAS

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

September 30, 2019

	Business-Type Activities Municipal Drainage Utility	Governmental Activities Internal Service
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$ 219,673	\$ -
Receivables, net	218,232	-
<b>Total Assets</b>	<b>437,905</b>	<b>-</b>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred outflows - pensions (TMRS)	26,882	-
<b>Total Deferred Outflows of Resources</b>	<b>26,882</b>	<b>-</b>
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	59,831	77,135
Due to other funds	128	271,818
Unearned revenues	63,374	-
Compensated absences due in one year	5,464	-
<b>Total Current Liabilities</b>	<b>128,797</b>	<b>348,953</b>
Noncurrent liabilities:		
Compensated absences	607	-
Net pension liability	57,029	-
<b>Total Noncurrent Liabilities</b>	<b>57,636</b>	<b>-</b>
<b>Total Liabilities</b>	<b>186,433</b>	<b>348,953</b>
<b><u>Deferred Inflows of Resources</u></b>		
Deferred inflows - pensions (TMRS)	1,414	-
<b>Total Deferred Inflows of Resources</b>	<b>1,414</b>	<b>-</b>
<b><u>Net Position</u></b>		
Unrestricted	276,940	(348,953)
<b>Total Net Position</b>	<b>\$ 276,940</b>	<b>\$ (348,953)</b>

See Notes to Financial Statements.

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**CITY OF DICKINSON, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2019**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Municipal Drainage Utility</b>	<b>Internal Service</b>
<b><u>Operating Revenues</u></b>		
Charges for services	\$ 2,052	\$ 889,543
<b>Total Operating Revenues</b>	2,052	889,543
<b><u>Operating Expenses</u></b>		
General and administrative	11,489	1,884,109
<b>Total Operating Expenses</b>	11,489	1,884,109
<b>Change in Net Position</b>	(9,437)	(994,566)
Beginning net position	286,377	645,613
<b>Ending Net Position</b>	\$ 276,940	\$ (348,953)

See Notes to Financial Statements.

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# CITY OF DICKINSON, TEXAS

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

For the Year Ended September 30, 2019

	Business-Type Activities	Governmental Activities
	Municipal Drainage Utility	Internal Service
<b><u>Cash Flows from Operating Activities</u></b>		
Receipts from customers and users	\$ 2,136	\$ 889,543
Payments to suppliers	34,256	(1,535,156)
<b>Net Cash Provided (Used) by Operating Activities</b>	36,391	(645,613)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	36,391	(645,613)
Beginning cash and cash equivalents	183,282	645,613
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 219,673</b>	<b>\$ -</b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash (Used) by Operating Activities</u></b>		
Operating (loss)	\$ (9,437)	\$ (994,566)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
<b>Changes in Operating Assets and Liabilities:</b>		
<b>(Increase) Decrease in:</b>		
Accounts receivable	(260)	-
<b>Increase (Decrease) in:</b>		
Accounts payable and accrued liabilities	34,256	348,953
Unearned revenues	344	-
Compensated absences	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 36,391</b>	<b>\$ (645,613)</b>

See Notes to Financial Statements.

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**CITY OF DICKINSON, TEXAS**  
**STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**

September 30, 2019

	Dickinson Economic Development Corporation	Dickinson Management District No. 1	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 2,863,654	\$ 982,025	\$ 3,845,679
Due from primary government	4,989	2,408	7,397
Receivables, net	315,256	605,032	920,288
Prepaid items	-	1,458	1,458
	<u>3,183,899</u>	<u>1,590,923</u>	<u>4,774,822</u>
Capital assets:			
Nondepreciable	5,557,463	-	5,557,463
Net depreciable	256,163	-	256,163
	<u>5,813,626</u>	<u>-</u>	<u>5,813,626</u>
<b>Total Assets</b>	<u>8,997,525</u>	<u>1,590,923</u>	<u>10,588,448</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	11,195	290,733	301,928
Due to primary government	3,632	-	3,632
Due to other governments - current portion	26,027	-	26,027
Compensated absences - current portion	16,488	-	16,488
Note payable - current portion	194,652	-	194,652
<b>Total Current Liabilities</b>	<u>251,994</u>	<u>290,733</u>	<u>542,727</u>
Noncurrent liabilities:			
Due to other governments	130,138	-	130,138
Compensated absences	1,832	-	1,832
Note payable	684,565	-	684,565
<b>Total Noncurrent Liabilities</b>	<u>816,535</u>	<u>-</u>	<u>816,535</u>
<b>Total Liabilities</b>	<u>1,068,529</u>	<u>290,733</u>	<u>1,359,262</u>
<b>Net Position</b>			
Net investment in capital assets	6,692,843	-	6,692,843
Restricted	1,236,153	1,300,190	2,536,343
<b>Total Net Position</b>	<u>\$ 7,928,996</u>	<u>\$ 1,300,190</u>	<u>\$ 9,229,186</u>

See Notes to Financial Statements.

**CITY OF DICKINSON, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
For the Year Ended September 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Dickinson Economic Development Corporation</u>	<u>Dickinson Management District No. 1</u>
<b>Component Units</b>				
Dickinson Economic Development Corporation	\$ 1,154,553	\$ 3,000	\$ (1,151,553)	\$ -
Dickinson Management District No. 1	3,656,397	-	-	(3,656,397)
<b>Total Component Units</b>	<u>\$ 4,810,950</u>	<u>\$ 3,000</u>	<u>(1,151,553)</u>	<u>(3,656,397)</u>
<b>General Revenues:</b>				
Taxes				
Sales taxes			1,776,234	3,461,953
Investment earnings			26,349	14,808
Other revenues			-	723,871
<b>Total General Revenues</b>			<u>1,802,583</u>	<u>4,200,632</u>
<b>Change in Net Position</b>			651,030	544,235
Beginning net position			7,277,966	755,955
<b>Ending Net Position</b>			<u>\$ 7,928,996</u>	<u>\$ 1,300,190</u>

See Notes to Financial Statements.

**Total**

\$ (1,151,553)  
(3,656,397)  
(4,807,950)

5,238,187  
41,157  
723,871  
6,003,215  
1,195,265  
8,033,921  
\$ 9,229,186

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**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Village of Dickinson, Texas was incorporated by virtue of an election in August 1977. The Village of Dickinson, Texas became the City of Dickinson, Texas (the “City”) in December 1982. The City operates under a Council-Mayor form of government. The Mayor and six Council Members are elected from the City at large serving three-year terms. The City Council is the principal legislative body of the City. The City Administrator, City Prosecutor, Municipal Court Judge, Police Chief, and City Secretary are appointed by City Council. The City Administrator is responsible for appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget. The Mayor presides at meetings of the City Council and can vote only in the case of a tie vote.

The City provides the following services: public safety, public works, culture and recreation, economic development, community development, drainage, and general government administration. Fire protection is provided through a volunteer department.

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

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

**Discretely Presented Component Units**

**Dickinson Economic Development Corporation**

Dickinson Economic Development Corporation (the “Corporation”) is a not-for-profit corporation established for the specific purpose of economic development with the City through the use of dedicated sales tax revenues. The Board members of the Corporation are approved by City Council, as is the annual budget.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**Dickinson Management District No. 1**

Dickinson Management District No. 1 (the “District”) was created for the purposes of managing and financing improvement projects and/or services benefiting the District. These activities include maintenance and beautification of the area; development and/or expansion of transportation and commerce; promotion of health, safety, and welfare of the City; and general and administrative costs. The Board members of the District are appointed by City Council.

**Dickinson Education Finance Corporation**

The Dickinson Education Finance Corporation (DEFC) was organized exclusively for the purpose of financing or refinancing educational facilities. The members of the Board are appointed by the City Council.

**Blended Component Units**

**Bayou Lakes Public Improvement District No. 1**

Bayou Lakes Public Improvement District No. 1 (the “PID No. 1”) has been included in the reporting entity as a blended component unit. The PID No. 1 was created to promote the interests of the City in an improvement project that confers a special benefit on a definable part of the City. This improvement project includes landscaping; lighting and signs; and construction and improvement of water, wastewater, and drainage.

The City reimburses a developer for the costs of creating and operating the PID No. 1 from assessments collected from homeowners. The City charges the PID No. 1 a fee for administration and operating expenses and audit.

**Bayou Lakes Public Improvement District No. 2**

Bayou Lakes Public Improvement District No. 2 (the “PID No. 2”) has been included in the reporting entity as a blended component unit. The PID No. 2 was created to promote the interests of the City in an improvement project that confers a special benefit on a definable part of the City.

The City reimburses a developer for the costs of creating and operating the PID No. 2 from assessments collected from homeowners. The City charges the PID No. 2 a fee for administration and operating expenses and audit.

**Bayou Animal Services Corporation**

Bayou Animal Services Corporation (the “Corporation”) has been included in the reporting entity as a blended component unit. The Corporation was created to provide animal control, sheltering services, and any and all related functions associated therewith. The Corporation entered into interlocal agreements with the cities of Dickinson, Clear Lake Shores, and Santa Fe for the purposes of providing full-time animal control and sheltering services, administrative functions, and other related governmental functions on behalf of these cities. These cities will provide an annual fee based upon the pro-rata share of their respective populations as determined by the latest U.S. Census Bureau estimates as of June 1 of each year.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The component units identified above are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The City appoints a majority of these organizations' boards and is either able to impose its will on them or a financial benefit/burden exists.

Complete financial statements of the individual component units can be obtained directly from administrative offices of the City.

**B. Government-Wide Financial Statements**

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

**C. Basis of Presentation – Government-Wide Financial Statements**

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

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

**D. Basis of Presentation – Fund Financial Statements**

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

The City reports the following governmental funds:

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

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all long-term debt of the City.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The primary source of revenue for debt service is local property taxes. The debt service fund is not considered a major fund for reporting purposes but the City has elected to present as a major fund due to its significance.

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

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The street maintenance fund and the FEMA Hurricane Harvey fund are included as major funds. Nonmajor special revenue funds include special revenue and grants, VOCA, CDBG disaster recovery, Bayou Lakes PID No. 1, Bayou Lakes PID No. 2, federal seized funds, library impact grant, child safety, court efficiency, court security, court technology, state seized funds, hotel/motel, Bayou Animal Services Corporation, and hurricane relief funds.

The City reports the following enterprise fund:

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

Additionally, the City reports the following fund type:

*Internal service funds* account for services provided to other departments of the City, or to other governments, on a cost reimbursement basis. The employee benefit fund is used to account for insurance provided to City employees. The building maintenance fund is used to account for facility maintenance costs.

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

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

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

eliminated so that only the net amount is included as internal balances in the business-type activities column.

**E. Measurement Focus and Basis of Accounting**

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

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

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

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

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

**1. Cash and Cash Equivalents**

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

The City maintains a pooled cash and investments account for all funds of the City. Each fund's positive equity in the pooled cash account is presented as cash and cash equivalents or investments.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Interest income is allocated to each respective individual fund monthly based on their representative fund balances.

**2. Investments**

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

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

- Obligations of the U.S. Treasury
- Fully collateralized certificates of deposit and money market accounts with local depository banks
- Local government investment pools
- Repurchase agreements

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

**4. Capital Assets**

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

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

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

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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	40 years
Furniture and fixtures	3 to 20 years
Machinery and equipment	5 to 20 years
Vehicles	5 years
Streets and sidewalks	30 years

**5. Deferred Outflows/Inflows of Resources**

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

Deferred outflows/inflows of resources are amortized as follows:

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

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and emergency medical services. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

**6. Compensated Employee Absences**

It is the City’s policy to permit employees to accumulate earned but unused vacation and compensatory time. Vacation benefits are earned based on the employees’ years of service with the City. Vacation and compensatory time amounts accumulated may be paid to employees upon termination of employment or at retirement up to a certain amount. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it becomes due. Amounts of vested or accumulated vacation leave that are not

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

**7. Long-Term Obligations**

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

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

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

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

**8. Net Position Flow Assumption**

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

**9. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**10. Fund Balance Policies**

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

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

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

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

**11. Estimates**

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

**12. Pensions**

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

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**13. Other Postemployment Benefits**

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

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Property Taxes**

Property taxes are levied on October 1 of each year, are due upon receipt of the City's tax bill, and become delinquent on February 1 of the following year. The City's tax lien exists from January 1 (the assessment date) each year until the taxes are paid.

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a budget basis. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control, as defined by the charter, in the approved budget is the department level. The City Administrator may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year. Encumbrance accounting is not utilized.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**B. Deficit Fund Balance**

As of September 30, 2019, the following funds had deficit fund balances:

FEMA Hurricane Harvey	\$ 4,826,393
VOCA	\$ 10,233
Special Revenue and Grants	\$ 587,842
CDGB Disaster Recovery	\$ 1,100
Bayou Lakes Public Improvement District No. 2	\$ 16,575
Building Maintenance	\$ 348,953

The FEMA Hurricane Harvey fund incurred costs in the aftermath of Hurricane Harvey. Prior to year end, FEMA approved a public assistance request in the amount of \$10,125,000. The approval associated with project worksheets was pending as of year end. Hurricane Harvey caused widespread damage in Texas in August 2017. It is the costliest natural disaster ever in the United States, primarily from widespread flooding in the Houston metropolitan area and southeast Texas area. In a four day period, many areas received more than 40 inches of rain as the system slowly meandered over eastern Texas and adjacent waters, causing catastrophic flooding. With peak accumulations of 64.58 inches, Hurricane Harvey was the wettest tropical cyclone on record in the United States. The resulting floods inundated hundreds of thousands of homes, displaced more than 30,000 people, and prompted more than 17,000 rescues. Approximately one quarter of the State was impacted by the storm directly or indirectly, including the City, which was significantly impact.

Federal Emergency Management Agency (FEMA) during and immediately after the disaster pledged to assist the City and initially advanced \$10,125,000, but after media attention on the disaster subsided, requested \$5,337,660 be returned, to the agency. FEMA continues to use stringent standards as a means to reduce its initial promises of federal assistance, shifting an increasing burden on citizens that were personally devastated by the disaster, and may now need to help make the City whole, for funds that were pledged by federal officials. The City has \$4,872,156 in funds that were advanced by FEMA, which the City is increasingly concerned will be at risk as the Federal Government's collective memory of the local devastation of the event subsides.

**C. Expenditures in Excess of Appropriations**

For the year ended September 30, 2019, expenditures exceeded appropriations at the legal level of control as follows:

<b>General Fund</b>	
General government:	
General government	\$ 33,222
Finance	\$ 20,516
<b>Street Maintenance:</b>	
Public works	\$ 405,428
<b>Debt Service:</b>	
Interest and fiscal charges	\$ 65,470
<b>Nonmajor Special Revenue Funds:</b>	
Bayou Lakes Public Improvement District No. 2	
General government	\$ 975
Federal Seized Fund	
Public safety	\$ 43,510
Child Safety	
Public safety	\$ 100

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of year end, the City had the following investments:

<b>Investment Type</b>	<b>Value</b>	<b>Weighted Average Maturity (Years)</b>
External investment pools	\$ 1,394,251	0.09
<b>Total</b>	<b>\$ 1,394,251</b>	
Portfolio weighted average maturity		0.09

*Interest rate risk.* In accordance with the City investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

*Credit risk.* The City’s investment policy limits investments in money market mutual funds rated as to investment quality not less than “AAA” by at least one nationally recognized rating service. As of September 30, 2019, the City’s investment in TexPool was rated “AAAm” by Standard & Poor’s.

*Concentration of credit risk.* To guard against default possibilities and to assure diversification of bidders, business with any one issuer or investment broker should be limited to 40 percent of the total portfolio at any point in time.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As of September 30, 2019, the bank balances were \$15,236,852, of which \$500,000 was insured by FDIC. The market values of pledged securities were \$16,585,087.

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

**TexPool**

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

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

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

**B. Receivables**

The following comprise receivable balances at year end:

	<b>Governmental Funds</b>					<b>Total Governmental Funds</b>
	<b>General</b>	<b>Debt Service</b>	<b>Street Maintenance</b>	<b>FEMA Hurricane Harvey</b>	<b>Other Governmental</b>	
Property taxes	\$ 248,696	\$ 57,653	\$ -	\$ -	\$ -	\$ 306,349
Sales taxes	1,240,235	-	310,059	-	-	1,550,294
Accounts	1,623,233	-	-	-	-	1,623,233
Other	409,096	2,716	6,463	697	1,560,363	1,979,335
Grants	-	-	-	110,556	372,929	483,485
Less allowance	(1,566,662)	(2,883)	-	-	-	(1,569,545)
	<u>\$ 1,954,598</u>	<u>\$ 57,486</u>	<u>\$ 316,522</u>	<u>\$ 111,253</u>	<u>\$ 1,933,292</u>	<u>\$ 4,373,151</u>

	<b>Proprietary Fund Municipal Drainage Utility</b>
Accounts	\$ 291,211
Less allowance	(72,979)
	<u>\$ 218,232</u>

	<b>Component Units</b>		
	<b>Dickinson Economic Development Corporation</b>	<b>Dickinson Management District No. 1</b>	<b>Total Component Units</b>
Sales taxes	\$ 310,059	\$ -	\$ 310,059
Other	3,245	605,032	608,277
	<u>\$ 315,256</u>	<u>\$ 605,032</u>	<u>\$ 920,288</u>

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**C. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 762,063	\$ -	\$ -	\$ 762,063
Construction in progress	1,164,244	1,521,467	-	2,685,711
<b>Total Capital Assets Not Being Depreciated</b>	<u>1,926,307</u>	<u>1,521,467</u>	<u>-</u>	<u>3,447,774</u>
Other capital assets:				
Buildings and improvements	12,823,159	-	-	12,823,159
Vehicles and heavy equipment	3,475,588	456,167	-	3,931,755
Furniture and fixtures	1,630,019	170,242	-	1,800,261
Infrastructure	44,953,712	-	-	44,953,712
<b>Total Other Capital Assets</b>	<u>62,882,478</u>	<u>626,409</u>	<u>-</u>	<u>63,508,887</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,563,132)	(323,613)	-	(3,886,745)
Vehicles and heavy equipment	(2,547,158)	(285,901)	-	(2,833,059)
Furniture and fixtures	(1,118,302)	(111,869)	-	(1,230,171)
Infrastructure	(21,765,142)	(996,664)	-	(22,761,806)
<b>Total Accumulated Depreciation</b>	<u>(28,993,734)</u>	<u>(1,718,047)</u>	<u>-</u>	<u>(30,711,781)</u>
Other capital assets, net	<u>33,888,744</u>	<u>(1,091,638)</u>	<u>-</u>	<u>32,797,106</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 35,815,051</u>	<u>\$ 429,829</u>	<u>\$ -</u>	<u>36,244,880</u>
			Less associated debt	(7,193,432)
			Plus deferred charge on refunding	81,909
			<b>Net Investment in Capital Assets</b>	<u>\$ 29,133,357</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 155,039
Public safety	337,841
Public works	1,150,120
Culture and recreation	73,860
Community development	1,187
<b>Total Governmental Activities Depreciation Expense</b>	<u>\$ 1,718,047</u>

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The following is a summary of changes in capital assets for the Corporation (a discretely presented component unit) for the year ended September 30, 2019:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Ending Balance</b>
<b>Component Unit:</b>				
Capital assets not being depreciated:				
Land	\$ 5,557,463	\$ -	\$ -	\$ 5,557,463
<b>Total Capital Assets Not Being Depreciated</b>	5,557,463	-	-	5,557,463
Other capital assets:				
Buildings and improvements	252,612	-	-	252,612
Furniture and fixtures	29,205	-	-	29,205
<b>Total Other Capital Assets</b>	29,205	-	-	281,817
Less accumulated depreciation for:				
Buildings and improvements	(4,736)	(6,315)	-	(11,051)
Furniture and fixtures	(11,682)	(2,921)	-	(14,603)
<b>Total Accumulated Depreciation</b>	(11,682)	(2,921)	-	(25,654)
Other capital assets, net	17,523	(2,921)	-	256,163
<b>Component Unit Capital Assets, Net</b>	\$ 5,574,986	\$ (2,921)	\$ -	5,813,626
			Less associated debt	879,217
			<b>Net Investment in Capital Assets</b>	<b>\$ 6,692,843</b>

Depreciation was charged to the Corporation as follows:

Economic development corporation	\$ 2,921
<b>Component Unit Depreciation Expense</b>	<b>\$ 2,921</b>

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2019

**D. Long-Term Debt**

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2019. In general, the City uses the general and debt service funds to liquidate long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 6,660,000	\$ -	\$ 625,000	\$ 6,035,000 <sup>(1)</sup>	\$ 640,000
Certificates of obligation	1,055,000	-	-	1,055,000 <sup>(1)</sup>	-
Discount/premium	116,079	-	12,647	103,432 <sup>(1)</sup>	-
Capital lease	86,145	-	86,145	- <sup>(1)</sup>	-
	<u>7,917,224</u>	<u>-</u>	<u>723,792</u>	<u>7,193,432</u>	<u>640,000</u>
Other liabilities:					
Net pension liability (TMRS)	816,505	1,564,693	-	2,381,198	-
Net pension liability (TESRS)	131,049	4,050	-	135,099	-
Total OPEB liability	187,623	-	9,860	177,763	-
Compensated absences	325,282	256,783	329,198	252,867	227,580
<b>Total Governmental Activities</b>	<u>\$ 9,377,683</u>	<u>\$ 1,825,526</u>	<u>\$ 1,062,850</u>	<u>\$ 10,140,359</u>	<u>\$ 867,580</u>
<b>Long-Term Liabilities Due In More Than One Year</b>				<u>\$ 9,272,779</u>	
<sup>(1)</sup> Debt associated with capital assets				<u>\$ 7,193,432</u>	

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
Net pension liability (TMRS)	\$ 24,652	\$ 32,377	\$ -	\$ 57,029	\$ -
Compensated absences	6,071	6,528	6,528	6,071	5,464
<b>Total Business-Type Activities</b>	<u>\$ 30,723</u>	<u>\$ 38,905</u>	<u>\$ 6,528</u>	<u>\$ 63,100</u>	<u>\$ 5,464</u>

The following is a summary of changes in the Corporation's (a discretely presented component unit) total long-term liabilities for the year ended September 30, 2019.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Component Unit:</b>					
Note payable	\$ 1,064,395	\$ -	\$ 185,178	\$ 879,217 <sup>(2)</sup>	\$ 194,652
Compensated absences	16,257	4,888	2,825	18,320	16,488
<b>Total Component Unit</b>	<u>\$ 1,080,652</u>	<u>\$ 4,888</u>	<u>\$ 188,003</u>	<u>\$ 897,537</u>	<u>\$ 211,140</u>
<b>Long-Term Liabilities Due In More Than One Year</b>				<u>\$ 686,397</u>	
<sup>(2)</sup> Debt associated with capital assets				<u>\$ 879,217</u>	

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

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Long-term governmental and discretely presented component unit debt at year end was comprised of the following debt issues:

Description	Interest Rates (%)	Balance
<b><u>Governmental Activities</u></b>		
<b>General obligation bonds</b>		
Series 2009 refunding	3.500-4.900	\$ 1,275,000
Series 2014 refunding	2.000-3.000	4,760,000
<b>Total General Obligation Bonds</b>		<b>6,035,000</b>
 <b>Certificates of obligation</b>		
Series 2009	3.500-4.900	1,055,000
<b>Total Certificates of Obligation</b>		<b>1,055,000</b>
<b>Total Governmental Activities</b>		<b>\$ 7,090,000</b>
 <b><u>Dickinson Economic Development Corporation</u></b>		
<b>Note payable</b>		
Note - Sussan property	5.000	\$ 879,217
		<b>\$ 879,217</b>

The annual requirements to amortize governmental debt issues outstanding at year end are as follows:

Year Ending Sept. 30	General Obligation Bonds		Certificates of Obligation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 640,000	\$ 174,340	-	\$ 50,695	\$ 640,000	\$ 225,035
2021	575,000	159,715	-	50,695	575,000	210,410
2022	595,000	145,854	-	50,695	595,000	196,549
2023	610,000	131,706	-	50,695	610,000	182,401
2024	625,000	115,775	-	50,695	625,000	166,470
2025-2029	2,635,000	307,055	675,000	222,163	3,310,000	529,218
2030	355,000	8,698	380,000	9,310	735,000	18,008
<b>Total</b>	<b>\$ 6,035,000</b>	<b>\$ 1,043,143</b>	<b>\$ 1,055,000</b>	<b>\$ 484,948</b>	<b>\$ 7,090,000</b>	<b>\$ 1,528,091</b>

The annual requirements to amortize the Corporation's (a discretely presented component unit) debt issue outstanding at year end are as follows:

Year Ending Sept. 30	Note Payable	
	Principal	Interest
2020	\$ 194,652	\$ 39,540
2021	204,611	29,581
2022	215,080	19,113
2023	226,083	8,109
2024	38,791	243
	<b>\$ 879,217</b>	<b>\$ 96,586</b>

Certificates of obligation are direct obligations of the City for which its full faith and credit are pledged. Repayment is from taxes levied on all taxable property located within the City.

The Corporation agreed to pay a portion of the series 2000 certificates of obligation (subsequently refunded with the Series 2009 refunding general obligation bonds).

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**Federal Arbitrage**

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

**E. Interfund Transactions**

Transfers between the primary government funds during the year were as follows:

<b>Transfer Out</b>	<b>Transfer In</b>	<b>Amount</b>
Nonmajor governmental	General	\$ 15,025
General	Nonmajor governmental	15,160
		\$ 30,185

Amounts transferred between funds related to amounts collected by the general and other nonmajor governmental funds for various governmental expenditures and debt payments.

Interfund receivables and payables between the primary government funds during the year were as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General	General	\$ 1,818,953
General	Debt service	9,452
Debt service	General	1,538,860
FEMA Hurricane Harvey	General	22,500
Street maintenance	General	201,401
Nonmajor governmental	General	229,139
		\$ 3,820,305

Amounts recorded as “due to/from” are considered to be temporary loans and will be repaid during the following year.

**F. Fund Equity**

As of September 30, 2019, \$1,332,008 of the City’s total fund balance is restricted by enabling legislation.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**H. Restatement of Net Position/Fund Balance**

Beginning net position for governmental activities and fund balance in the general fund were restated to reflect an adjustment to pooled cash and interfund transactions as follows:

	<b>Governmental Activities</b>	<b>General Fund</b>
<b>Beginning net position/fund balance as reported</b>	\$ 33,397,917	\$ 5,197,166
Pooled cash reconciliation	1,445,030	1,445,030
Interfund reconciliation	(1,453,302)	(1,453,302)
<b>Restated beginning net position/fund balance</b>	<b>\$ 33,389,645</b>	<b>\$ 5,188,894</b>

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League’s Intergovernmental Risk Pool (the “Pool”). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

**B. Contingent Liabilities**

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

The City is a defendant in several lawsuits. Although the outcome of the lawsuits is not presently determinable, it is the opinion of the City’s counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

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

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**C. Pension Plans**

**1. Texas Municipal Retirement System**

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the “TMRS Act”) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees (the “Board”). Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at [www.tmr.com](http://www.tmr.com).

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member’s deposits and interest.

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

	<u>2019</u>	<u>2018</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service requirement eligibility (expressed as age/yrs of service)	60/10, 0/20	60/10, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	0% of CPI Repeating	0% of CPI Repeating

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to, but not yet receiving, benefits	87
Active employees	92
<b>Total</b>	<b>215</b>

Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 9.46 percent in calendar years 2019 and 2018. The City's contributions to TMRS for the fiscal year ended September 30, 2019 were \$504,892 which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109 percent and female rates multiplied by 103 percent with a three-year set-forward for both males and females. In addition, a three percent minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the three percent floor.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and annuity purchase rate are based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the EAN actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
<b>Total</b>	<u><u>100.0%</u></u>	

Discount Rate

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

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 805,261	\$ -	\$ 805,261
Interest	1,210,685	-	1,210,685
Difference between expected and actual experience	5,655	-	5,655
Changes in assumptions	(45,122)	-	(45,122)
Contributions - employer	-	515,761	(515,761)
Contributions - employee	-	381,640	(381,640)
Net investment income	-	(507,664)	507,664
Benefit payments, including refunds of employee contributions	(532,818)	(532,818)	-
Administrative expense	-	(9,815)	9,815
Other changes	-	(513)	513
<b>Net Changes</b>	<b>1,443,661</b>	<b>(153,409)</b>	<b>1,597,070</b>
Balance at December 31, 2017	17,794,201	16,953,044	841,157
<b>Balance at December 31, 2018</b>	<b>\$ 19,237,862</b>	<b>\$ 16,799,635</b>	<b>\$ 2,438,227</b>

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 5,151,897	\$ 2,438,227	\$ 207,262

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com).

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

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$983,987.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 84,090	\$ 34,060
Difference between projected and actual investment earnings	881,003	-
Contributions subsequent to the measurement date	377,506	-
<b>Total</b>	<b>\$ 1,342,599</b>	<b>\$ 34,060</b>

\$377,506 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**2. Texas Emergency Services Retirement System**

Plan Description

The City participates in a cost-sharing multiple employer pension plan that has a special funding situation. The plan is administered by TESRS and established and administered by the State of Texas (the "State") to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2018, there were 203 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

On August 31, 2018, the pension system membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,104
Terminated members entitled to, but not yet receiving, benefits	2,208
Active participants	4,046

Pension Plan Fiduciary Net Position

Detailed information about the TESRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and Required Supplementary Information. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and Required Supplementary Information, which can be obtained at [www.tesrs.org](http://www.tesrs.org). The separately issued actuarial valuations that may be of interest are also available at the same link.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees (the "Board") authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by Board rule. The

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

benefit provisions include retirement benefits, as well as death and disability benefits. Members are 50 percent vested after the tenth year of service, with the vesting percentage increasing ten percent for each of the next five years of service so that a member becomes 100 percent vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percentage multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2 percent compounded annually. There is no provision for automatic post retirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse and dependent children.

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of TESRS, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the TESRS contribution that directly impacts future retiree annuities.

The State is required to contribute an amount necessary to make TESRS "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The Board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the State are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percentage of the Part One portion (not to exceed 15 percent), is to be actuarially adjusted near the end of each even-numbered calendar year based on the most recent actuarial valuation. Based on the actuarial valuation as of August 31, 2018, the Part Two contributions were established by the Board to be two percent of the Part One contributions beginning September 1, 2019.

Additional contributions may be made by governing bodies within two years of joining TESRS to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in TESRS.

A small subset of participating departments has a different contribution arrangement that is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into TESRS. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by TESRS.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Contributions

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by Board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2018, total contributions (dues, prior service, and interest on prior service financing) of \$89,400 were paid by the City. The State appropriated \$1,583,825 for the fiscal year ending August 31, 2018 to TESRS as a whole.

Actuarial Assumptions

The TPL in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	8/31/2018
Actuarial Cost Method	Entry age
Amortization Method	Level dollar, open
Amortization Period	30 years
Asset Valuation Method	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value
Actuarial Assumptions:	
Investment Rate of Return*	7.75%
Projected Salary Increases	N/A
*Includes Inflation at	3.00%
Cost of Living Adjustments	None

Mortality rates were based on the RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by scale AA. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 4.97%) and by adding expected inflation (3.00%). In addition, the final 7.75 percent assumption reflected a reduction of 0.22 percent for adverse deviation.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Net Real Rate of Return</u>
Equities		
Large cap domestic	32.0%	5.72%
Small cap domestic	10.0%	5.96%
Developed international	21.0%	6.21%
Emerging markets	6.0%	7.18%
Master limited partnership	5.0%	7.61%
Fixed income		
Domestic	21.0%	1.61%
International	5.0%	1.81%
<b>Total</b>	<u>100.0%</u>	
Weighted average		4.97%

Discount Rate

The discount rate used to measure the TPL was 7.75 percent. No projection of cash flows was used to determine the discount rate because the August 31, 2018 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method and with a lower value of assets, TESRS's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Discount Rate Sensitivity Analysis

The following presents the NPL of the City, calculated using the discount rate of 7.75 percent, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

	<u>1% Decrease in Discount Rate (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase in Discount Rate (8.75%)</u>
City's proportionate share of the net pension liability	\$ 268,483	\$ 135,099	\$ 45,135

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

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

At September 30, 2019, the City reported a liability of \$135,099 for its proportionate share of TESRS's NPL. The amount recognized by the City as its proportionate share of the NPL, the related State support, and the total portion of the NPL that was associated with the City were as follows:

City's proportionate share of the collective net pension liability	\$	145,349
*State's proportionate share that is associated with the City		50,249
<b>Total</b>		<u><u>\$ 195,598</u></u>

*\*Calculated using the City's proportionate share of contributions multiplied by the State's share of the collective net pension liability.*

The TPL used to calculate the NPL was determined by an actuarial valuation as of August 31, 2016. GASB Statement No. 68 requires the NPL to be measured as of a date no earlier than the end of the employer's prior fiscal year. TESRS did not roll forward (nor did they provide the necessary information for the participants to roll forward) the NPL to be measured as of a date no earlier than the end of the City's prior fiscal year. While the City acknowledges that the measurement date does not fall within this 12-month period, the City elected to honor the conservatism principle and report an NPL measured as of August 31, 2016. The City used the assumption that any differences in the NPL measured as of August 31, 2016 versus September 30, 2019 would be immaterial. The employer's proportion of the NPL was based on the employer's contributions to TESRS relative to the contributions of all employers to TESRS for the period September 1, 2015 through August 31, 2018.

At August 31, 2018, the employer's proportion of the collective NPL was 1.848 percent, which was an increase of 0.304 percent from its proportion measured as of August 31, 2014.

There were no changes of assumptions or other inputs that affected measurement of the TPL during the measurement period.

There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

For the year ended September 30, 2019, the City recognized pension expense of \$37,316. The City recognized on-behalf revenues of \$11,886 calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At September 30, 2019, the City reported its proportionate share of the TESRS's deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 7,467
Changes in assumptions	505	-
Difference between expected and actual experience	37	389
Contributions paid to TESRS subsequent to the measurement date	30,104	-
<b>Total</b>	<u><u>\$ 30,646</u></u>	<u><u>\$ 7,856</u></u>

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended</u> <u>September 30</u>	<u>Pension</u> <u>Expense</u>
2020	\$ 8,705
2021	(4,843)
2022	(7,128)
2023	(4,048)
<b>Total</b>	<u>\$ (7,314)</u>

**D. Other Postemployment Benefits**

**TMRS Supplemental Death Benefits Fund**

Plan Description

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

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

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a five percent interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

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

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Participation in the SDBF as of December 31, 2018 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	26	
Inactive employees entitled to, but not yet receiving, benefits	6	
Active employees	92	
<b>Total</b>	124	

Total OPEB Liability

The City's total OPEB liability of \$177,763 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 10.50% including inflation
Discount rate	3.71%*
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality rates-service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates-disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rate are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

\* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Changes for the year:		
Service cost	\$	9,268
Interest		6,337
Difference between expected and actual experience		(10,838)
Changes of assumptions		(12,991)
Benefit payments*		(1,636)
<b>Net Changes</b>		<u>(9,860)</u>
Beginning balance		187,623
<b>Ending Balance</b>	<b>\$</b>	<u><u>177,763</u></u>

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

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

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

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

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

	<u>1% Decrease in Discount Rate (2.71%)</u>	<u>Discount Rate (3.71%)</u>	<u>1% Increase in Discount Rate (4.71%)</u>
City's total OPEB liability	\$ 212,553	\$ 177,763	\$ 150,325

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$185,678.

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in actuarial assumptions	\$ 295	\$ -
Difference between expected and actual experience	-	9,206
Contributions subsequent to the measurement date	798	-
<b>Total</b>	<b>\$ 1,093</b>	<b>\$ 9,206</b>

\$798 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2020.

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

<b>Year Ended September 30</b>	<b>OPEB Expense Amount</b>
2020	\$ (1,146)
2021	(1,146)
2022	(1,146)
2023	(1,146)
2024	(2,027)
Thereafter	(2,300)
<b>Total</b>	<b>\$ (8,911)</b>

**E. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan (the “Plan”) created in accordance with the Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The Plan’s trust arrangements are established to protect deferred compensation amounts of employees under the Plan from any other use other than intended under the Plan (eventual payment to employees deferring the compensation) in accordance with federal laws. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. In accordance with generally accepted government accounting standards, the assets of the Plan have not been included in the City’s financial statements.

**F. Dickinson Education Finance Corporation Conduit Debt**

The DEFC issues bonds to finance or refinance educational facilities. The borrower receives a more favorable interest rate and the DEFC receives a fee for issuing these bonds. These bonds are limited obligations of the DEFC since they are payable solely from revenues received from the borrower pursuant to a loan agreement by and between the DEFC and the borrower. The debt is further secured by a deed of trust on certain real property of the borrower securing payment under such loan agreements. Therefore, the DEFC has no responsibility for the payment of this debt. The loan

**CITY OF DICKINSON, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

agreements and bonds payable have not been recorded in the financial statements of the City. As of September 30, 2019, the total amount of outstanding conduit debt is \$23,233,109.

**G. Chapter 380 Economic Development Agreements**

Chapter 380, *Miscellaneous Provisions Relating to Municipal Planning and Development*, of the Texas Local Government Code provides the authority to the governing body of a municipality to establish and provide for the administration of one or more programs, including programs to promote state or local economic development and to stimulate business and commercial activity in the municipality. The City has entered into Chapter 380 Economic Development Agreements (the “Agreements”) with five large businesses (the “Businesses”). Each Business agreed to establish and maintain an office in the City that generates substantial taxable sales. Each Agreement is for a term of ten years, and will be automatically extended for two additional ten-year periods. The City will remit back to the Businesses 60 percent of sales tax revenues for the first three to five years, at which point the percentage increases to 66.66 percent through the remainder of the Agreements, including the two additional ten-year terms. Each Business is subject to a minimum annual taxable sales amount ranging from \$5 million to \$15 million. Should any Business fail to meet that threshold, the City has the option to terminate the Agreement.

The City has entered into Chapter 380 Economic Development Agreement (the “Agreement”) with another business (the “Business”). The Business agreed to establish and maintain an office in the City that generates substantial taxable sales. The Agreement is for a term of ten years, and will be automatically extended for two additional ten-year periods. If the taxable sales threshold is met, the City will remit back to the Business 50 percent of sales tax revenues collected for that month.

The City entered into a Chapter 380 Economic Development Agreement (the “Agreement”) with another business (the “Business”). The Agreement is for a ten-year term. This Business agreed to expend no less than \$8,000,000 on the construction of a new 85,000 gross square-foot building. This Business has also agreed to comply with the employment requirements for entire term of the Agreement. The City will remit back to the Business 50 percent of the real and business personal property tax increment. This Business agreed to generate substantial taxable sales. If the taxable sales threshold is met, the City agreed to remit 50 percent of the sales tax revenues collected for that month.

During the current fiscal year, the City made payments of \$3,836,462 related to the Agreements noted above.

**H. Hurricane Harvey**

Hurricane Harvey caused widespread damage in Texas in August 2017. It was the costliest tropical cyclone on record, inflicting an estimated \$198.63 billion in damages, making it the costliest natural disaster ever in the United States, primarily from widespread flooding in the Houston metropolitan area and southeast Texas area. In a four-day period, many areas received more than 40 inches of rain as the system slowly meandered over eastern Texas and adjacent waters, causing catastrophic flooding. With peak accumulations of 64.58 inches, Hurricane Harvey was the wettest tropical cyclone on record in the United States. The resulting floods inundated hundreds of thousands of homes, displaced more than 30,000 people, and prompted more than 17,000 rescues. Approximately one quarter of the State was impacted by the storm directly or indirectly, including the City.

**CITY OF DICKINSON, TEXAS**  
***NOTES TO FINANCIAL STATEMENTS (Continued)***  
**For the Year Ended September 30, 2019**

The City has not determined the full financial impact of Hurricane Harvey as of the date of this report. Total costs being submitted for insurance claims or FEMA reimbursement have not been determined. As of year end, the City was approved for \$10,125,000 in public assistance through FEMA, which was not received until after year end. The City has resumed normal operations.

***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (BUDGET BASIS) (Page 1 of 2)**  
**For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	
<b>Revenues</b>				
Property taxes	\$ 3,625,904	\$ 3,625,904	\$ 3,584,802	\$ (41,102)
Sales taxes	6,844,800	6,844,800	7,104,938	260,138
Franchise fees	996,000	996,000	1,078,616	82,616
Other taxes	52,800	52,800	61,545	8,745
Licenses and permits	339,800	82,800	596,850	514,050
Fines and forfeitures	855,400	1,112,400	597,685	(514,715)
Charges for services	522,700	522,700	439,612	(83,088)
Intergovernmental	694,700	694,700	672,352	(22,348)
Investment income	30,000	30,000	97,263	67,263
Other revenues	2,326,400	3,532,750	1,487,320	(2,045,430)
<b>Total Revenues</b>	<u>16,288,504</u>	<u>17,494,854</u>	<u>15,720,983</u>	<u>(1,773,871)</u>
<b>Expenditures</b>				
General government:				
General government	1,140,500	1,230,100	1,263,322	(33,222) *
Finance	276,600	276,600	297,116	(20,516) *
Information technology	438,100	438,100	385,306	52,794
Public safety:				
Municipal court	339,600	339,600	337,756	1,844
Law enforcement	4,471,900	4,471,900	4,232,846	239,054
Fire marshal	195,300	195,300	94,735	100,565
Emergency management	192,200	192,200	162,827	29,373
Emergency medical services	1,982,200	3,004,100	2,794,922	209,178
Public works	3,147,900	2,647,900	490,117	2,157,783
Culture and recreation:				
Library	419,100	419,100	345,438	73,662
Red, White, and Bayou Festival	30	30	-	30
Community development	536,600	536,600	515,785	20,815
Economic development	5,430,400	5,585,300	5,528,026	57,274
<b>Total Expenditures</b>	<u>18,570,430</u>	<u>19,336,830</u>	<u>16,448,196</u>	<u>2,888,634</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(2,281,926)</u>	<u>(1,841,976)</u>	<u>(727,213)</u>	<u>1,114,763</u>

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (BUDGET BASIS) (Page 2 of 2)**  
**For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	\$ 15,000	\$ 15,000	\$ 15,025	\$ 25
Transfers out	(23,800)	(23,800)	(15,160)	8,640
<b>Total Other Financing (Uses)</b>	<u>(8,800)</u>	<u>(8,800)</u>	<u>(135)</u>	<u>8,665</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,290,726)</u>	<u>\$ (1,850,776)</u>	<u>(727,348)</u>	<u>\$ 1,123,428</u>
Beginning fund balance			5,188,894	
<b>Ending Fund Balance</b>			<u>\$ 4,461,546</u>	

Notes to Required Supplementary Information:

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

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**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**STREET MAINTENANCE FUND**  
**For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<b><u>Revenues</u></b>				
Sales taxes	\$ 1,711,209	\$ 1,711,209	\$ 1,776,234	\$ 65,025
Grant proceeds	1,000,000	1,000,000	-	(1,000,000)
Investment earnings	5,000	5,000	29,081	24,081
<b>Total Revenues</b>	<u>2,716,209</u>	<u>2,716,209</u>	<u>1,805,315</u>	<u>(910,894)</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Public works	326,000	689,830	1,095,258	(405,428) *
<b>Total Expenditures</b>	<u>326,000</u>	<u>689,830</u>	<u>1,095,258</u>	<u>(405,428)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,390,209</u>	<u>\$ 2,026,379</u>	710,057	<u>\$ (1,316,322)</u>
Beginning fund balance			<u>2,750,752</u>	
		<b>Ending Fund Balance</b>	<u>\$ 3,460,809</u>	

Notes to Required Supplementary Information:

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

\*Expenditures exceeded appropriations at the legal level of control.

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2019**

	Measurement Year*			
	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service cost	\$ 576,584	\$ 635,188	\$ 708,314	\$ 849,783
Interest (on the total pension liability)	868,810	937,553	1,003,659	1,106,567
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	(188,764)	(37,300)	180,282	74,087
Change in assumptions	-	314,587	-	-
Benefit payments, including refunds of employee contributions	(252,404)	(355,357)	(467,009)	(409,858)
<b>Net Change in Total Pension Liability</b>	<u>1,004,226</u>	<u>1,494,671</u>	<u>1,425,246</u>	<u>1,620,579</u>
Beginning total pension liability	<u>12,249,479</u>	<u>13,253,705</u>	<u>14,748,376</u>	<u>16,173,622</u>
<b>Ending Total Pension Liability</b>	<u><u>\$ 13,253,705</u></u>	<u><u>\$ 14,748,376</u></u>	<u><u>\$ 16,173,622</u></u>	<u><u>\$ 17,794,201</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 354,513	\$ 380,670	\$ 410,793	\$ 528,302
Contributions - employee	295,076	309,848	340,302	404,934
Net investment income	678,443	19,075	897,051	2,002,153
Benefit payments, including refunds of employee contributions	(252,404)	(355,357)	(467,009)	(409,858)
Administrative expense	(7,082)	(11,617)	(10,127)	(10,371)
Other	(582)	(574)	(546)	(526)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>1,067,964</u>	<u>342,045</u>	<u>1,170,464</u>	<u>2,514,634</u>
Beginning plan fiduciary net position	<u>11,857,937</u>	<u>12,925,901</u>	<u>13,267,946</u>	<u>14,438,410</u>
<b>Ending Plan Fiduciary Net Position</b>	<u><u>\$ 12,925,901</u></u>	<u><u>\$ 13,267,946</u></u>	<u><u>\$ 14,438,410</u></u>	<u><u>\$ 16,953,044</u></u>
<b>Net Pension Liability</b>	<u><u>\$ 327,804</u></u>	<u><u>\$ 1,480,430</u></u>	<u><u>\$ 1,735,212</u></u>	<u><u>\$ 841,157</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	97.53%	89.96%	89.27%	95.27%
<b>Covered Payroll</b>	\$ 4,215,375	\$ 4,426,397	\$ 4,861,455	\$ 5,784,775
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	7.78%	33.45%	35.69%	14.54%

\*Only five years of information is currently available.

The City will build this schedule over the next five-year period.

<b>Measurement</b>	
<b>Year*</b>	
<b>2018</b>	
\$	805,261
	1,210,685
	5,655
	(45,122)
	-
	(532,818)
	<u>1,443,661</u>
	17,794,201
	<u>19,237,862</u>

\$	515,761
	381,640
	(507,664)
	(532,818)
	(9,815)
	(513)
	<u>(153,409)</u>
	16,953,044
	<u>16,799,635</u>
	<u>2,438,227</u>

	87.33%
\$	5,452,004
	44.72%

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF THE CITY'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2019**

	Measurement Year*			
	2014	2015	2016	2017
City's proportion of the net pension liability	0.440%	0.415%	0.499%	0.546%
City's proportionate share of the net pension liability	\$ 79,911	\$ 110,646	\$ 145,349	\$ 131,049
State's proportionate share of the net pension liability	26,862	38,353	50,249	42,914
<b>Total</b>	<b>\$ 106,773</b>	<b>\$ 148,999</b>	<b>\$ 195,598</b>	<b>\$ 173,963</b>
Number of Active Members**	38	37	39	27
City's net pension liability per active member	\$ 2,103	\$ 2,990	\$ 4,066	\$ 4,854
Plan fiduciary net position as a percentage of the total pension liability	83.50%	76.90%	76.30%	81.40%

\*Only five years of information is currently available. The City will build this schedule over the next five-year period.

\*\*There is no compensation for active members. Number of active members is used instead.

**Notes to Required Supplementary Information:**

*Changes in benefit terms*

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

*Changes in assumptions*

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

**Measurement**  
**Year\***  
**2018**

0.624%

\$ 135,099

37,495

\$ 172,594

27

\$ 5,004

83.10%

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**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SUPPLEMENTAL DEATH BENEFITS FUND**  
**For the Year Ended September 30, 2019**

	Measurement Year*	
	2017	2018
<b>Total OPEB Liability</b>		
Service cost	\$ 8,677	\$ 9,268
Interest (on the total pension liability)	6,106	6,337
Differences between expected and actuarial experience	-	(10,838)
Changes of assumptions	16,213	(12,991)
Benefit payments	(1,157)	(1,636)
<b>Net Change in Total OPEB Liability</b>	<u>29,839</u>	<u>(9,860)</u>
Beginning total OPEB liability	<u>157,784</u>	<u>187,623</u>
<b>Ending Total OPEB Liability</b>	<u>\$ 187,623</u>	<u>\$ 177,763</u>
<b>Covered Payroll</b>	\$ 5,784,775	\$ 5,452,004
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	3.24%	3.26%

\* Only two years of information are currently available. The City will continue to build this schedule over the next eight-year period.

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

**Notes to Required Supplementary Information:**

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 10.50% including inflation
Discount rate	3.31%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustments with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality - disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Other Information:

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

The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

There were no benefit changes during the year.

The only change of assumptions was the annual change in the municipal bond index rate. The discount rate used in the development of the total OPEB liability was 3.31% as of December 31, 2017 compared to 3.78% as of December 31, 2016.

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2019**

	Fiscal Year*			
	2014	2015	2016	2017
Actuarially determined contribution	\$ 346,983	\$ 370,625	\$ 421,465	\$ 509,064
Contributions in relation to the actuarially determined contribution	346,983	370,625	421,465	509,064
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,156,912	\$ 4,335,988	\$ 4,964,945	\$ 5,657,521
Contributions as a percentage of covered payroll	8.35%	8.55%	8.49%	9.00%

\*Only six years of information are currently available. The City will build this schedule over the next four-year period.

**Notes to Required Supplementary Information:**

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.5% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2018 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

3. Other Information:

Adoptd 5 year vestig.

<b>Fiscal Year*</b>	
<b>2018</b>	<b>2019</b>
\$ 507,712	\$ 504,892
507,712	504,892
\$ -	\$ -
\$ 5,410,313	\$ 5,335,786
9.38%	9.46%

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2019**

	<b>Fiscal Year*</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Contractually required contribution	\$ 20,020	\$ 19,580	\$ 20,592	\$ 26,420
Contributions in relation to the contractually required contribution	<u>20,020</u>	<u>19,580</u>	<u>20,592</u>	<u>26,420</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Number of active members**	38	37	39	36
Contributions per active member	\$ 527	\$ 529	\$ 528	\$ 734

\*Only six years of information is currently available. The City will build this schedule over the next four-year period.

\*\*There is no compensation for active members. Number of active members is used instead.

<b>Fiscal Year*</b>	
<b>2018</b>	<b>2019</b>
\$ 29,896	\$ 30,104
29,896	30,104
<u>\$ -</u>	<u>\$ -</u>
27	27
\$ 1,107	\$ 1,115

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***COMBINING AND INDIVIDUAL FUND STATEMENTS AND  
SCHEDULES***

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**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<b><u>Revenues</u></b>				
Property taxes	\$ 714,100	\$ 714,100	\$ 700,503	\$ (13,597)
Intergovernmental	156,345	156,345	156,345	-
Investment earnings	1,000	1,000	8,126	7,126
<b>Total Revenues</b>	<u>871,445</u>	<u>871,445</u>	<u>864,974</u>	<u>(6,471)</u>
<b><u>Expenditures</u></b>				
<b>Debt service:</b>				
Principal	694,305	694,305	625,000	69,305
Interest and fiscal charges	176,995	176,995	242,465	(65,470) *
<b>Total Expenditures</b>	<u>871,300</u>	<u>871,300</u>	<u>867,465</u>	<u>3,835</u>
<b>Net Change in Fund Balance</b>	<u>\$ 145</u>	<u>\$ 145</u>	(2,491)	<u>\$ (2,636)</u>
Beginning fund balance			<u>93,726</u>	
		<b>Ending Fund Balance</b>	<u>\$ 91,235</u>	

Notes to Supplementary Information:

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

**CITY OF DICKINSON, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)**  
**September 30, 2019**

	<b>Special Revenue Funds</b>			
	<b>Special Revenue and Grants</b>	<b>VOCA</b>	<b>CDBG Disaster Recovery</b>	<b>Bayou Lakes Public Improvement District No. 1</b>
<b>Assets</b>				
Cash	\$ -	\$ -	\$ -	\$ 380,259
Receivables, net	1,524,603	9,966	362,963	-
Due from other funds	-	-	417,608	-
Prepaid expenses	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,524,603</b>	<b>\$ 9,966</b>	<b>\$ 780,571</b>	<b>\$ 380,259</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 513,172	\$ 2,556	\$ -	\$ 8,815
Due to other funds	1,599,273	17,643	431,790	15,000
Unearned revenues	-	-	349,881	-
<b>Total Liabilities</b>	<b>2,112,445</b>	<b>20,199</b>	<b>781,671</b>	<b>23,815</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Enabling legislation	(587,842)	(10,233)	(1,100)	356,444
Special projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>(587,842)</b>	<b>(10,233)</b>	<b>(1,100)</b>	<b>356,444</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,524,603</b>	<b>\$ 9,966</b>	<b>\$ 780,571</b>	<b>\$ 380,259</b>

**Special Revenue Funds**

<b>Bayou Lakes Public Improvement District No. 2</b>	<b>Federal Seized Funds</b>	<b>Library Impact Grant</b>	<b>Child Safety</b>	<b>Court Efficiency</b>	<b>Court Security</b>
\$ -	\$ 168,144	\$ -	\$ 3,262	\$ 11,446	\$ 60,655
-	463	7,657	-	-	-
-	110	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 168,717</u>	<u>\$ 7,657</u>	<u>\$ 3,262</u>	<u>\$ 11,446</u>	<u>\$ 60,655</u>
\$ 1,950	\$ 2,820	\$ -	\$ -	\$ 42	\$ 619
14,625	-	4,060	-	-	-
-	-	-	-	-	-
<u>16,575</u>	<u>2,820</u>	<u>4,060</u>	<u>-</u>	<u>42</u>	<u>619</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	165,897	3,597	3,262	11,404	60,036
-	-	-	-	-	-
(16,575)	-	-	-	-	-
<u>(16,575)</u>	<u>165,897</u>	<u>3,597</u>	<u>3,262</u>	<u>11,404</u>	<u>60,036</u>
<u>\$ -</u>	<u>\$ 168,717</u>	<u>\$ 7,657</u>	<u>\$ 3,262</u>	<u>\$ 11,446</u>	<u>\$ 60,655</u>

**CITY OF DICKINSON, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)**  
**September 30, 2019**

	<b>Special Revenue Funds</b>			
	<b>Court Technology</b>	<b>State Seized Funds</b>	<b>Hotel/Motel</b>	<b>Bayou Animal Services Corporation</b>
<b>Assets</b>				
Cash	\$ 14,651	\$ 11,098	\$ 329,388	\$ 124,988
Receivables, net	-	-	9,626	18,014
Due from other funds	-	-	-	1,166,348
Prepaid expenses	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,651</b>	<b>\$ 11,098</b>	<b>\$ 339,014</b>	<b>\$ 1,309,350</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ -	\$ 10,973	\$ -	\$ 332,472
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>10,973</b>	<b>-</b>	<b>332,472</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Enabling legislation	14,651	-	339,014	976,878
Special projects	-	-	-	-
Unassigned	-	125	-	-
<b>Total Fund Balances</b>	<b>14,651</b>	<b>125</b>	<b>339,014</b>	<b>976,878</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,651</b>	<b>\$ 11,098</b>	<b>\$ 339,014</b>	<b>\$ 1,309,350</b>

<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Hurricane Relief</u>	<u>Vehicle Acquisition</u>	
\$ 28,518	\$ 299,745	\$ 1,432,154
-	-	1,933,292
-	190,338	1,774,404
-	-	-
<u>\$ 28,518</u>	<u>\$ 490,083</u>	<u>\$ 5,139,850</u>
\$ -	\$ 30	\$ 873,449
-	-	2,082,391
-	-	349,881
<u>-</u>	<u>30</u>	<u>3,305,721</u>
-	-	-
-	490,053	490,053
-	-	1,332,008
28,518	-	28,518
-	-	(16,450)
<u>28,518</u>	<u>490,053</u>	<u>1,834,129</u>
<u>\$ 28,518</u>	<u>\$ 490,083</u>	<u>\$ 5,139,850</u>

**CITY OF DICKINSON, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)**  
**For the Year Ended September 30, 2019**

	<u>Special Revenue Funds</u>			
	<u>Special Revenue and Grants</u>	<u>VOCA</u>	<u>CDBG Disaster Recovery</u>	<u>Bayou Lakes Public Improvement District No. 1</u>
<b><u>Revenues</u></b>				
Special assessments	\$ -	\$ -	\$ -	\$ 381,530
Other taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	1,517,131	46,373	417,608	-
Investment earnings	-	-	-	-
Other revenues	-	-	-	-
<b>Total Revenues</b>	<u>1,517,131</u>	<u>46,373</u>	<u>417,608</u>	<u>381,530</u>
<b><u>Expenditures</u></b>				
General government	-	-	-	14,623
Public safety	2,189,029	70,325	-	-
Public works	-	-	68,827	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>2,189,029</u>	<u>70,325</u>	<u>68,827</u>	<u>14,623</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(671,898)</u>	<u>(23,952)</u>	<u>348,781</u>	<u>366,907</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	-	15,160	-	-
Transfers out	-	-	-	(15,025)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>15,160</u>	<u>-</u>	<u>(15,025)</u>
<b>Net Change in Fund Balances</b>	<u>(671,898)</u>	<u>(8,792)</u>	<u>348,781</u>	<u>351,882</u>
Beginning fund balances	84,056	(1,441)	(349,881)	4,562
<b>Ending Fund Balances</b>	<u>\$ (587,842)</u>	<u>\$ (10,233)</u>	<u>\$ (1,100)</u>	<u>\$ 356,444</u>

**Special Revenue Funds**

<b>Bayou Lakes Public Improvement District No. 2</b>	<b>Federal Seized Funds</b>	<b>Library Impact Grant</b>	<b>Child Safety</b>	<b>Court Efficiency</b>	<b>Court Security</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	382	2,063	8,361
-	-	-	-	-	-
-	56,290	3,951	-	-	-
-	2,055	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>58,345</u>	<u>3,951</u>	<u>382</u>	<u>2,063</u>	<u>8,361</u>
4,875	-	4,624	-	12,112	-
-	174,910	-	600	-	10,134
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,875</u>	<u>174,910</u>	<u>4,624</u>	<u>600</u>	<u>12,112</u>	<u>10,134</u>
<u>(4,875)</u>	<u>(116,565)</u>	<u>(673)</u>	<u>(218)</u>	<u>(10,049)</u>	<u>(1,773)</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>(4,875)</u>	<u>(116,565)</u>	<u>(673)</u>	<u>(218)</u>	<u>(10,049)</u>	<u>(1,773)</u>
(11,700)	282,462	4,270	3,480	21,453	61,809
<u>\$ (16,575)</u>	<u>\$ 165,897</u>	<u>\$ 3,597</u>	<u>\$ 3,262</u>	<u>\$ 11,404</u>	<u>\$ 60,036</u>

**CITY OF DICKINSON, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)**  
**For the Year Ended September 30, 2019**

	<u>Special Revenue Funds</u>			
	<u>Court Technology</u>	<u>State Seized Funds</u>	<u>Hotel/Motel</u>	<u>Bayou Animal Services Corporation</u>
<b><u>Revenues</u></b>				
Special assessments	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	27,513	-
Fines and forfeitures	11,145	-	-	-
Charges for services	-	-	-	1,201
Intergovernmental	-	-	-	240,732
Investment earnings	-	-	-	64
Other revenues	-	-	-	18,455
<b>Total Revenues</b>	<u>11,145</u>	<u>-</u>	<u>27,513</u>	<u>260,452</u>
<b><u>Expenditures</u></b>				
General government	14,519	-	-	352,867
Public safety	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>14,519</u>	<u>-</u>	<u>-</u>	<u>352,867</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,374)</u>	<u>-</u>	<u>27,513</u>	<u>(92,415)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(3,374)</u>	<u>-</u>	<u>27,513</u>	<u>(92,415)</u>
Beginning fund balances	18,025	125	311,501	1,069,293
<b>Ending Fund Balances</b>	<u>\$ 14,651</u>	<u>\$ 125</u>	<u>\$ 339,014</u>	<u>\$ 976,878</u>

<b>Special Revenue Funds</b>	<b>Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Hurricane Relief</b>	<b>Vehicle Acquisition</b>	
\$ -	\$ -	\$ 381,530
-	-	27,513
-	-	21,951
-	-	1,201
-	-	2,282,085
-	-	2,119
-	36,038	54,493
-	36,038	2,770,892
10,000	-	413,620
-	-	2,444,998
-	-	68,827
-	86,146	86,146
-	4,522	4,522
10,000	90,668	3,018,113
(10,000)	(54,630)	(247,221)
-	-	15,160
-	-	(15,025)
-	-	135
(10,000)	(54,630)	(247,086)
38,518	544,683	2,081,215
\$ 28,518	\$ 490,053	\$ 1,834,129

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**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS (Page 1 of 5)**  
**For the Year Ended September 30, 2019**

		<b>VOCA Fund</b>			
		<b>Budgeted Amounts</b>			<b>Variance</b>
		<b>Original</b>	<b>Budget as</b>		<b>with Final</b>
		<b>Budget</b>	<b>Amended</b>	<b>Actual</b>	<b>Budget</b>
					<b>Positive</b>
					<b>(Negative)</b>
<b>Revenues</b>					
	Intergovernmental	\$ 53,991	\$ 53,991	\$ 46,373	\$ (7,618)
	<b>Total Revenues</b>	<b>53,991</b>	<b>53,991</b>	<b>46,373</b>	<b>(7,618)</b>
<b>Expenditures</b>					
<b>Current:</b>					
	Public safety	77,768	77,768	70,325	7,443
	<b>Total Expenditures</b>	<b>77,768</b>	<b>77,768</b>	<b>70,325</b>	<b>7,443</b>
	<b>(Deficiency) of Revenues</b>				
	<b>(Under) Expenditures</b>	<b>(23,777)</b>	<b>(23,777)</b>	<b>(23,952)</b>	<b>(175)</b>
<b>Other Financing Sources (Uses)</b>					
	Transfers in	23,777	23,777	15,160	(8,617)
	<b>Total Other Financing Sources</b>	<b>23,777</b>	<b>23,777</b>	<b>15,160</b>	<b>(8,617)</b>
	<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(8,792)</b>	<b>\$ (8,792)</b>
	Beginning fund balance			(1,441)	
	<b>Ending Fund Balance</b>			<b>\$ (10,233)</b>	

		<b>Bayou Lakes Public Improvement District No. 1 Fund</b>			
		<b>Budgeted Amounts</b>			<b>Variance</b>
		<b>Original</b>	<b>Budget as</b>		<b>with Final</b>
		<b>Budget</b>	<b>Amended</b>	<b>Actual</b>	<b>Budget</b>
					<b>Positive</b>
					<b>(Negative)</b>
<b>Revenues</b>					
	Special assessments	\$ 269,300	\$ 269,300	\$ 381,530	\$ 112,230
	Investment earnings	300	300	-	(300)
	<b>Total Revenues</b>	<b>269,600</b>	<b>269,600</b>	<b>381,530</b>	<b>111,930</b>
<b>Expenditures</b>					
<b>Current:</b>					
	General government	247,800	247,800	14,623	233,177
	<b>Total Expenditures (Deficiency)</b>	<b>247,800</b>	<b>247,800</b>	<b>14,623</b>	<b>233,177</b>
	<b>Excess of Revenues</b>				
	<b>Over (Under) Expenditures</b>	<b>21,800</b>	<b>21,800</b>	<b>366,907</b>	<b>345,107</b>
<b>Other Financing Sources (Uses)</b>					
	Transfers out	(15,000)	(15,000)	(15,025)	25
	<b>Total Other Financing (Uses)</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>(15,025)</b>	<b>25</b>
	<b>Net Change in Fund Balance</b>	<b>\$ 6,800</b>	<b>\$ 6,800</b>	<b>351,882</b>	<b>\$ 345,082</b>
	Beginning fund balance			4,562	
	<b>Ending Fund Balance</b>			<b>\$ 356,444</b>	

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS (Page 2 of 5)**  
**For the Year Ended September 30, 2019**

**Bayou Lakes Public Improvement District No. 2 Fund**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Budget as Amended		
<b>Expenditures</b>				
<b>Current:</b>				
General government	3,900	3,900	4,875	(975) *
<b>Total Expenditures</b>	<u>3,900</u>	<u>3,900</u>	<u>4,875</u>	<u>(975)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,900)</u>	<u>\$ (3,900)</u>	(4,875)	<u>\$ (975)</u>
Beginning fund balance			(11,700)	
			<u>Ending Fund Balance</u>	<u>\$ (16,575)</u>

\*Expenditures exceeded appropriations at the legal level of control.

**Federal Seized Funds Fund**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Budget as Amended		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 56,290	\$ 56,290
Investment earnings	-	-	2,055	2,055
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>58,345</u>	<u>58,345</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	131,400	131,400	174,910	(43,510) *
<b>Total Expenditures</b>	<u>131,400</u>	<u>131,400</u>	<u>174,910</u>	<u>(43,510)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (131,400)</u>	<u>\$ (131,400)</u>	(116,565)	<u>\$ 14,835</u>
Beginning fund balance			282,462	
			<u>Ending Fund Balance</u>	<u>\$ 165,897</u>

\*Expenditures exceeded appropriations at the legal level of control.

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS (Page 3 of 5)**  
**For the Year Ended September 30, 2019**

<b>Library Impact Grant Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Budget as Amended</b>		
<b>Revenues</b>				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 3,951	\$ (2,049)
<b>Total Revenues</b>	<b>6,000</b>	<b>6,000</b>	<b>3,951</b>	<b>(2,049)</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	6,000	6,000	4,624	1,376
<b>Total Expenditures</b>	<b>6,000</b>	<b>6,000</b>	<b>4,624</b>	<b>1,376</b>
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(673)</b>	<b>\$ (673)</b>
Beginning fund balance			4,270	
<b>Ending Fund Balance</b>			<b>\$ 3,597</b>	

<b>Child Safety Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Budget as Amended</b>		
<b>Revenues</b>				
Fines and forfeitures	\$ 500	\$ 500	\$ 382	\$ (118)
<b>Total Revenues</b>	<b>500</b>	<b>500</b>	<b>382</b>	<b>(118)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	500	500	600	(100) *
<b>Total Expenditures</b>	<b>500</b>	<b>500</b>	<b>600</b>	<b>(100)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(218)</b>	<b>\$ (218)</b>
Beginning fund balance			3,480	
<b>Ending Fund Balance</b>			<b>\$ 3,262</b>	

\*Expenditures exceeded appropriations at the legal level of control.

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS (Page 4 of 5)**  
**For the Year Ended September 30, 2019**

**Court Efficiency Fund**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Budget as Amended</b>	<b>Actual</b>	
	<b>Revenues</b>			
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 2,063	\$ 63
<b>Total Revenues</b>	<u>2,000</u>	<u>2,000</u>	<u>2,063</u>	<u>63</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	12,596	12,596	12,112	484
<b>Total Expenditures</b>	<u>12,596</u>	<u>12,596</u>	<u>12,112</u>	<u>484</u>
<b>Net Change in Fund Balance</b>	<u>\$ (10,596)</u>	<u>\$ (10,596)</u>	(10,049)	<u>\$ 547</u>
Beginning fund balance			<u>21,453</u>	
			<b>Ending Fund Balance</b>	<u>\$ 11,404</u>

**Court Security Fund**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Budget as Amended</b>	<b>Actual</b>	
	<b>Revenues</b>			
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 8,361	\$ (1,639)
<b>Total Revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>8,361</u>	<u>(1,639)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	16,165	16,165	10,134	6,031
<b>Total Expenditures</b>	<u>16,165</u>	<u>16,165</u>	<u>10,134</u>	<u>6,031</u>
<b>Net Change in Fund Balance</b>	<u>\$ (6,165)</u>	<u>\$ (6,165)</u>	(1,773)	<u>\$ 4,392</u>
Beginning fund balance			<u>61,809</u>	
			<b>Ending Fund Balance</b>	<u>\$ 60,036</u>

**CITY OF DICKINSON, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS (Page 5 of 5)**  
**For the Year Ended September 30, 2019**

**Court Technology Fund**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Budget as Amended</b>	<b>Actual</b>	
	<b>Revenues</b>			
Fines and forfeitures	\$ 13,000	\$ 13,000	\$ 11,145	\$ (1,855)
<b>Total Revenues</b>	<u>13,000</u>	<u>13,000</u>	<u>11,145</u>	<u>(1,855)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	20,000	20,000	14,519	5,481
<b>Total Expenditures</b>	<u>20,000</u>	<u>20,000</u>	<u>14,519</u>	<u>5,481</u>
<b>Net Change in Fund Balance</b>	<u>\$ (7,000)</u>	<u>\$ (7,000)</u>	(3,374)	<u>\$ 3,626</u>
Beginning fund balance			<u>18,025</u>	
<b>Ending Fund Balance</b>			<u>\$ 14,651</u>	

**Hotel/Motel Fund**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Budget as Amended</b>	<b>Actual</b>	
	<b>Revenues</b>			
Other taxes	\$ 33,000	\$ 33,000	\$ 27,513	\$ (5,487)
<b>Total Revenues</b>	<u>33,000</u>	<u>33,000</u>	<u>27,513</u>	<u>(5,487)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Culture and recreation	314,000	314,000	-	314,000
<b>Total Expenditures</b>	<u>314,000</u>	<u>314,000</u>	<u>-</u>	<u>314,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (281,000)</u>	<u>\$ (281,000)</u>	27,513	<u>\$ 308,513</u>
Beginning fund balance			<u>311,501</u>	
<b>Ending Fund Balance</b>			<u>\$ 339,014</u>	

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**CITY OF DICKINSON, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
September 30, 2019

	<u>Internal Service Funds</u>		<u>Total Internal Service Funds</u>
	<u>Employee Benefit</u>	<u>Building Maintenance</u>	
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	\$ -	\$ 77,135	\$ 77,135
Due to other funds	-	271,818	271,818
<b>Total Liabilities</b>	<u>-</u>	<u>348,953</u>	<u>348,953</u>
<b><u>Net Position</u></b>			
Unrestricted	-	(348,953)	(348,953)
<b>Total Net Position</b>	<u>\$ -</u>	<u>\$ (348,953)</u>	<u>\$ (348,953)</u>

See Notes to Financial Statements.

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**CITY OF DICKINSON, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2019**

	<b>Internal Service Funds</b>		<b>Total Internal Service Funds</b>
	<b>Employee Benefit</b>	<b>Building Maintenance</b>	
<b><u>Operating Revenues</u></b>			
Charges for services	\$ 889,543	\$ -	\$ 889,543
<b>Total Operating Revenues</b>	<b>889,543</b>	<b>-</b>	<b>889,543</b>
<b><u>Operating Expenses</u></b>			
General and administrative	889,543	994,566	1,884,109
<b>Total Operating Expenses</b>	<b>889,543</b>	<b>994,566</b>	<b>1,884,109</b>
<b>Change in Net Position</b>	<b>-</b>	<b>(994,566)</b>	<b>(994,566)</b>
Beginning net position	-	645,613	645,613
<b>Ending Net Position</b>	<b>\$ -</b>	<b>\$ (348,953)</b>	<b>\$ (348,953)</b>

See Notes to Financial Statements.

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**CITY OF DICKINSON, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2019

	<u>Internal Service Funds</u>		<u>Total Funds</u>
	<u>Employee Benefit</u>	<u>Building Maintenance</u>	
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from customers and users	\$ 889,543	\$ -	\$ 889,543
Payments to suppliers	<u>(889,543)</u>	<u>(645,613)</u>	<u>(1,535,156)</u>
<b>Net Cash (Used) by Operating Activities</b>	<u>-</u>	<u>(645,613)</u>	<u>(645,613)</u>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	-	(645,613)	(645,613)
Beginning cash and cash equivalents	-	645,613	645,613
<b>Ending Cash and Cash Equivalents</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating (loss)	\$ -	\$ (994,566)	\$ (994,566)
<b>Changes in Operating Assets and Liabilities:</b>			
<b>Increase (Decrease) in:</b>			
Accounts payable and accrued liabilities	-	348,953	348,953
<b>Net Cash (Used) by Operating Activities</b>	<u><u>\$ -</u></u>	<u><u>\$ (645,613)</u></u>	<u><u>\$ (645,613)</u></u>

See Notes to Financial Statements.

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# **ITEM 6**

## **Reports**

# **ITEM 6A**

**Update on Activities of  
the Houston-Galveston  
Area Council**



## Are you ready for hurricane season?

If you, or someone you know, have special needs such as medical problems, hearing loss, or impaired vision, is there a plan in place when a hurricane is coming?

**Team up, find, or become a Hurricane Helper.**

 | A program of the Houston-Galveston Area Council



# HURRICANE PREPAREDNESS

The Gulf Coast hurricane season is here.

You may be prepared, but what about the most vulnerable among us?

The Houston-Galveston Area Council relaunched Together Against the Weather to help people with access and functional support needs better plan and prepare for hurricanes in our 13-county region. Together Against the Weather helps connect people with access and functional support needs with organizations and individuals who can provide support.

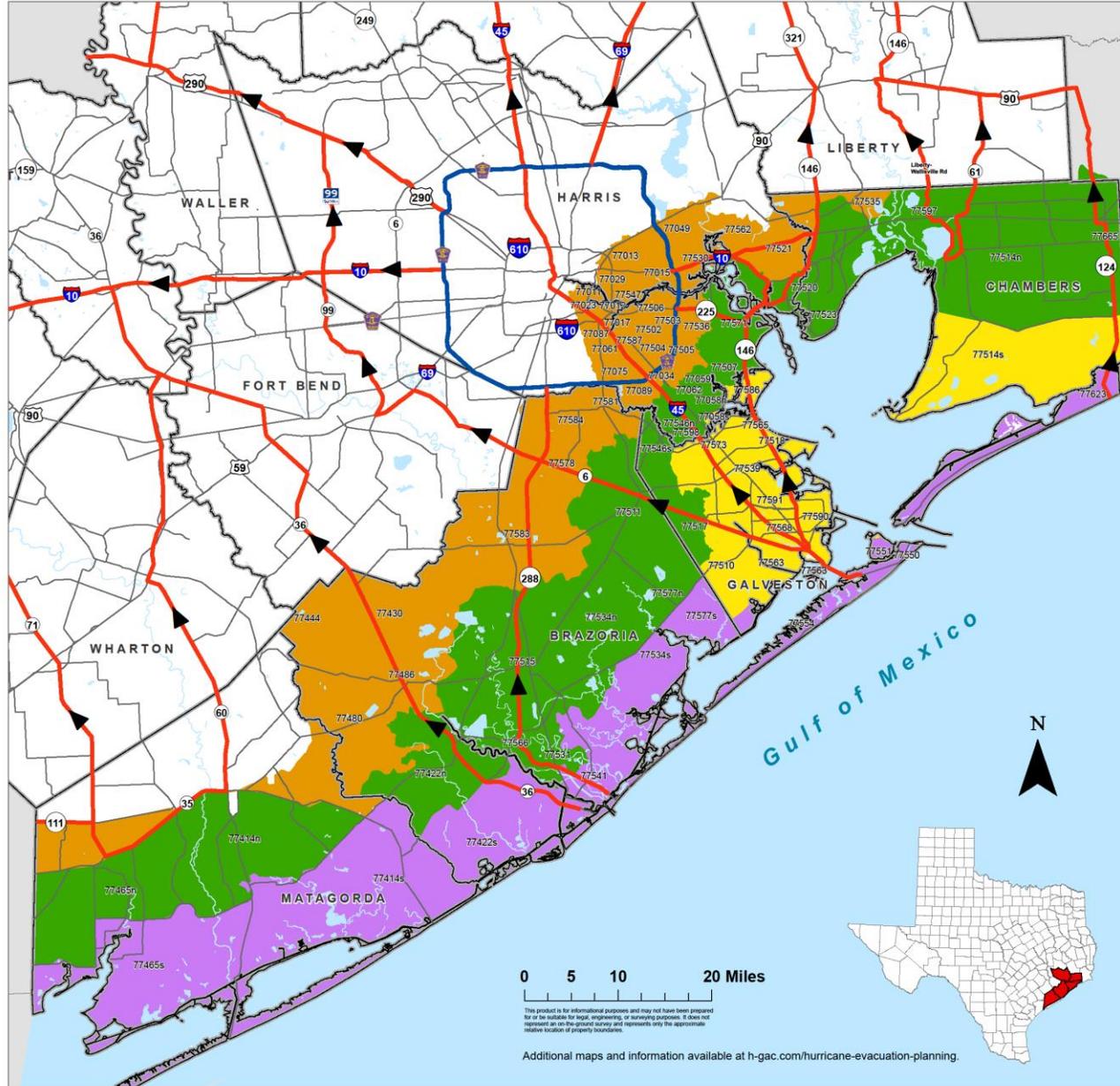


# HURRICANE PREPAREDNESS

Together Against the Weather utilizes existing relationships and one-on-one interactions to help people in need overcome the overwhelming feelings associated with hurricane preparation.

Preparing for hurricane season may seem tedious, but it doesn't have to be! Visit the Materials for Download portion of [TogetherAgainstTheWeather.com](https://www.togetheragainsttheweather.com) to find helpful videos, checklists, flyers, and more.

# SAFE EVACUATION ROUTES



## Brazoria, Chambers, Galveston, Harris, and Matagorda Hurricane Evacuation Zip-Zones Coastal, A, B, C

ZIP ZONE COASTAL				
77414s	77422s	77465s	77534s	77541
77550	77551	77554	77563	77577s
77623				
ZIP ZONE A				
77058s	77510	77514s	77518	77539
77563	77565	77568	77573	77586
77590	77591			
ZIP ZONE B				
77058n	77059	77062	77414n	77422n
77465n	77507	77511	77514n	77515
77517	77520	77523	77531	77534n
77546n	77546s	77560	77566	77571
77577n	77597	77598	77665	
ZIP ZONE C				
77011	77012	77013	77015	77017
77023	77029	77034	77049	77061
77075	77087	77089	77430	77444
77480	77486	77502	77503	77504
77505	77506	77521	77530	77535
77536	77547	77562	77578	77581
77583	77584	77587		

Some zip codes are split into north (n) and south (s) for evacuation purposes.

### Route Designation

-  Evacuation Corridors
-  Evacuation Connections
-  Other Roads
-  County Boundary



0 5 10 20 Miles

This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Additional maps and information available at [h-gac.com/hurricane-evacuation-planning](http://h-gac.com/hurricane-evacuation-planning).



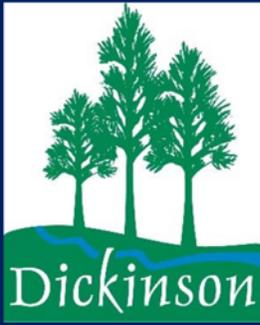
Video

# **ITEM 6B**

## **Update on Activities of the Dickinson Economic Development Corporation**

# **ITEM 6C**

**City Administrator's  
Report and Update on  
Public Works Projects**



# City Administrator's News and Notes

May 2020

Hurricane Season runs from June 1 until November 30. Now is the time to get ready - do not wait until a storm is approaching.

The City of Dickinson has gathered information from various sites and compiled it into one page. This information can be found at <http://www.ci.dickinson.tx.us/778/Hurricane-Season>.

For your convenience, a link has been placed right on the City of Dickinson's homepage. As more information becomes available from state and local representatives, this page will be updated to keep you informed.

Like us on Facebook and follow us on NextDoor! As new information becomes available, we share it to the City of Dickinson's pages. These pages also have links to local resources and happenings.

Let's be prepared as a community and remain #dickinsonstrong.

## Library Updates

The library opened its doors on May 18th to provide computer and faxing access to the adult members of the community. Curbside pickup service for books has been provided since May 4th. We plan to phase in book browsing on June 1st if guidance allows us. The library will continue to phase in services throughout the summer to provide as many services as we can safely to the community. The County Library system has been working hard to put together a cohesive reopening plan along with our City government so that everyone can have access to information and services.

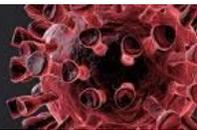
We are actively preparing for the annual Summer Reading Program. This year we will be doing our reading program online. By utilizing the online reading program Beanstack, patrons will log in their reading minutes and complete activity badges throughout the summer to receive prizes. The Summer Reading Program's theme this year is, "Imagine Your Story".



Julianne Lane and Sam Torrez finished the Class portion of the TSLAC Technology Grant and have submitted our proposal to add and update current technology in the library. The library plans to purchase an interactive white board and additional laptops to provide ESL classes along with a more up to date technology resources for community members to use for meeting and training events when utilizing the space.



CORONAVIRUS



Galveston County is partnering with UTMB to offer free COVID-19 testing for Galveston County residents.

Testing is available by appointment only and free to the public at three different sites in Galveston, League City and Texas City. County residents may schedule an appointment by calling 832-632-6731.



## Municipal Court Updates

The Dickinson Municipal Court office reopened June 1, 2020, with the first scheduled court docket hearing on June 3.

Recognizing the need to ensure the health and safety of litigants, attorneys, visitors, court staff, judges, and other individuals entering the building housing the courts, the court of the City of Dickinson has implemented protective measures including social distancing, wearing masks, hand sanitizing, and scheduling variances.

## Fire Marshal Updates

In the month of May, the Fire Marshal's office conducted planning meetings with developers for new construction, conducted hydrostatic testing on new Garden Motel, and did new Occupancy Load calculations on Dickinson Library and First Baptist Church.

Once investigations and issuance of citations were complete, the office had an unpermitted hypobaric chamber removed from City.

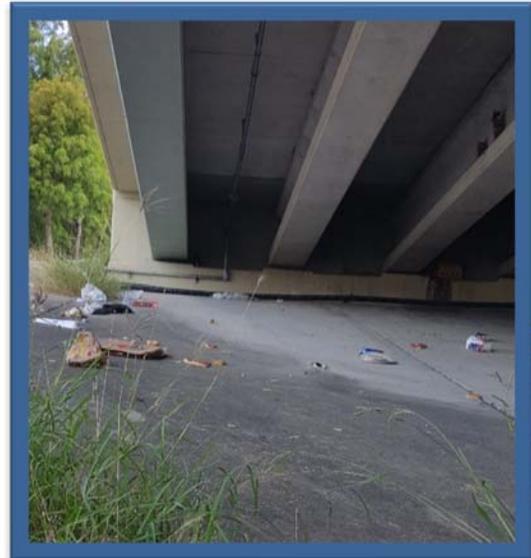
## Community Services Updates

The Community Services Department worked with the Engineering Consultants (Huitt~Zollars) in updating the Land Use and Zoning Map of the City. The department is also looking at ways to make our Floodplain Ordinance more user friendly for our residents.

Staff with the Streets department have been out sweeping and maintaining roadways in the City,



The Director of Community Services and the Chief Building Official spent some time cleaning up our City. Kola and Ray cleaned up trash and debris under I-45.

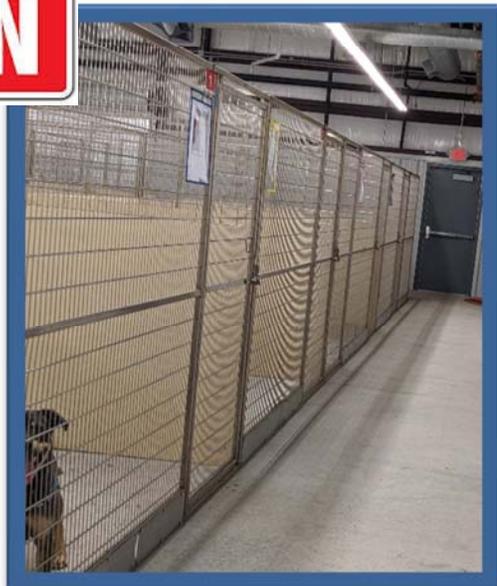
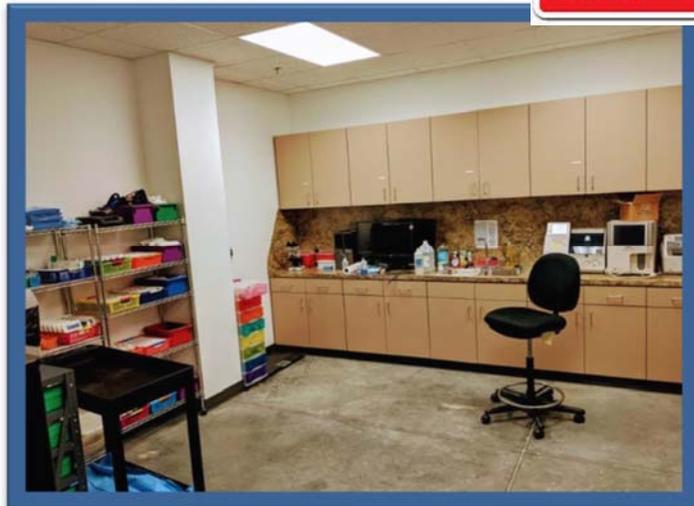
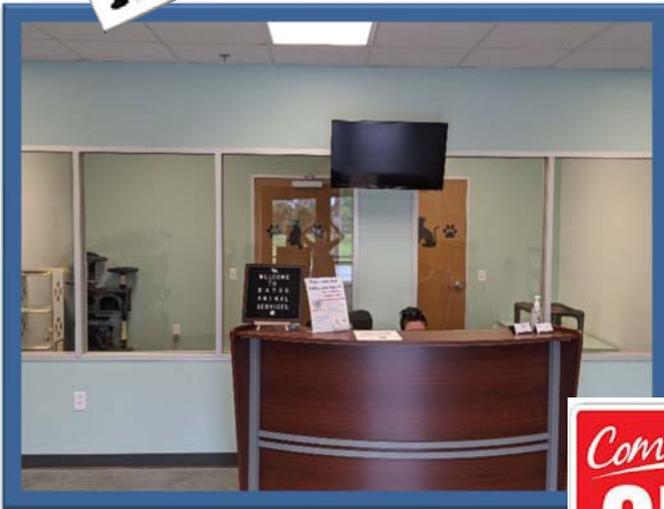


# Bayou Animal Services Shelter Updates



Bayou Animal Services has completed the inside of the building and is fully operational! BAS is ready to show off their new facility, new kennels, and new four-legged friends!

Come see us and make sure to “air” shake hands with the shelter staff. Staff has put a lot of hard work in building kennels and finishing the building.



# Desilting Continues



Desilting work is progressing along Sunset Drive and will continue on Timber.

## Recap on CDBG-DR, Pin Oak, Nicholstone Acquisition

### PIN OAK DRAINAGE

All preliminary contract start-up documents are completed. Project design is at 30% and the environmental review is pending determination from the Texas Historical Commission. Current projects have the project completing design and bidding initiating in the Fall of 2020.

Contract Start Date: 11/30/2019

Contract End Date: 11/30/2021

Total Project Amount = \$1,257,150

- Construction = \$1,257,150
- Engineering = \$130,000
- Administration = \$150,000

### NICHOLSTONE DRAINAGE

All preliminary contract start-up documents are completed. The engineer is working through the initial design and has developed a project schedule which will release bids in the Fall of 2020. The environmental review has progressed through and clearance is anticipated by July/August of 2020.

Contract Start Date: 11/30/2019

Contract End Date: 11/30/2021

Total Project Amount =  
\$8,982,434

- Construction = \$4,259,000
- Engineering = \$662,000
- Administration = \$150,000

### GUM BAYOU TRIBUTARY

All preliminary contract start-up documents are completed. The environmental process is waiting on the engineer to finish working through the hydraulics and design plans to determine the special studies need to be done as well as permits needing to be obtained.

Contract Start Date: 11/30/2019

Contract End Date: 11/30/2021

- Total Project Amount =  
\$3,466,284
- Grant = \$3,466,284 (construction)
  - o Engineering = \$340,000
  - o Administration = \$150,000

### NICHOLSTONE ACQUISITION

The City entered into a buyout program with the GLO to buyout and acquire residential dwellings identified as being affected by Hurricane Harvey. The development of the Housing Guidelines is currently underway.

Contract Start Date: 3/11/2020

Contract End Date: 5/31/2022

Total Project Amount = \$9,219,828

# **ITEM 7**

## **Public Comments**

# **ITEM 8**

## **Consent Agenda**

# ITEM 8A

Julie Masters, Mayor  
Charles Suderman, Mayor Pro Tem  
Sean Skipworth  
Walter Wilson

**AGENDA**  
City of Dickinson  
**CITY COUNCIL**  
**REGULAR MEETING**

Wally Deats  
Louis Decker  
William H. King III  
Chris Heard, City Administrator

**June 9, 2020**

The Dickinson City Council met in a duly called and announced **REGULAR MEETING** on **Tuesday, June 9, 2020**, at **7:00 p.m.** The meeting was held in the City Council Chambers located at 4403 Highway 3, Dickinson, Galveston County, Texas, and was held for the purpose of considering the following items:

**ITEM 1.) CALL TO ORDER AND CERTIFICATION OF A QUORUM**

Mayor Pro Tem Suderman called the meeting to order at 7:02 p.m. City Secretary Alun Thomas called roll and certified a quorum. Council Members present were as follows: Mayor Pro-Tem Charles Suderman, and Council Members Sean Skipworth, Walter Wilson, Wally Deats, Louis Decker, and William H. King, III. Mayor Julie Masters was absent. Also present were City Attorney David Olson, City Administrator Chris Heard, Library Director Julianne Lane, Assistant Library Director Kathy Soehl, and Assistant to the Community Services Director Andrew Crawford.

**ITEM 2.) INVOCATION**

Council Member King gave the invocation.

**ITEM 3.) PLEDGE OF ALLEGIANCE**

Council Member Decker led the Pledge of Allegiance.

**ITEM 4.) PROCLAMATIONS**

None.

**ITEM 5.) ANNOUNCEMENTS AND PRESENTATIONS:**

A. Council Comments.

- Welcome to everyone attending the meeting. It is nice to have finally returned to conducting in-person meetings.
- Thank you to Dickinson Police Department, Galveston County Sheriff's Office, Houston SPCA, and Bayou Animal Services' Shelter Manager Sarah Haywood for recently saving 34 dogs from a dog-fighting ring. Criminal charges have been filed.
- Two citizens recently cleaned up under Interstate 45 at FM 517, and their efforts are greatly appreciated.
- Council Member Skipworth spoke of the death of George Floyd in Minnesota. He discussed the historical significance of the event and

the social issues surrounding his death. Council Member King expressed his condolences to Mr. Floyd's family and to the families of the hundreds of other African American men and women who have lost their lives at the hands of law enforcement. Council Member King gave a brief history of the struggle for equality in America and said that enough is enough but that defunding police departments was not the answer.

- Council Member King invited everyone to attend a dialogue between senior Galveston County area law enforcement officials and the community, scheduled for 7:00p.m. tomorrow at Sam Vitanza Stadium.
- Council Member Decker said that he is not sure that the City can afford to keep and maintain Hughes Road. He said that the street serves two schools, and he would like an item to be added to the next Council agenda to discuss what will be done to improve Hughes Road.
- Congratulations to the graduating class of 2020.
- Over 950 gallons of free milk were distributed last week by Borden, and the amount of milk distributed each week is increasing.
- 325 families received food assistance at Mount Carmel Missionary Baptist Church this week.
- The intersection of FM 517 and Interstate 45 looks much more presentable following its mowing.
- Thank you to City staff for cleaning the ditches at Rodeo Bend and Timber Drive.
- Galveston County Health District reports that confirmed cases of Coronavirus (COVID-19) is increasing. Everyone is encouraged to take proper precautions.
- Interested people are encouraged to apply to "ride along" with police officers in Dickinson to gain perspective into the challenges facing law enforcement.
- Council Member Suderman said that Oak Park Street, Church Street, and Video Street were scheduled to be reconstructed using concrete in 2001, but that Council chose at the time to defer the projects. With the upcoming school year, many school buses will again use these streets that someone – be it the City, Dickinson Economic Development Corporation, or Dickinson Management District No. 1 – needs to fix. Council Member Suderman said that City Administrator Chris Heard needs to fix the streets or put an item on the next agenda so that Council can discuss it.

B. Fiscal Year 2018-2019 Audited Comprehensive Annual Financial Report and Federal Single Audit Report Prepared by Belt Harris Pechacek, LLLP, Certified Public Accountants.

Daniel Hebert from Belt, Harris Pechacek, LLLP presented the draft audit to Council. He stated that the City of Dickinson has received a clean, unmodified opinion on the City's financial position, meaning that the firm has the highest confidence that the City's records were materially correct and in compliance with generally accepted accounting practices.

Mr. Hebert addressed questions from Council regarding Federal Emergency Management Agency funds, and the firm's Management Letter that listed "significant deficiencies" that were found during the audit. Mr. Hebert stated that many of those deficiencies were also present in the preceding fiscal year's audit, and that the City not having a Finance Director presents the City with a big challenge given the resources that are needed to properly handle its finances. In response to a question from Council about the status of the vacant Finance Director position, City Administrator Chris Heard said that he is in the process of interviewing candidates.

Mr. Hebert also discussed a required payment to Texas Department of Transportation that was not made as required during Fiscal Year 2018-2019, but that was subsequently paid. Council Member Wilson expressed his profound concern with the City not paying such an obligation in a timely manner. Council Member Deats asked that the Council hold a workshop meeting or add an item to an upcoming agenda to discuss the audit's findings. Mr. Heard said that he would include an item on the June 23, 2020 agenda for that purpose, along with the presentation of the final audit. Mr. Hebert said that although the audit presented today is a draft that could change, no changes are expected.

#### **ITEM 6.) REPORTS:**

- A. Update on Activities of the Dickinson Bayou Watershed Partnership (Council Member Decker).

Due to technical issues, Council Member Decker was unable to attend the most recent meeting of Dickinson Bayou Watershed Partnership.

City Administrator Chris Heard introduced Joe Myers, Vice President of Huitt-Zollars, the City's contract hydrological engineers. Mr. Myers gave a brief presentation of a proposed Community Development Block Grant Mitigation project to Council. The proposal is for a surge gate (or series of surge gates) on Dickinson Bayou, a diversionary canal on Dickinson Economic Development Corporation's property on Hughes Road, and a diversionary channel along the Hughes Road right-of-way. Mr. Heard said that the grant project proposal would be presented to City Council this summer and that, since the project would require the rebuilding of Hughes Road, it would allow the city to widen Hughes Road to accommodate the growth that is expected immediately next to Hughes Road in Texas City. The project, he said, would take twelve years to complete.

- ITEM 7.) PUBLIC COMMENTS:** At this time, any person with city-related business may speak to the Council. In compliance with the Texas Open Meetings Act, The City Council may not deliberate. **Comments from the public**

**should be limited to a maximum of three (3) minutes per individual speaker.**

Reggie Taylor, 2305 28th Street, Dickinson, Texas – Mr. Taylor said that he has spoken to Council on several occasions regarding poor drainage in the Moore’s Addition subdivision, but noticed that work is being conducted near the subdivision, such as on Timber Drive, but not in the subdivision. He then complained about the poor visibility at some intersections in Moore’s Addition. Mr. Taylor also spoke of the need to involve regular people in the discussion about race and systemic racism in society and law enforcement. Mayor Pro Tem Suderman recommended that Mr. Taylor participate in the Citizens’ Police Academy program, which is designed to educate and improve the relationship between citizens and police.

Sue Emmite, 3508 Hill Avenue, Dickinson, Texas – Ms. Emmite is concerned about the poor condition of Salvato Street. She said that her family was one of the families that donated the land for the construction of the street, and that it needs to be repaired.

Kathy Holder, 4415 East 29th Street, Dickinson, Texas – Since Interim Director of Public Works Ron Sullivan left the City, no work is being done in the Nicholstone subdivision; ditches do not drain and are filled with mud. City Administrator Chris Heard explained to Ms. Holder that projects are under design, will be bid in the summer, and work will be completed in the fall. Ms. Holder also discussed the large number of advertising signs for a new gas station in the area.

Ken Henderson, 4207 Gum Drive, Dickinson, Texas – Concerned that the City’s flood mitigation plans are too focused on rain events, Mr. Henderson discussed the importance of considering wind-blown storm surge when creating hydrological models for Dickinson Bayou. He also expressed his support for the police and noted the importance of speaking with police to build stronger communities.

John Dougan, 1009 Royal Oak Drive, Dickinson, Texas – Mr. Dougan asked if the City had a Finance Director or an Interim Finance Director yet. City Administrator Chris Heard informed him that it did not. When asked by Mr. Dougan why the City has not been filling vacant positions, Mr. Heard replied that the City needed to wait for qualified applicants to apply for the job.

**ITEM 8.) CONSENT AGENDA: CONSIDERATION AND POSSIBLE ACTION:**

The following items are considered routine by the City Council and will be enacted by one motion. There will not be a separate discussion on these items unless a Council member requests, in which event, the item will be removed from the consent agenda and discussed after the consent agenda.

A. Approval of the Minutes of the Regular Council Meeting of May 26, 2020.

- B. Resolution Number 1842-2020 – **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING THE SUBMISSION OF A GRANT APPLICATION FOR THE TSLAC FY2020 ILL LENDING REIMBURSEMENT PROGRAM TO THE TEXAS STATE LIBRARY AND ARCHIVES COMMISSION; AND PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.**
- C. Resolution Number 1843-2020 – **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING THE SUBMISSION OF A GRANT APPLICATION FOR TSLAC CARES ACT GRANT; AND PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.**

Council Member King made a motion to approve the Consent Agenda, and Council Member Deats seconded the motion. There being no discussion, Mayor Pro Tem Suderman called for the vote.

**VOTE:**

6 AYES (Suderman, Skipworth, Wilson, Deats, Decker, King)

0 NAYS

**MOTION PASSED**

- ITEM 9.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance Number 955-2020 (Zoning Case SUP-20-0125) – **AN ORDINANCE OF THE CITY OF DICKINSON, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY, ORDINANCE NUMBER 420-2001, AS HERETOFORE AMENDED, TO GRANT SPECIFIC USE PERMIT NUMBER SUP-20-0125 ALLOWING THE APPLICANT TO USE THE PROPERTY FOR A BOAT SERVICE ESTABLISHMENT; SUCH PROPERTY BEING LEGALLY DESCRIBED AS ± 3.74 ACRES, ABSTRACT 78 R HALL SURVEY LOTS 7 & 8 ALL OF LOTS 9 & 10 TUDOR ADDN EXCEPT STRIP OFF S END FM 517, MORE COMMONLY KNOWN AS 5205 E. FM 517, IN THE CITY OF DICKINSON, GALVESTON COUNTY, TEXAS, PRESENTLY ZONED GENERAL COMMERCIAL (“GC”); PROVIDING FOR THE INCORPORATION OF PREAMBLE; DIRECTING A CHANGE ACCORDINGLY IN THE OFFICIAL ZONING MAP OF THE CITY; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED \$2,000 FOR EACH DAY OF VIOLATION HEREOF; AND PROVIDING A REPEALER CLAUSE, A SAVINGS CLAUSE, A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE. (Second of Three Readings)**

Council Member King made a motion to approve the Ordinance in two readings, and Council Member Deats seconded the motion. Council Member Wilson said that he opposes the Ordinance because it relies on the Applicant always having access to a shared paint booth. The Applicant, Mr. DiNicholantonio, said that he owns both facilities and that he has a contract

in place to use the paint booth whenever he needs it. There being no further discussion, Mayor Pro Tem Suderman called for the vote.

**VOTE:**

4 AYES (Suderman, Skipworth, Deats, King)

2 NAYS (Wilson, Decker)

**MOTION PASSED**

- ITEM 10.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance Number 956-2020 (Zoning Case SUP-20-0130) – **AN ORDINANCE OF THE CITY OF DICKINSON, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY, ORDINANCE NUMBER 420-2001, AS HERETOFORE AMENDED, TO GRANT SPECIFIC USE PERMIT NUMBER SUP-20-0130 ALLOWING THE APPLICANT TO USE THE PROPERTY FOR A BED AND BREAKFAST ESTABLISHMENT; SUCH PROPERTY BEING LEGALLY DESCRIBED AS ABSTRACT 19 PERRY & AUSTIN SURVEY PT OF LOTS 173 & 196 (1-2) DICKINSON ADDN D, ABST 19 PERRY & AUSTIN SUR PT OF LOTS 173 & 196 (7-3) DICKINSON ADDN D AKA TRACT G, ABST 19 PERRY & AUSTIN SUR PT OF LOT 173 (1-5) DICKINSON ADDN D AKA PT OF TRACT A, MORE COMMONLY KNOWN AS 3822 WATER STREET, IN THE CITY OF DICKINSON, GALVESTON COUNTY, TEXAS, PRESENTLY ZONED CONVENTIONAL RESIDENTIAL (“CR”); PROVIDING FOR THE INCORPORATION OF PREAMBLE; DIRECTING A CHANGE ACCORDINGLY IN THE OFFICIAL ZONING MAP OF THE CITY; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED \$2,000 FOR EACH DAY OF VIOLATION HEREOF; AND PROVIDING A REPEALER CLAUSE, A SAVINGS CLAUSE, A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.** (Second of Three Readings)

Council Member Deats made a motion to approve the Ordinance in two readings, and Council Member King seconded the motion. There being no discussion, Mayor Pro Tem Suderman called for the vote.

**VOTE:**

6 AYES (Suderman, Skipworth, Wilson, Deats, Decker, King)

0 NAYS

**MOTION PASSED**

- ITEM 11.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance Number XXX-2020 – **AN ORDINANCE OF THE CITY OF DICKINSON, TEXAS, DELETING ARTICLE V, FLOOD HAZARD AREAS, OF CHAPTER 14, PLANNING AND DEVELOPMENT, OF THE CODE OF ORDINANCES AND ADOPTING A NEW ARTICLE V, FLOOD DAMAGE PREVENTION AND PROTECTION, OF CHAPTER 14, PLANNING AND DEVELOPMENT OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED \$2,000 FOR EACH DAY OF VIOLATION HEREOF; AND PROVIDING A REPEALER CLAUSE, A SAVINGS**

**CLAUSE, A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.** (First of Three Readings)

Council Member Wilson made a motion to approve the first reading of the Ordinance, and Council Member Decker seconded the motion. Council Member Deats noted that a typographical error on page 18, bullet point 8, needed to be corrected. There being no further discussion, Mayor Pro Tem Suderman called for the vote.

**VOTE:**

6 AYES (Suderman, Skipworth, Wilson, Deats, Decker, King)

0 NAYS

**MOTION PASSED**

**ITEM 12.) BRIEFING, DISCUSSION AND DIRECTION CONCERNING:** Proposed Calendar and Process for Creating the FY2021 Budget.

City Administrator Chris Heard said that this Item was for Council's information only, and that no action was necessary. Council briefly discussed the budget process, and a recent email from someone asking that the City defund the police department. Mr. Heard assured Council that even in the absence of a Finance Director, he will lead the budget process.

**ITEM 13.) EXECUTIVE SESSION:** The City Council will now hold a closed executive meeting pursuant to the provision of Chapter 551, Government Code, Vernon's Texas Codes annotated, in accordance with the authority contained in:

- A. Section 551.071 – Consultation with Attorney regarding pending litigation and matters in which the duty of the City Attorney requires to be discussed in closed meeting.

Mayor Pro Tem Suderman recessed the regular meeting at 8:55 p.m.

**ITEM 14.) RECONVENE**

Mayor Pro Tem Suderman reconvened the regular meeting at 9:57 p.m.

**ITEM 15.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Matters Discussed in Executive Session.

None.

**ITEM 16.) ADJOURN**

Council Member Deats made a motion to adjourn the meeting at 9:58 p.m., and Council Member Wilson seconded the motion. There being no discussion, Mayor Pro Tem Suderman called for the vote.

**VOTE:**

6 AYES (Suderman, Skipworth, Wilson, Deats, Decker, King)

0 NAYS

**MOTION PASSED**

**PASSED, APPROVED AND ADOPTED** this the 23rd day of June, 2020.

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Julie Masters, Mayor

**ATTEST:**

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Alun W. Thomas, City Secretary

# ITEM 8B

Julie Masters, Mayor  
Charles Suderman, Mayor Pro Tem  
Sean Skipworth  
Walter Wilson

**MINUTES**  
City of Dickinson  
**CITY COUNCIL AND  
DICKINSON ECONOMIC  
DEVELOPMENT  
CORPORATION  
SPECIAL JOINT MEETING**

Wally Deats  
Louis Decker  
William H. King III  
Chris Heard, City Administrator

**June 16, 2020**

The Dickinson City Council and Dickinson Economic Development Corporation met in a duly called and announced **SPECIAL JOINT MEETING** on **Tuesday, June 16, 2020**, at **7:00 p.m.** In accordance with order of the Office of the Governor issued March 16, 2020, the City Council of the City of Dickinson, Texas and Dickinson Economic Development Corporation conducted the meeting by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). The meeting was held for the purpose of considering the following items:

**ITEM 1.) CALL TO ORDER AND CERTIFICATION OF A QUORUM**

Mayor Masters called the meeting to order at 7:00 p.m. City Secretary Alun Thomas called roll and certified a quorum. Council Members present were as follows: Mayor Julie Masters, Mayor Pro-Tem Charles Suderman, and Council Members Sean Skipworth, Walter Wilson, Wally Deats, Louis Decker, and William H. King, III. Also present were City Attorney David Olson and City Administrator Chris Heard.

**ITEM 2.) BRIEFING, DISCUSSION AND DIRECTION CONCERNING:** City of Dickinson and Dickinson Economic Development Corporation Governmental Structure, Communication, and Projects.

Mayor Masters began the item by saying that nothing is in writing about how the two entities should interact and that both entities need to work together for the betterment of the citizens. The Dickinson Economic Development Corporation (DEDC), she said, is an arm of the City, and DEDC needs to support the City’s efforts. As such, the DEDC’s Chief Executive Officer (CEO) should not give direction to City staff; that is the role of the City Administrator. DEDC needs to work with the City Administrator to meet his needs, while realizing that he is busy. The gossiping between staff, the DEDC Board, and the City Council needs to stop; it is bad for the City and we need to lead by example. The agenda that DEDC prepared for this meeting needed to go through the City Administrator and not be aired in a public meeting.

President Donley said that DEDC has a lot of items that it would like to discuss, and it does not get the direction that it needs. DEDC has tried in numerous ways to help the City, such as through the sale of property, but then it hears later that the City Council does not approve of its actions.

Everything that DEDC does is for the betterment of the City. If it needs to have every action approved by City Council, it can, but the Board needs to be given that direction. Mayor Masters said that DEDC's budget is insufficiently specific, and the improvements to rectify that issue needs to come from the staff level. She said that the City staff has a lot of knowledge, and that knowledge can help DEDC better serve our citizens.

Council Member Wilson said that in the twelve years that he has been on Council, DEDC has never followed the directions of Council. DEDC, he said, was not and is not autonomous; it needs to adhere to each of the City's directions and it needs to be good stewards of taxpayers' money. Council Member Wilson expressed his concern about DEDC's property holdings, remarking that its property near City Hall has a leaking roof that needs to be repaired, and that the property should not have been bought. DEDC, he said, should not be in the property business, and DEDC's employees are City of Dickinson employees. Council Member Wilson said that he supports the City taking control of economic development instead of leaving it to DEDC, and he supports getting rid of DEDC entirely. At the least, the bylaws for DEDC need to be changed, and to the satisfaction of City Council, not of the DEDC Board. DEDC should also not be paying money for the rent of office space when it owns property from which it can operate. For twelve years, City Council has had to repeatedly remove board members for not following City Council's direction.

Council Member Skipworth discussed the changes in the DEDC Board over the years, and the improvements that DEDC has made recently. Terminating the public market project, he said, was a wise step, and the past is the past; we need to move forward by considering bylaw changes and trying to make specific changes that both the City and DEDC could benefit from.

President Donley said that frequently properly repairing the railroad depot building was not cost-effective, and the office space that DEDC now rents was chosen with the intention of DEDC subleasing some of the spaces. The depot had mold throughout it and the request for mold remediation was addressed only by the City having the mold painted over. DEDC intends to sell the property with the leaking roof that is across the street from Roger's Malt Shop, which will address that concern of Council. Mayor Masters said that she was unaware that there was mold at the railroad depot. Council Member Skipworth commented that the Mayor's lack of awareness of the mold is indicative of the poor communication that is hurting the entities' relationships.

The Council and DEDC Board discussed in greater depth the maintenance costs at the railroad depot, noting that the City directed the repairs but that DEDC had to pay the bill. Council Member King asked why the DEDC Board, with access to the City Council and the City Administrator could not get that concern addressed. Both entities, he said, are working towards the same goal and should not waste time fussing at each other. Firing the whole

DEDC board has been tried a couple of times in the past but has not resulted in any meaningful difference in how the Board behaves. Board Member Bill Schick said that repeated attempts to address the concerns with the railroad depot building with the City Administrator over the course of over six months were simply left unaddressed by the City Administrator. Mr. Schick said that when the Board reaches out to members of City Council and they do not respond to their calls or emails, it does nothing to improve the relationship between the entities. Mayor Masters said that members of the DEDC Board should not speak with members of the City Council; both entities have staff for a reason, and many of the issues need to be resolved on a staff level. Council Member Deats agreed that there is room for more internal communication. In his opinion, the current board is one of the best that DEDC has ever had; the members have the right skills and intent, and DEDC CEO Scott Jones is a great CEO for DEDC – a go-getter with the right qualifications.

The City Council and DEDC then discussed the need for DEDC's bylaws to align completely with the City's policies. President Donley said the bylaws and operating agreements need to be updated. He discussed DEDC's bank accounts and spoke of DEDC's approximately \$270,000 in lost interest earnings due to the City unilaterally transferring its funds into a lower-interest account. City Administrator and DEDC Board Member Chris Heard left the meeting at 7:34 p.m. The City Council and DEDC discussed various options for how to improve their relationship through revising the DEDC's bylaws. City Administrator and DEDC Board Member Chris Heard returned to the meeting at 7:43 p.m.

By request from Council Member Deats, Mayor Masters elaborated on how DEDC and the City should work more on a staff level, saying that the two staffs should simply discuss and resolve most issues between them and not involve their respective governing bodies.

Council Member Suderman said that he completely agrees with Council Member Wilson's position. He questioned why DEDC has its own attorney rather than just using the City Attorney so that both entities receive the same legal advice. Mayor Masters questioned why DEDC recently hired a different attorney, asking if City Council now needs to review and approve a budget amendment for the change. Council Member Deats said that he sat in on a Dickinson Management District No. 1 (DMD#1) meeting wherein the Board to DMD#1 had been coached by City staff and encouraged by City staff to hire its own attorney. DMD#1 ultimately chose to hire the same attorney that DEDC used.

Board Member Dawn King spoke of the differences between DEDC and other City boards, stating that DEDC is supposed to be separate and is its own corporation. Its money, similarly, is its own; as noted in the City's most recent financial audit, the City is not allowed to use DEDC's funds for whatever it wishes. DEDC is its own entity, she said, that can be sued and that can expose its board members to personal legal liability. She spoke of

the importance of knowing that DEDC is doing the right thing. City Attorney David Olson said that the DEDC board is indeed special, but that its board members enjoy the same qualified immunity that other City employees do. Mr. Olson said that DEDC cannot just give money to the City for its General Fund, but that it is allowed to expend funds on many projects that might otherwise normally be paid for by the City. DEDC CEO Scott Jones explained how DEDC's ability to expend funds on different types of projects will change with the City's expected population increase to over 20,000 residents.

Council Member Decker said that the loss of interest revenue earlier discussed by President Donley is unacceptable. He also expressed his concern about mold in the railroad depot being merely painted over, noting that that is not an effective way to remediate the mold. Council Member Decker said that he opposes the proposed relocation of the formerly proposed public market to the DEDC-owned property on Hughes Road. He said that he is glad that the City and DEDC are sitting down to discuss the issues.

Board Member Chad Rankin said that policies are one thing, but that implementation is another. The implementation part of operations needs to be clear and easily followed. If City Administrator Chris Heard is also a Board Member of DEDC, he said, his unique dual role presents challenges for DEDC. When there are personality conflicts, he said, those policies need to allow for swift, effective, and cost-effective conflict resolution.

President Donley said that DEDC is working on its economic development plan, but to be able to execute its plans, it needs to have its funds available and not comingled with the City of Dickinson's funds. DEDC Attorney Kyle Dickson agreed, saying that DEDC's funds should be separate from the City's funds. Mayor Masters said that the funds are, and always have been, held and managed legally. The rumor of mismanagement, she said, is unfounded, unnecessarily detrimental to the relationship between DEDC and the City, and harmful to both entities' public image. DEDC CEO Scott Jones said that former DEDC Attorney Beverly West had expressed concerns over the City's management of DEDC's funds given the lack of an administrative services agreement between the entities, saying that it amounted to comingling of funds. City Attorney David Olson said that that is incorrect. City Administrator and DEDC Board Member Chris Heard said that the City would not have passed its financial audit if it broke the law. Council Member Deats left the meeting at 8:09 p.m.

City Administrator and DEDC Board Member Chris Heard spoke to the issues at the depot, saying that the City has invested \$100,000 into repairs at the railroad depot. The repairs, he said, were paid for by DMD#1. Council Member Deats returned to the meeting at 8:11 p.m. Mr. Heard said that he was busy at the time with other building projects that were going on, and that there was no formal landlord-tenant agreement, which he fixed. Former City Administrator Julie Robinson, Mr. Heard said, used DEDC's funds

essentially as an expense fund for projects that she deemed worthwhile. Mr. Heard said that he has now rectified this issue. Mr. Heard and Mr. Jones discussed DEDC's decision to move out of the railroad depot, with Mr. Jones stating that former DEDC Attorney Beverly West had tried without success to negotiate the railroad depot repairs with Mr. Heard. Mr. Heard noted that the negotiations did not even last six months before DEDC decided to move out. Board Member King left the meeting at 8:17 p.m. and returned at 8:20 p.m. Mr. Jones said that, at the legal advice of Ms. West, he did not participate in the negotiation of rent at the railroad depot, but that Ms. West's offer to the City of \$500/month rent was never responded to by Mr. Heard. Mr. Heard disputed the statement. Board Member Rankin left the meeting at 8:18 p.m. and returned at 8:20 p.m.

Board Member King said that Mr. Heard was not telling City Council or the DEDC board the truth about his actions during the rental negotiations. She said that he had actively pushed DEDC towards signing a sublease with the Dickinson Chamber of Commerce, and had spread that plan throughout the community without even consulting the Chamber. Because of that, the Chamber almost lost its lease on the building. Mr. Heard's assertions, Board Member King said, are factually incorrect. The DEDC board, she said, is not filled with troublemakers as Mr. Heard would have people believe, and that his statements paint a false picture; we need truth and we need to move forward without having a thirty minute conversation about what happened a year ago. When confronted, Ms. King said, Mr. Heard does not tell the truth. Mr. Heard disagreed.

DEDC agreed to provide City Council with a list of its property holdings. President Donley said that DEDC will sell all of its properties if the City Council so directs. Responding to a question about whether DEDC should own properties, Mr. Jones said that all of the economic development corporations for which he has previously worked have been involved in purchasing, improving, and selling properties. Council Member Wilson again spoke about the property near Roger's Malt Shop that has the leaking roof, and of the need for DEDC to sell the property rather than just hold onto the property and oversee its decline. Mr. Jones said that one of his first moves as CEO of DEDC was to get a contract on the Hughes Road property to sell it for its intended use – residential development. Council Member Wilson said that he had asked for DEDC to hold up that pending sale for a while. Previous boards of DEDC, Council Member Wilson said, have disregarded Council's direction. Mr. Jones said that this board is different, and it is looking to liquidate its holdings by selling properties for their proper and intended land use and to allow DEDC to expend the proceeds from such sales towards fulfillment of its statutory objectives. Council Member Deats asked for a listing of City-owned properties.

Mayor Masters expressed her concern that DEDC is working on a strategic plan independently from the City's upcoming revision of the Comprehensive Plan. Mr. Jones said that it is important that DEDC have a plan in place by the new fiscal year, with is a deadline that the City's Comprehensive Plan

cannot meet. Mr. Jones and Mr. Heard argued about Mr. Heard's authority over the directing the future use of the Hughes Road property, and whether Mr. Heard had provided Mr. Jones with timely information concerning his vision to use the property in part for a drainage project. Mr. Jones then stated that Mr. Heard had said that the City wanted the property to be developed as a commercial property with a navigable waterway, and that it not be used for residential purposes at all. The developer who has the contract on the property, Mr. Jones said, was surprised by the unexpected about-face by the City, and now needs to be assured that he can use the property for what he intended it for. President Donley said that Mr. Heard has difficulty expressing his opinions to DEDC and that the board should try to do a better job at listening to his thoughts. Council Member King said that Mr. Heard needs to better tailor his communication to meet the needs of those with whom he is communicating.

Council Member Skipworth suggested that City Council and the DEDC Board each select three members to participate in meetings to improve the issues that have been identified this evening. Mayor Masters disagreed with that approach and reiterated her desire to dispense with the negativity and move forward. President Donley said that he feels that the communication issues have been addressed, and he hopes that the relationship between DEDC and the City will improve going forward.

Mayor Masters said that she would like to see the City change its logo to improve its public image and asked for input on possible changes from those present. Mr. Heard said that the City has missed the time to include a new logo on the new concrete overpass scheduled for Interstate 45 at FM 517.

**ITEM 3.) ADJOURN**

Council Member Wilson made a motion to adjourn the meeting at 9:05 p.m., and Council Member Suderman seconded the motion. There being no discussion, Mayor Masters called for the vote.

**VOTE:**

6 AYES (Suderman, Skipworth, Wilson, Deats, Decker, King)

0 NAYS

**MOTION PASSED**

**PASSED, APPROVED AND ADOPTED** this the 23rd day of June, 2020.

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Julie Masters, Mayor

**ATTEST:**

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Alun W. Thomas, City Secretary

# ITEM 8C

**Dickinson City Council  
Agenda Item Data Sheet**

MEETING DATE            June 23, 2020

<b>TOPIC</b>	<p><b>Resolution Number XXX-2020</b></p> <p><b>A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE CITY OF DICKINSON, TEXAS (CITY), DICKINSON INDEPENDENT SCHOOL DISTRICT (“DISD”), AND GALVESTON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 (“WCID#1”) FOR A JOINT ELECTION FOR THE NOVEMBER 3, 2020, GENERAL ELECTION; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.</b></p>
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<b>BACKGROUND</b>	<p>Dickinson Independent School District (“DISD”) is required by Section 11.0581 of the Education Code to conduct an election for officers jointly with a city within the boundaries of DISD. Additionally, Galveston County WCID #1 is also having an election in May and wishes to conduct their election jointly with the City and DISD. This agenda item would adopt a Joint Election Agreement between the City of Dickinson, Galveston County Water Control &amp; Improvement District No. 1 (WCID#1) and Dickinson Independent School District (“DISD”) to hold a joint election for the November 3, 2020, General Election.</p>
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<b>RECOMMENDATION</b>	Staff recommends approval of the Resolution.
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<b>ATTACHMENTS</b>	<ul style="list-style-type: none"> <li>• Resolution Number XXX-2020</li> </ul>
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<b>FUNDING ISSUES:</b>	<input checked="" type="checkbox"/> Not applicable – no dollars are being spent or received. <input type="checkbox"/> Full amount already budgeted in Acct/Project# _____ <input type="checkbox"/> Not budgeted.
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<b>FINANCE VERIFICATION OF FUNDING:</b>	
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<b>SUBMITTING STAFF MEMBER</b>	<b>CITY ADMINISTRATOR APPROVAL</b>
Alun W. Thomas, City Secretary	

<b>ACTIONS TAKEN</b>		
<b>APPROVAL</b>	<b>READINGS PASSED</b>	<b>OTHER</b>
<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup>	

**RESOLUTION NUMBER XXX-2020**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE CITY OF DICKINSON, TEXAS (“CITY”), DICKINSON INDEPENDENT SCHOOL DISTRICT (“DISD”), AND GALVESTON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 (“WCID#1”) FOR A JOINT ELECTION FOR THE NOVEMBER 3, 2020, GENERAL ELECTION; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to Section 11.0581 of the Education Code, independent school districts are required to conduct their general election for trustees jointly with a city within the ISD boundaries; and

**WHEREAS**, the City of Dickinson, Dickinson Independent School District, and Galveston County Water Control and Improvement District No. 1 desire to enter into an agreement to conduct a joint election for the November 3, 2020 election, a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference; and

**WHEREAS**, upon full review and consideration of the Agreement and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the Mayor should be authorized to execute the Agreement and any and all documents necessary to effectuate such Agreement on behalf of the City of Dickinson.

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

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The terms and conditions of the Agreement, having been reviewed by the City Council of the City of Dickinson and found to be acceptable and in the best interests of the City of Dickinson and its citizens, are hereby in all things approved.

Section 3. The Mayor is hereby authorized to execute the Agreement and empowered, for and on behalf of the City, to take all such actions and to execute, verify, acknowledge, certify to, file and deliver all such instruments and documents required in the Agreement as shall in the judgment of the Mayor be appropriate in order to effect the purposes of the foregoing resolution and Agreement.

Section 4. This Resolution shall become effective immediately upon its passage.

**DULY PASSED, ADOPTED AND APPROVED** on this the 23rd day of June, 2020.

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Julie Masters, Mayor  
City of Dickinson, Texas

ATTEST:

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Alun W. Thomas, City Secretary  
City of Dickinson, Texas

APPROVED AS TO FORM AND CONTENT:

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David W. Olson, City Attorney  
City of Dickinson, Texas

**EXHIBIT “A”**

**TO**

**RESOLUTION XXX-2020**

**AGREEMENT FOR JOINT ELECTION  
BETWEEN  
DICKINSON INDEPENDENT SCHOOL DISTRICT, GALVESTON COUNTY WATER  
CONTROL AND IMPROVEMENT DISTRICT NO. 1  
AND  
CITY OF DICKINSON  
FOR THE NOVEMBER 3, 2020 JOINT ELECTION**

This contract is entered into between Dickinson Independent School District (hereinafter referred to as "DISD"), Galveston County Water Control and Improvement District No. 1 (hereinafter referred to as "WCID#1"), and City of Dickinson (hereinafter referred to as "City") and hereinafter referred to jointly as "Entities" and separately as "Entity." The Entities have determined that it is in the public interest of the voters of the Entities that the following contract be made and entered into to secure a Joint Election Agreement for the General and Special Election to be conducted on November 3, 2020 (hereinafter referred to as "Agreement"). This Agreement is being entered into to comply with House Bill 1. Both parties do hereby agree as follows:

- I. The Entities shall share a polling place for Early Voting to be conducted from Monday, October 19, 2020 through Friday, October 23, 2020, from 8:00 a.m. to 5:00 p.m., Monday, October 26, 2020 through Friday, October 30, 2020, from 7:00 a.m. to 7:00 p.m., Saturday, October 24, 2020, from 7:00 a.m. to 7:00 p.m. and Sunday, October 25, 2020, from 1:00 p.m. to 6:00 p.m. The polls will be open on Election Day, Tuesday, November 3, 2020, from 7:00 a.m. to 7:00 p.m. The location of the polling place for Early Voting will be:

Dickinson Community Center  
2714 Hwy 3  
Dickinson, Texas 77539

Election Day voting will be:

Dickinson City Hall Building  
4403 Highway 3  
Dickinson, TX 77539

- A. The City, DISD, and WCID#1 agree to contract with the County of Galveston Election Division for both the Early Voting and Election Day voting, using County election judges and County election clerks and County Election equipment and supplies.
- B. The City, DISD, and WCID#1 agree to share the costs proportionately for the County Election Division to conduct this Joint Election.

- C. Each Entity will individually review all materials submitted to it by Galveston County and respond to all requests for approval of information in a timely manner.
- D. Each Entity will be responsible for Department of Justice pre-clearance for approval of the voting location as required.
- E. Each entity will be responsible to appoint an Early Voting Clerk and for appointment of an Early Voting Ballot Board.

II. General Provisions

- A. This Agreement becomes effective upon its execution by all participating entities.
- B. In connection with the performance of this Agreement, neither the City, DISD, nor WCID#1 shall be liable to third parties for any default of the other Entity in connection with the holding of the joint election, including the failure of such Entity to pay any expenses hereunder.
- C. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Galveston County, Texas.
- D. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such as invalidity, illegality, or unenforceability, shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- E. No amendment, modification, or alteration of the items hereof shall be binding unless the same is in writing, dated subsequent to the date of this Agreement and duly executed by the parties hereof.

Executed this the \_\_\_\_\_ day of \_\_\_\_\_, 2020

**Dickinson Independent School District**

\_\_\_\_\_  
President, Board of Trustees  
Dickinson Independent School District

Attest:

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Secretary, Board of Trustees  
Dickinson Independent School District

Executed this the \_\_\_\_\_ day of \_\_\_\_\_, 2020

**Galveston County Water Control and  
Improvement District No. 1**

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John W. Mitchiner, Board President  
Galveston County Water Control and  
Improvement District No. 1

Attest:

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William J. Gaffey, Board Secretary  
Galveston County Water Control and  
Improvement District No. 1

Executed this the \_\_\_\_\_ day of \_\_\_\_\_, 2020

**City of Dickinson, Texas**

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Julie Masters, Mayor  
City of Dickinson, Texas

Attest:

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Alun W. Thomas, City Secretary  
City of Dickinson, Texas

# ITEM 8D

**RESOLUTION XXX-2020 AUTHORIZING SIGNATORIES**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, DESIGNATING AUTHORIZED SIGNATORIES FOR CONTRACTUAL DOCUMENTS AND DOCUMENTS FOR REQUESTING FUNDS PERTAINING TO THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (TxCDBG) CONTRACT NUMBER 7219110.**

WHEREAS, the City of DICKINSON, Texas has received a 2019 Texas Community Development Block Grant award to provide (water/wastewater/road/other) improvements, and;

WHEREAS, it is necessary to appoint persons to execute contractual documents and documents for requesting funds from the Texas Department of Agriculture, and;

WHEREAS, an original signed copy of the TxCDBG *Depository/Authorized Signatories Designation Form (Form A202)* is to be submitted with a copy of this Resolution, and;

WHEREAS, the City of DICKINSON, Texas acknowledges that in the event that an authorized signatory of the City changes (elections, illness, resignations, etc.), the City must provide TxCDBG with the following:

- a resolution stating who the new authorized signatory is (not required if this original resolution names only the title and not the name of the signatory); and
- a revised TxCDBG *Depository/ Authorized Signatories Designation Form (Form A202)*.

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

The **Mayor, City Administrator, City Secretary, and Finance Director** be authorized to execute contractual and environmental review documents between the Texas Department of Agriculture and the City for the 2019 Texas Community Development Block Grant Program.

The **Mayor, City Administrator, City Secretary, and Finance Director** be authorized to execute the *State of Texas Purchase Voucher and Request for Payment Form* documents required for requesting funds approved in the 2019 Texas Community Development Block Grant Program.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DICKINSON, on June 23, 2020.

\_\_\_\_\_  
Julie Masters, Mayor  
City of Dickinson, Texas

ATTEST:

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
Alun W. Thomas, City Secretary  
City of Dickinson, Texas

\_\_\_\_\_  
David W. Olson, City Attorney  
City of Dickinson, Texas

## Depository/Authorized Signatories Designation Form

Grant Recipient City of Dickinson

TxCDBG Contract No. 7219110

The individuals listed below are designated by resolution as authorized signatories for contractual and environmental review documents.

Julie Masters	Chris Heard
_____ (Name)	_____ (Name)
Mayor	City Administrator
_____ (Title)	_____ (Title)
_____ (Signature)	_____ (Signature)

In addition to the individuals listed above, the individuals listed below are designated by resolution as authorized signatories for the *Request for Payment Form* (Form A203)—(At least two (2) signatories required).

Julie Masters	Chris Heard
_____ (Name)	_____ (Name)
Mayor	City Administrator
_____ (Title)	_____ (Title)
_____ (Signature)	_____ (Signature)
Alun W. Thomas	
_____ (Name)	_____ (Name)
City Secretary	
_____ (Title)	_____ (Title)
_____ (Signature)	_____ (Signature)

**NOTE:** A copy of a Resolution passed by the city council or county commissioner's court authorizing the signatories must be submitted along with this form. Grant Recipients are strongly encouraged to use the sample resolution provided.

# ITEM 9

**ORDINANCE NUMBER XXX-2020**

**AN ORDINANCE OF THE CITY OF DICKINSON, TEXAS, DELETING ARTICLE V, FLOOD HAZARD AREAS, OF CHAPTER 14, PLANNING AND DEVELOPMENT, OF THE CODE OF ORDINANCES AND ADOPTING A NEW ARTICLE V, FLOOD DAMAGE PREVENTION AND PROTECTION, OF CHAPTER 14, PLANNING AND DEVELOPMENT OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED \$500 FOR EACH DAY OF VIOLATION HEREOF; AND PROVIDING A REPEALER CLAUSE, A SAVINGS CLAUSE, A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.**

**WHEREAS**, the City of Dickinson, Texas, is a home rule city having authority to utilize police power regulations for the health, safety and welfare of the citizens of the City; and

**WHEREAS**, on January 13, 2004, by Ordinance Number 509-2003, the City of Dickinson adopted regulations applicable to flood hazard areas within the City, and such Ordinance was codified as Article V, Flood Hazard Areas, of Chapter 14, Planning and Development, of the Code of Ordinances of the City of Dickinson; and

**WHEREAS**, on November 8, 2011, by Ordinance Number 734-2011, the City of Dickinson amending the regulations applicable to flood hazard areas within the City, and such Ordinance was codified as Article V, Flood Hazard Areas, of Chapter 14, Planning and Development, of the Code of Ordinances of the City of Dickinson; and

**WHEREAS**, in order to meet the needs created by new development in the City it is necessary to adopt revised engineering standards and practices governing the design and construction of drainage facilities; and

**WHEREAS**, the City Council is of the opinion and finds that the regulations contained in this Ordinance are in the best interest of the health, safety, and welfare of the Citizens;

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

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. Ordinance Number 734-2011, duly passed and approved by the City Council of the City of Dickinson, Texas, on November 8, 2011, and codified as Article V, Flood Hazard Areas, of Chapter 14, Planning and Development, of the Code of Ordinances of the City of Dickinson, is hereby repealed in its entirety.

Section 3. Chapter 14, Planning and Development, of the Code of Ordinances of the City of Dickinson is hereby amended by the adoption of a new Article V, Flood Damage Prevention and Protection, to read in its entirety as follows:

## **ARTICLE V. – FLOOD DAMAGE PREVENTION AND PROTECTION**

### **DIVISION 1. – GENERALLY**

#### **Sec. 14-1. – Statutory Authority.**

The Legislature of the State of Texas has in the Flood Control Insurance Act, Texas Water Code, Section 16.315, delegated the responsibility of local governmental units to adopt regulations designed to minimize flood losses. Therefore, the City Council of the City of Dickinson, Texas does ordain this article.

#### **Sec. 14-2. – Findings of Fact.**

- A. The flood hazard areas of the City of Dickinson are subject to periodic inundation, which results in loss of life and property, health and safety hazards, disruption of commerce and governmental services, and extraordinary public expenditures for flood protection and relief, all of which adversely affect the public health, safety and general welfare.
- B. These flood losses are created by the cumulative effect of obstructions in floodplains which cause an increase in flood heights and velocities, and by the occupancy of flood hazard areas by uses vulnerable to floods and hazardous to other lands because they are inadequately elevated, floodproofed or otherwise protected from flood damage.

#### **Sec. 14-3. – Purpose**

It is the purpose of this ordinance to promote the public health, safety and general welfare and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

1. Protect human life and health;
2. Minimize expenditure of public money for costly flood control projects;
3. Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
4. Minimize prolonged business interruptions;

5. Minimize damage to public facilities and utilities such as water and gas mains, electrical, telephone and sewer lines, streets and bridges located in floodplains;
6. Help maintain a stable tax base providing for the sound use and development of flood-prone areas in such a manner as to minimize future flood blight areas; and
7. Insure that potential buyers are notified that property is in a flood area.

Sec. 14-4. – Methods of Reducing Flood Losses.

In order to accomplish its purposes, this ordinance uses the following methods:

1. Restricts or prohibits uses that are dangerous to health, safety or property in times of flood, or cause excessive increase in flood heights or velocities;
2. Requires that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
3. Controls the alteration of natural floodplains, stream channels, and natural protective barriers, which are involved in the accommodation of flood waters;
4. Controls filling, grading, dredging and other development which may increase flood damage;
5. Prevents or regulates the construction of flood barriers which will unnaturally divert flood waters, or which may increase flood hazards to other lands.

Sec. 14-5. – Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. Unless specifically defined in this section, words or phrases used in this article shall be interpreted to give them the meanings they have in common usage and to give this article its most reasonable application.

*Alluvial Fan Flooding* – means flooding occurring on the surface of an alluvial fan or similar landform which originates at the apex and is characterized by high-velocity flows; active processes of erosion, sediment transport, and deposition; and unpredictable flow paths.

*Apex* – means a point on an alluvial fan or similar landform below which the flow path of the major stream that formed the fan becomes unpredictable and alluvial fan flooding can occur.

*Appeal* – means a request for a review of the floodplain administrator's interpretation of any provision of this article, or a request for a variance.

*Appurtenant Structure* – means a structure which is on the same parcel of property as the principal structure to be insured and the use of which is incidental to the use of the principal structure.

*Area of Future Conditions Flood Hazard* – means the land area that would be inundated by the one percent annual chance (100-year) flood based on future conditions hydrology.

*Area of Shallow Flooding* – means a designated AO, AH, AR/AO, AR/AH, or VO zone on a community's flood insurance rate map (FIRM) with a one percent or greater annual chance of flooding to an average depth of one to three feet where a clearly defined channel does not exist, where the path of flooding is unpredictable, and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow.

*Area of Special Flood Hazard* – is the land in the floodplain within a community subject to a one percent or greater chance of flooding in any given year. The area may be designated as Zone A on the flood hazard boundary map (FHBM). After detailed rate making has been completed in preparation for publication of the FIRM, Zone A usually is refined into zones A, AO, AH, A1-A30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-V30, VE or V.

*Base Flood* – means the flood having a one percent chance of being equaled or exceeded in any given year.

*Base Flood Elevation (BFE) – Regulatory* - is the elevation shown on the Flood Insurance Rate Map (FIRM) based on riverine and coastal conditions and found in the accompanying Flood Insurance Study (FIS) for Zones A, AE, AH, A1-30, AR, V1-30, or VE that indicates the water surface elevation resulting from the flood that has a one percent chance of equaling or exceeding that level in any given year – also called Base Flood.

*Base Flood Elevation (BFE) – Without Floodway* - is the elevation determined only by the riverine condition and found in the accompanying Flood Insurance Study (FIS) that indicates the water surface elevation resulting from the flood that has a one percent chance of equaling or exceeding that level in any given year.

*Basement* – means any area of the building having its floor subgrade (below ground level) on all sides.

*Breakaway Wall* – means a wall that is not part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces without causing damage to the elevated portion of the building or supporting foundation system.

*Coastal High-Hazard Area* – are Special Flood Hazard Areas (SFHAs) along the coasts that have additional hazards due to wind and wave action. These areas are identified on the Flood Insurance Rate Maps (FIRMs) as zones V, V1-V30 and VE.

**Critical Feature** – means an integral and readily identifiable part of a flood protection system, without which the flood protection provided by the entire system would be compromised.

**Cumulative Substantial Improvements/Damage** – means any structure wherein the cumulative costs of the improvements or damage repairs when combined incrementally over a ten-year period, equal or exceed 50 percent of the market value of the structure. When the cost of the work reaches 50 percent, the structure must be brought into compliance with current ordinances and codes.

**Development** – means any man-made change to improved and unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials.

**Elevated Building** – means, for insurance purposes, a non-basement building, which has its lowest elevated floor, raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

**Enclosure** – is a fully enclosed area below the lowest floor that is usable solely for parking of vehicles, building access, or storage in an area other than a basement.

**Existing Construction** – means for the purposes of determining rates, structures for which the "start of construction" commenced before the effective date of the FIRM or before January 1, 1975, for FIRMs effective before that date. "Existing Construction" may also be referred to as "Existing Structures".

**Existing Manufactured Home Park or Subdivision** – means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the Floodplain Management Regulations adopted by a community.

**Expansion to an Existing Manufactured Home Park or Subdivision** – means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

**Fill** – means material placed in a Special Flood Hazard Area that reduces floodplain storage volume and is prohibited within the floodway unless it has been demonstrated that it will not result in any increase in flood levels.

*Five-Hundred Year Flood* – means the flood that has a 0.2 percent chance (one in 500 chance) of occurring in any given year.

*Flood or Flooding* – means a general and temporary condition of partial or complete inundation of normally dry land areas from:

1. The overflow of inland or tidal waters.
2. The unusual and rapid accumulation or runoff of surface waters from any source.

*Flood Elevation Study* – means an examination, evaluation, and determination of flood hazards and, if appropriate, corresponding water surface elevations, or an examination, evaluation, and determination of mudslide (i.e., mudflow) and/or flood-related erosion hazards.

*Flood Insurance Rate Map (FIRM)* – means an official map of a community, on which the Federal Emergency Management Agency (FEMA) has delineated both the Special Flood Hazard areas and the risk premium zones applicable to the community.

*Flood Insurance Study (FIS)* – see *Flood Elevation Study*

*Floodplain or Flood-Prone Area* – means any land area susceptible to being inundated by water from any source (see definition of *Flooding*).

*Floodplain Administrator* – means the Director of Community Development or his or her designee.

*Floodplain Management* – means the operation of an overall program of corrective and preventative measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and floodplain management regulations.

*Floodplain Management Regulations* – means zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances (such as floodplain ordinance, grading ordinance and erosion control ordinance) and other applications of police power. The term describes such state or local regulations, in any combination thereof, which provide standards for the purpose of flood damage prevention and reduction.

*Flood Protection System* – means those physical structural works for which funds have been authorized, appropriated and expended and which have been constructed specifically to modify flooding in order to reduce the extent of the area within a community subject to a “Special Flood Hazard” and the extent of the depths of associated flooding. Such a system typically includes hurricane tidal barriers, dams, reservoirs, levees or dikes. These specialized flood modifying works are those constructed in conformance with sound engineering standards.

*Flood Proofing* – means any combination of structural and non-structural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents.

*Floodway* – see *Regulatory Floodway*.

*Freeboard* – means an additional amount of height above the Base Flood Elevation used as a factor of safety in determining the level at which a structure's lowest floor must be elevated or floodproofed.

*Functionally Dependent Use* – means a use, which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

*Habitable Floor* – means any floor usable for the following purposes: working, sleeping, eating, cooking or recreation, or a combination thereof. A floor used for storage purposes only is not a habitable floor.

*Highest Adjacent Grade* – means the highest natural elevation of the ground surface prior to construction next to the proposed walls of the structure.

*Historic Structure* – means any structure that is:

1. Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
2. Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;
3. Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior; or
4. Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:
  - a. By an approved state program as determined by the Secretary of the Interioror;

b. Directly by the Secretary of the Interior in states without approved programs.

*Levee* – means a man-made structure, usually an earthen embankment, designed and constructed in accordance with sound engineering practices to contain, control, or divert the flow of water to provide protection from temporary flooding.

*Levee System* – means a flood protection system which consists of a levee, or levees, and associated structures, such as closure and drainage devices, which are constructed and operated in accordance with sound engineering practices.

*Lowest Floor* – means the lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, usable solely for parking or vehicles, building access or storage in an area other than a basement area is not considered a building's lowest floor; **provided** that such enclosure is not built to render the structure in violation of the applicable non-elevation design requirement of Section 60.3 of the National Flood Insurance Program regulations.

*Manufactured Home* – means a structure transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when connected to the required utilities. The term "Manufactured Home" does not include a "Recreational Vehicle".

*Manufactured Home Park or Subdivision* – means a parcel (or contiguous parcels) of land divided into two or more manufactured home lots for rent or sale.

*Mean Sea Level* – means, for purposes of the National Flood Insurance Program (NFIP), the North American Vertical Datum (NAVD) of 1988, the National Geodetic Vertical Datum (NGVD) of 1929, or other datum, to which Base Flood Elevations shown on a community's Flood Insurance Rate Map (FIRM) are referenced.

*Mitigation* – means the effort to reduce loss of life and property by lessening the impact of disasters.

*New Construction* – means, for the purpose of determining insurance rates, structures for which the "start of construction" commenced on or after the effective date of an initial FIRM or after December 31, 1974, whichever is later, and includes any subsequent improvements to such structures. For floodplain management purposes, "New Construction" means structures for which the "start of construction" commenced on or after the effective date of a Floodplain Management Regulation adopted by a community and includes any subsequent improvements to such structures.

*New Manufactured Home Park or Subdivision* – means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the

manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after the effective date of Floodplain Management Regulations adopted by a community.

*Primary Frontal Dune* – means a continuous or nearly continuous mound or ridge of sand with relatively steep seaward and landward slopes immediately landward and adjacent to the beach and subject to erosion and overtopping from high tides and waves during major coastal storms. The inland limit of the primary frontal dune occurs at the point where there is a distinct change from a relatively steep slope to a relatively mild slope.

*Recreational Vehicle* – means a vehicle which is:

1. Built on a single chassis;
2. Four hundred square feet or less when measured at the largest horizontal projections;
3. Designed to be self-propelled or permanently towable by a light duty truck; and
4. Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

*Regulatory Floodway* – means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

*Repetitive Loss* – means flood-related damage sustained by a structure on two separate occasions during a ten-year period for which the cost of repairs at the time of each such event, is over \$1,000.00 or, on the average, equals or exceeds 25 percent of the market value of the structure before the damage occurred.

*Riverine* – means relating to, formed by, or resembling a river (including tributaries), stream, brook, etc.

*Sand Dunes* - means naturally occurring accumulations of sand in ridges or mounds landward of the beach.

*Special Flood Hazard Area* – see *Area of Special Flood Hazard*

*Start of Construction* – (for other than new construction or substantial improvements under the Coastal Barrier Resources Act (Pub. L. 97-348)), includes substantial improvement and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent

construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for basement, footings, piers or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structures. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether that alteration affects the external dimensions of the building.

*Structure* – means, for floodplain management purposes, a walled and roofed building, including a gas or liquid storage tank that is principally above ground, as well as a manufactured home.

*Substantial Damage* – means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

*Substantial Improvement* – means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before "Start of Construction" of the improvement. This includes structures which have incurred "Repetitive Loss" or "Substantial Damage", regardless of the actual repair work performed. The term does not, however, include either:

1. Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary conditions; or
2. Any alteration of a "Historic Structure", provided that the alteration will not preclude the structure's continued designation as a "Historic Structure".

*Variance* – means a grant of relief by a community from the terms of a floodplain management regulation (for full requirements see Section 60.6 of the National Flood Insurance Program regulations.)

*Violation* – means the failure of a structure or other development to be fully compliant with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in Section 60.3(b)(5), (c)(4), (c)(10), (d)(3), (e)(2), (e)(4), or (e)(5) is presumed to be in violation until such time as that documentation is provided.

*Water Surface Elevation* – means the height, in relation to the North American Vertical Datum (NAVD) of 1988, the National Geodetic Vertical Datum (NGVD) of 1929 (or other datum, where specified), of floods of various magnitudes and frequencies in the floodplains of coastal or riverine areas.

Sec. 14-6. – Applicability of Article

This ordinance shall apply to all areas of Special Flood Hazard and all Zone X (shaded) areas within the jurisdiction of the City of Dickinson.

Sec. 14-7. – Compliance with Article and other Applicable Regulations

No structure of land shall hereafter be located, altered, or have its use changed without full compliance with the terms of this ordinance and other applicable regulations.

Sec. 14-8. – Interpretation of Article

In the interpretation and application of this article, all provisions shall be:

1. Considered minimum requirements;
2. Liberally construed in favor of the governing body; and
3. Deemed neither to limit nor repeal any other powers granted under state statutes.

Sec. 14-9. – Warning and Disclaimer of Liability

The degree of flood protection required by this article is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. On rare occasions greater floods can and will occur and flood heights may be increased by man-made or natural causes. This article does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This article shall not create liability on the part of the city or any officer or employee thereof for any flood damages that result from reliance on this article or any administrative decision lawfully made thereunder.

Sec. 14-10. – Abrogation and Greater Restrictions

This article is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this article and another ordinance, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

Secs. 14-11 – 14-20. – Reserved.

## DIVISION 2. – ADMINISTRATION AND ENFORCEMENT

### Sec. 14-21. – Basis for Establishing Areas of Special Flood Hazard

The areas of Special Flood Hazard identified by the Federal Emergency Management Agency (FEMA) in a scientific and engineering report entitled, "The Flood Insurance Study for Galveston County, Texas, and Incorporated Areas" dated August 15, 2019, with the accompanying Flood Insurance Rate Maps and/or Flood Boundary-Floodway Maps (FIRM and/or FBFM) dated August 15, 2019, and any revisions thereto are hereby adopted by reference and declared to be a part of this article.

### Sec. 14-22. – Designation of Floodplain Administrator

The City Floodplain Administrator shall manage and implement the provisions of this chapter and other appropriate sections of 44 CFR (National Flood Insurance Program regulations) pertaining to floodplain management.

### Sec. 14-23. – Duties and Responsibilities of the Floodplain Administrator

Duties and responsibilities of the Floodplain Administrator shall include but not be limited to, the following:

1. Maintain and hold open for public inspection all records pertaining to the provisions of this article.
2. Review permit applications to determine whether proposed building sites, including the placement of manufactured homes, will be reasonably safe from flooding.
3. Review, approve or deny all applications for development permits required by adoption of this article.
4. Review permits for proposed development to assure that all necessary permits have been obtained from those Federal, State or local governmental agencies (including Section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334) from which prior approval is required.
5. Where interpretation is needed as to the exact location of the boundaries of the areas of Special Flood Hazards (for example, where there appears to be a conflict between a mapped boundary and actual field conditions) the floodplain administrator shall make the necessary interpretation.

6. Notify, in riverine situations, adjacent communities and the State Coordinating Agency which is the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Emergency Management Agency (FEMA).
7. Assure that the flood carrying capacity within the altered or relocated portion of any watercourse is maintained.
8. When Base Flood Elevation data has not been provided in accordance with section 14- 21, the Floodplain Administrator shall obtain, review and reasonably utilize any Base Flood Elevation data and Floodway data available from a Federal, State or other source, in order to administer the provisions of Division 3 of this article.
9. When a Regulatory Floodway has not been designated the Floodplain Administrator must require that no new construction, substantial improvements, or other development (including fill) shall be permitted within zones A1-30 and AE on the community's FIRM, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood at any point within the community.
10. Under the provisions of 44 CFR Chapter 1, Section 65.12 of the National Flood Insurance Program regulations, a community may approve certain development in zones A1-30, AE, AH, on the community's FIRM which increases the water surface elevation of the base flood, provided that the community **first** applies for a conditional FIRM revision through FEMA.

Sec. 14-24. – Development Permit Required.

A development permit shall be required to ensure conformance with the provisions of this article.

Sec. 14-25. – Application for Development Permit; Conditions for Granting.

Application for a development permit shall be presented to the Floodplain Administrator on forms furnished by him/her and may include, but not limited to, plans in duplicate drawn to scale showing the location, dimensions, and elevation of proposed landscape alterations, existing and proposed structures, including the placement of manufactured homes, and the location of the foregoing in relation to area of Special Flood Hazard. Additionally, the following information is required:

1. Elevation (in relation to mean sea level), of the lowest floor (including basement) of all new and substantially improved structures;
2. Elevation in relation to mean sea level to which any nonresidential structure shall be floodproofed;
3. A certificate from a registered professional engineer or architect that the nonresidential floodproofed structure shall meet the floodproofing criteria of section 14-42;
4. A description of the extent to which any watercourse or natural drainage will be altered or relocated as a result of proposed development.
5. Maintain a record of all such information in accordance with section 14-23.

Approval or denial of a development permit by the Floodplain Administrator shall be based on all the provisions of this article and the following relevant factors:

1. The danger to life and property due to flooding or erosion damage;
2. The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
3. The danger that materials may be swept onto other lands to the injury of others;
4. The compatibility of the proposed use with existing and anticipated development;
5. The safety of access to the property in times of flood for ordinary and emergency vehicles;
6. The costs of providing governmental services during and after flood conditions including maintenance and repair of streets and bridges, and public utilities and facilities such as sewer, gas, electrical and water systems;
7. The expected heights, velocity, duration, rate of rise and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site;

8. The necessity to the facility of a waterfront location, where applicable.
9. The availability of alternative locations, not subject to flooding or erosion damage, for the proposed use.
10. The relationship of the proposed use to the comprehensive plan for that area.
11. In the event, there is a difference between the FIRM and the FIS, the more conservative BFE will control and the Flood Plain Administrator will make the determination.

Sec. 14-26. – Appeals and Variances.

Variances shall adhere to the following standards:

1. The City Council shall hear and render judgement on requests for variances from the requirements of this article;
2. The City Council shall hear and render judgement on an appeal only when it is alleged there is an error in any requirement, decision, or determination made by the Floodplain Administrator in the enforcement or administration of this article;
3. Any person aggrieved by the decision of the City Council may appeal such decision to a court of competent jurisdiction;
4. The Floodplain Administrator shall maintain a record of all actions involving an appeal and shall report variances to FEMA upon request;
5. Variances may be issued for the reconstruction, rehabilitation, or restoration of historic structures listed on the National Register of Historic Places or the State inventory of historic places, without regard to other procedures in this article;
6. Upon consideration of the factors noted above and the intent of this article, the City Council may attach such conditions to the granting of variance as it deems necessary to further the purpose and objectives of section 14-3;
7. Variances shall not be issued within any designated floodway if any increase in flood levels during the Base Flood discharge would result;
8. Prerequisites for granting variances:
  - (1) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

- (2) Variances shall be only issued upon:
  - a. Showing a good and sufficient cause;
  - b. Variances shall only be issued upon a determination that the variance would result in exceptional hardship to the applicant; and
  - c. A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local law or ordinances.

9. Variances may be issued by City Council for new construction and substantial improvements and for other development necessary for the conduct of a functionally dependent use provided that:

- a. The criteria outlined in subsections 1-9 are met, and
- b. The structure or other development is protected by methods that minimize flood damaged during the base flood and create no additional threats to public safety.

Secs. 14-26 – 14-40. – Reserved.

### DIVISION 3. – FLOOD HAZARD REDUCTION

Sec. 14-41. – General Standards

In all areas of Special Flood Hazards the following provisions are required for all new construction and substantial improvements:

1. All new construction or substantial improvements shall be designed (or modified) and adequately anchored to prevent flotation, collapse, or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy.
2. All new construction or substantial improvements shall be constructed by methods and practices that minimize flood damage.
3. All new construction or substantial improvements shall be constructed with materials resistant to flood damage.
4. All new construction or substantial improvements shall be constructed with electrical, heating, ventilation, plumbing, and air conditioning equipment and other service facilities that are designed and/or located to prevent water from entering or

accumulating within the components during conditions of flooding by elevating them eighteen (18) inches above the base flood elevation.

5. All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of floodwaters into the system.
6. New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of floodwaters into the system and discharge from the systems into floodwaters.
7. On-site waste disposal systems shall be located to avoid impairment to them or contamination from them during flooding.
8. All elevation requirements noted in this chapter shall be documented using the FEMA Elevation Certificate, shall be certified by a registered professional engineer, surveyor, or architect, and shall be submitted to the Floodplain Administrator.
9. Elevation certificates shall be submitted to the Floodplain Administrator for review and acceptance prior to a permit or a certificate of occupancy being issued.

Sec. 14-42. – Specific Standards.

In all areas of Special Flood Hazards where Base Flood Elevation data has been provided as set forth in section 14-21, section 14-23 or section 14-43, the following provisions are required:

*Fill* - For areas that are in the Base Flood Elevation – Without Floodway and the Floodplain Administrator has determined have no conveyance capacity, proposed development shall not, at any time, diminish the storage volume below the Base Flood Elevation – Without Floodway. Applicants shall demonstrate compliance with this requirement by submitting plans that demonstrate one or more of the following:

- (1) Demonstrate that any loss of storage volume will be mitigated on-site, such that there is no net fill;
- (2) Demonstrate that any loss of storage volume will be mitigated off-site in accordance with rules and regulations promulgated by the Floodplain Administrator;
- (3) Identify an amount of fill that is recognized by the Floodplain Administrator as sufficiently important to be addressed, but for which mitigation is not required, in accordance with rules and regulations promulgated by the Floodplain Administrator.

mitigated.

1. *Residential Construction* – New construction and substantial improvement of any residential structure shall have the lowest floor (including basement), elevated to a minimum of eighteen (18) inches above the Base Flood Elevation - Regulatory.
2. *Nonresidential Construction* – New construction and substantial improvements of any commercial, industrial or other nonresidential structure shall either have the lowest floor (including basement) elevated to a minimum of eighteen (18) inches above the Base Flood Elevation – Regulatory or, together with attendant utility and sanitary facilities, be designed so that below the Base Flood Elevation the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capacity of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. **A registered professional engineer or architect shall develop and/or review structural design, specifications, and plans for the construction, and shall certify that the design and methods of construction are in accordance with accepted standards of practice as outlined in this subsection. A record of such certification which includes the specific elevation (in relation to mean sea level) to which such structures are floodproofed shall be maintained by the Floodplain Administrator.**
3. *Enclosures* – New construction and substantial improvements with fully enclosed areas below the lowest floor that are usable solely for parking of vehicles, building access or storage in an area other than a basement and which are subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of flood waters. Designs for meeting this requirement must either be certified by a registered professional engineer or architect or meet or exceed the following minimum criteria:
  - a. A minimum of two (2) openings on separate walls having a total net area of not less than one (1) square inch for every square foot of enclosed area subject to flooding shall be provided.
  - b. The bottoms of all openings shall be no higher than one (1) foot above grade.
  - c. Openings may be equipped with screens, louvers, valves, or other coverings or devices provided that they permit the automatic entry and exit for floodwaters.
4. *Manufactured Homes* – The following shall apply to manufactured homes:
  - a. Require that all manufactured homes to be placed within Zone A, shall be installed

using methods and practices which minimize flood damage. For the purpose of this requirement, manufactured homes must be elevated and anchored to resist flotation, collapse, or lateral movement. Methods of anchoring may include, but are not limited to, use of over-the-top or frame ties to ground anchors. This requirement is in addition to applicable State and local anchoring requirements for resisting wind forces.

- b. All manufactured homes shall be in compliance with subsection (1) above.
  - c. Require that all manufactured homes to be placed or substantially improved within Zones AI-30, AH and AE on the FIRM on sites outside of a Manufactured Home Park or Subdivision, in a new Manufactured Home Park or Subdivision, in an expansion to an existing Manufactured Home Park or Subdivision, or in an existing Manufactured Home Park or Subdivision on which a manufactured home has incurred substantial damage as a result of a flood, be elevated on a permanent foundation such that the lowest floor of the manufactured home is eighteen (18) inches above the base flood elevation; and be securely anchored to an adequately anchored foundation system in accordance with this paragraph.
5. *Recreational Vehicles* – All recreational vehicles placed on sites within Zones A1-30, AH, and AE on the FIRM shall either:
- a. Be on the site for fewer than one hundred eighty (180) consecutive days;
  - b. Be fully licensed and ready for highway use; or
  - c. Meet the permit requirements, including elevation and anchoring requirements, for manufactured homes in this article.

A recreational vehicle is ready for highway use if it is on its wheels or jacking system, is attached to the site only by quick disconnect type utilities and security devices and has no permanently attached additions.

#### Sec. 14-43. – Standards for Subdivision Proposals

1. All subdivision proposals including manufactured home parks and subdivisions shall be consistent with sections 14-3 and 14-4.
2. All proposals for the development of subdivisions including manufactured home parks and subdivisions shall meet development permit requirements of section 14-24, section 14-25, and the provisions of this division.
3. Base flood elevation data shall be generated for subdivision proposals and other proposed development including manufactured home parks and subdivisions which is greater than 50 lots or 5 acres, whichever is lesser, if not otherwise provided pursuant to section 14-21 or section 14-25.

4. All subdivision proposals, including manufactured home parks and subdivisions, shall have adequate drainage provided to reduce exposure to flood hazards.
5. All subdivision proposals including manufactured home parks and subdivisions shall have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize or eliminate flood damage.
6. The special flood hazard area (SFHA) boundary and any Base Flood Elevation for the building site(s) on each lot shall be clearly marked on all recorded subdivision plats and approved site development plans.

Sec. 14-44. – Standards for Areas of Shallow Flooding (AO/AH Zones).

Located within the areas of Special Flood Hazard established in section 14-21 are areas designated as shallow flooding. These areas have Special Flood Hazards associated with base flood depths of one (1) to three (3) feet where a clearly defined channel does not exist and where the path of flooding is unpredictable and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow; therefore, the following provisions apply:

1. All new construction and substantial improvements of residential structures have the lowest floor (including basement) elevated above the highest adjacent grade at least eighteen (18) inches above the depth number specified in feet on the FIRM (at least two (2) feet if no depth number is specified).
2. All new construction and substantial improvements of nonresidential structures:
  - a. Have the lowest floor (including basement) elevated above the highest adjacent grade at least eighteen (18) inches above the depth number specified in feet on the FIRM (at least two (2) feet if no depth number is specified), or
  - b. Together with attendant utility and sanitary facilities be designed so that below the base specified flood depth in an AO Zone, the structure is watertight up to eighteen (18) inches above the Base Flood Elevation – Regulatory with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads of effects of buoyancy.
3. A registered professional engineer or architect shall submit a certification to the Floodplain Administrator that the standards of this section, as proposed in Section 14-25 are satisfied.
4. Require within Zones AH or AO adequate drainage paths around structures on slopes, to

guide floodwaters around and away from proposed structures.

Sec. 14-45. – Floodways.

Floodways located within areas of Special Flood Hazard established in Section 14-21 are areas designated as Floodways. Since the Floodway is an extremely hazardous area due to the velocity of floodwaters, which carry debris, potential projectiles and erosion potential, Encroachments are prohibited, including fill, new construction, substantial improvements and other development within a flood hazard area.

Sec. 14-46. – Standards for Areas in Zone X (Shaded)

All new construction and substantial improvements of residential and nonresidential structures shall have the lowest floor (including basement) elevated at least eighteen (18) inches above the highest adjacent grade or six (6) inches above the crown of the street, whichever is greater, when the street is in the path of water egress from the site.

Sec. 14-47. – Standards for Areas in Approximate A Zones

All New construction and substantial improvement of any residential and nonresidential Structures in an Approximate A Zone shall have the lowest floor (including basement), elevated to a minimum of eighteen (18) inches above the Base Flood Elevation – Regulatory as determined by an Elevation Certificate provided by a registered engineer, architect, or surveyor.

Sec. 14-48 – 14.60. - Reserved

Section 4. All provisions of the ordinances of the City of Dickinson in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Dickinson not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section 5. The repeal of any ordinance or part of ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section 6. No structure or land shall hereafter be constructed, located, extended, converted, or altered without full compliance with the terms of this Ordinance and other applicable regulations. Any person who shall intentionally, knowingly, recklessly or with criminal negligence violate any provision contained in this Ordinance, or who shall commit or perform any act declared herein to be unlawful, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined in an amount of not less than one dollar (\$1.00) and not more than **five hundred** dollars (\$500.00). Each day a violation continues shall constitute a separate offense. Nothing herein contained shall prevent City of Dickinson from taking such other lawful action as is necessary to prevent or remedy any violation.

Section 7. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason

be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Dickinson, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 8. This Ordinance shall become effective upon final reading and adoption of this Ordinance, in accordance with law.

**DULY PASSED AND APPROVED** on first reading this the 9th day of June, 2020.

**DULY PASSED, AND APPROVED** on second reading this \_\_\_\_ day of \_\_\_\_\_, 2020.

**DULY PASSED, APPROVED, AND ADOPTED** on third and final reading this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Julie Masters, Mayor  
City of Dickinson, Texas

ATTEST:

\_\_\_\_\_  
Alun W. Thomas, City Secretary  
City of Dickinson, Texas

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
David W. Olson, City Attorney  
City of Dickinson, Texas

# ITEM 10



**THE GOODMAN  
CORPORATION**  
TBPE NO. F-19990

**HOUSTON:** 3200 Travis Street  
Suite 200  
Houston, TX 77006

**AUSTIN:** 911 W. Anderson Lane  
Suite 200  
Austin, TX 78757

**PHONE:** (713) 951-7951

**MEMO**

**THEGOODMANCORP.COM**

May 29<sup>th</sup>, 2020

To: Ms. Julie Masters, Mayor  
From: Barry Goodman  
Re: Gulf Coast Transit District

On behalf of the Gulf Coast Center (GCC) and the Gulf Coast Transit District (GCTD), attached hereto are a proposed Amendment to the current Interlocal Agreement (Agreement) between the GCC and the City of Dickinson (City), and related Resolution for City Council, which would transfer existing Agreements from the City to the newly formed GCTD, effective as of September 1<sup>st</sup>, 2020. The proposed Resolution also accepts the invitation, sent to the City sent by Galveston County Commissioner Stephen Holmes, to become a new Board member of the GCTD, and provides for the appointment of an elected representative and alternate (need not be elected) to the Board of Directors.

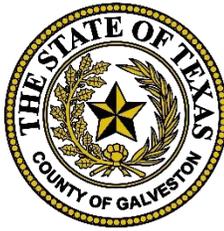
The Amended Agreement becomes effective as of September 1<sup>st</sup>, 2020, since that is the projected date when the transfer of organizational responsibility for the provision of public transportation services within Galveston County, from the GCC to the GCTD, should take effect. The new GCTD Board of Directors should be fully constituted by July. Both the GCC and GCTD will have to ratify the Amended Agreement to complete this transfer of responsibility.

The City's leadership on the TEC Task Force and GCTD Board of Directors will be important to help guide stakeholders through this transition toward the objective of a January 2020 transfer of operational responsibility from the GCC to the GCTD. In this regard, please try to schedule the approval of the Amendment to the existing GCC – Dickinson Agreement, and appointment of a GCTD Board member and alternate by the end of June. I am available to address any additional questions you may have regarding the attached materials. You can contact me at 512-266-6801 (home) or 713-828-2676 (office).

Cc. Susan Maclay  
Rick Elizondo  
Chris Heard  
Sean Middleton

Alun Thomas

**MID COUNTY ANNEX**  
9850-A Emmett F. Lowry Expressway, Suite A100  
Texas City, Texas 77591  
(409) 770-5806  
(281) 316-8300 ext. 5806  
(409) 770-5844 FAX  
Stephen.Holmes@co.galveston.tx.us



**REPRESENTING**  
Galveston  
Hitchcock  
La Marque  
Texas City  
Dickinson

**STEPHEN D. HOLMES**  
**Galveston County Commissioner**  
**Precinct Three**

May 22, 2020

Mayor Julie Masters  
City of Dickinson  
4403 Highway 3  
Dickinson, TX 77539

Dear Mayor:

The Galveston County Commissioner's Court met on May 4<sup>th</sup>, and the Brazoria County Commissioner's Court met on May 12<sup>th</sup> to approve Resolutions (see attached) approving the transfer of public transit responsibility from the Gulf Coast Center (GCC) to the Gulf Coast Transit District (GCTD). The GCTD has now been legally constituted, pursuant to Chapter 458 of the Texas Transportation Code. The Galveston County Commissioner's Court approved that invitations for board membership be sent to the cities of Texas City, La Marque, and Dickinson. Once the governing bodies, of the urban cities in Brazoria and Galveston counties, have accepted their invitations, and identified their primary and alternate representatives to the Board, the GCTD will continue the process to transition public transit from the GCC to the GCTD.

The City of Dickinson has been an integral partner of Connect Transit for many years. Hopefully the new GCTD will be a catalyst for improved transit and connectivity. As such, I look forward to working with you or your designee on the GCTD as a fellow board member.

Representatives of the GCC and The Goodman Corporation (TGC) will be in contact with you regarding the next steps in further establishing the GCTD as a viable Transit District.

Sincerely,

A handwritten signature in black ink that reads "Stephen D. Holmes".

Stephen D. Holmes  
Commissioner, Precinct 3

Judge Mark Henry  
Chris Heard, City Administrator  
Rick Elizondo  
Barry Goodman

## RESOLUTION NUMBER XXX-2020

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS ACCEPTING THE COMMISSIONER'S COURT OF GALVESTON COUNTY INVITATION TO JOIN THE GULF COAST TRANSIT DISTRICT (GCTD) AND AUTHORIZING THE CITY ADMINISTRATOR TO FACILITATE THE TRANSFER OF EXISTING INTERLOCAL AGREEMENTS FOR TRANSIT SERVICES, AND OTHER RELATED AGREEMENTS, WITH THE GULF COAST CENTER TO THE GCTD.**

**WHEREAS**, Chapter 458 of the Texas Transportation Code enables the creation of Rural and Urban Transit Districts; and

**WHEREAS**, the Gulf Coast Center (GCC) is a Rural and Urban Transit District and the public transportation provider for Galveston and Brazoria counties; and

**WHEREAS**, Connect Transit is the public transportation provider for Galveston and Brazoria counties and is currently organized under the Gulf Coast Center (GCC); and

**WHEREAS**, Galveston and Brazoria counties have appointed public transportation stakeholders to a Transit Evaluation Committee (TEC) to consider data and information related to the separation of Connect Transit from the GCC and to make a recommendation to the GCC Board of Trustee regarding the separation of Connect Transit from the GCC; and

**WHEREAS**, the TEC has unanimously recommended the separation of Connect Transit from the GCC and the creation of a new Bi-County Transit District with the responsibility for the provision of public transportation within Galveston and Brazoria Counties; and

**WHEREAS**, the GCC Board of Trustees has received the recommendation of the TEC to separate Connect Transit from the GCC; and

**WHEREAS**, the GCC Board of Trustees has resolved to separate Connect Transit from the GCC; and

**WHEREAS**, Galveston County, pursuant to Chapter 458 of the Texas Transportation Code, has the authority to approve the transfer of the Rural and Urban Transit District from the GCC to a new Bi-County Transit District, subject to similar action by Brazoria County; and

**WHEREAS**, Galveston and Brazoria County Commissions have approved the transfer of public transportation responsibility to a Bi-County Transit District, and the appointment of Board representation from Texas City and other political subdivisions within Galveston County (Exhibit A); and

**WHEREAS**, to accomplish this transfer of responsibility the GCC has proposed an Amendment to the original Interlocal Agreement, executed on November 19th, 2019, which transfers responsibility from the GCC to the GCTD (Exhibit B); and

**WHEREAS**, Galveston County Commissioner's Court will appoint members to the Bi-County Transit District Board of Directors, subject to confirmation from the respective governing bodies:

- 1 seat Galveston County Commissioner's Court
- 1 seat City of Texas City
- 1 seat City of La Marque
- 1 seat City of Dickinson
- 1 seat University of Texas Medical Branch
- 2 seats Rural (To be appointed by the Galveston County Commissioner's Court)

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

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The City accepts the invitation to join the Gulf Coast Transit District and authorizes the City Administrator to take the following actions:

1. Work with the GCC on the transfer of existing Interlocal Agreements and other legal instruments from the GCC to the Gulf Coast Transit District, to become effective on September 1st, 2020.
2. Appoint the Mayor as a Board member and City Administrator as Alternate to serve on the Gulf Coast Transit District Board of Directors.

Section 3. This Resolution shall become effective immediately upon its passage.

**DULY PASSED, ADOPTED AND APPROVED** on this the 23rd day of June, 2020.

\_\_\_\_\_  
Julie Masters, Mayor  
City of Dickinson, Texas

ATTEST:

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
Alun W. Thomas, City Secretary  
City of Dickinson, Texas

\_\_\_\_\_  
David W. Olson, City Attorney  
City of Dickinson, Texas

**EXHIBIT “A”**

**TO**

**RESOLUTION XXX-2020**

**A RESOLUTION BY THE COMMISSIONERS COURT OF BRAZORIA COUNTY APPROVING THE CREATION OF A NEW BI-COUNTY TRANSIT DISTRICT AND THE TRANSFER OF RESPONSIBILITY FOR THE PROVISION OF PUBLIC TRANSPORTATION SERVICES AND THE RECEIPT AND EXPENDITURE OF FEDERAL AND STATE TRANSIT FUNDING FROM THE GULF COAST CENTER TO THE GALVESTON AND BRAZORIA COUNTY BI-COUNTY TRANSIT DISTRICT**

**WHEREAS**, Chapter 458 of the Texas Transportation Code establishes the creation of Rural and Urban Transit Districts;

**WHEREAS**, the Gulf Coast Center (GCC) is a Rural and Urban Transit District and the public transportation provider for Galveston and Brazoria Counties;

**WHEREAS**, Connect Transit is the public transportation provider for Galveston and Brazoria counties and is currently organized under the Gulf Coast Center (GCC);

**WHEREAS**, Galveston and Brazoria counties have appointed public transportation stakeholders to a Transit Evaluation Committee (TEC) to consider data and information related to the separation of Connect Transit from the GCC;

**WHEREAS**, the TEC has unanimously recommended the separation of Connect Transit from the GCC and the creation of a new Bi-County Transit District with the responsibility for the provision of public transportation within Galveston and Brazoria Counties;

**WHEREAS**, the GCC Board of Trustees has received and approved the recommendation of the TEC to transfer public transportation responsibility from Connect Transit to the Gulf Coast Transit District at the April 22, 2020, Board of Trustees meeting;

**WHEREAS**, Brazoria County, pursuant to Chapter 458 of the Texas Transportation Code, has the authority to approve the transfer of the Rural and Urban Transit District from the GCC to a new Bi-County Transit District, to be renamed the Gulf Coast Transit District;

**WHEREAS**, Galveston County Commissioners' Court will consider a similar action;

**WHEREAS**, Brazoria County will appoint voting members to the Gulf Coast Transit District Board of Directors, subject to confirmation from the respective governing bodies:

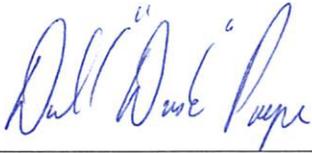
- 1 - Brazoria County Commissioners Court
- 1 - City of Lake Jackson
- 1 - City of Angleton
- 1 - City of Clute
- 1 - City of Freeport
- 2 - Rural Representation; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF BRAZORIA COUNTY TO TRANSFER THE GALVESTON AND BRAZORIA COUNTY RURAL AND URBAN TRANSIT DISTRICT FROM THE GULF COAST CENTER TO THE NEW BI-COUNTY TRANSIT DISTRICT, TO BE NAMED THE GULF COAST TRANSIT DISTRICT.

**Be it Further Resolved** that the Commissioners Court appoints Commissioner Dude Payne to the Gulf Coast Transit District Board of Directors, and that Judge L. M. "Matt" Sebesta, Jr. be appointed as alternate.

**Be it Further Resolved** that a similar resolution accepting membership in the Gulf Coast Transit District be considered by the City Councils of Lake Jackson, Angleton, Clute, and Freeport.

Passed and Approved this the 12<sup>th</sup> day of May, 2020.



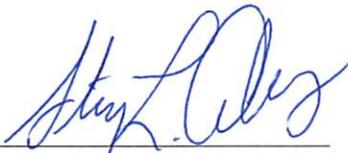
Commissioner, Precinct 1  
Donald "Dude" Payne



Brazoria County Judge  
L. M. "Matt" Sebesta, Jr.



Commissioner, Precinct 2  
Ryan Cade



Commissioner, Precinct 3  
Stacy L. Adams



Commissioner, Precinct 4  
David Linder



On this the 4th day of May, 2020, the Commissioner's Court of the County of Galveston, Texas convened in a regularly scheduled meeting with the following members thereof present:

**Mark A. Henry, County Judge;**  
**Darrell Apffel, Commissioner, Precinct No. 1;**  
**Joe Giusti, Commissioner, Precinct No. 2;**  
**Stephen D. Holmes, Commissioner, Precinct No. 3;**  
**Kenneth Clark, Commissioner, Precinct No. 4; and**  
**Dwight D. Sullivan, County Clerk**

When the following proceedings, among others, were had, to-wit:

**Resolution Calling for the Approval of the Creation of a new Bi-County Transit District and the Transfer of Responsibility for the Provision of Public Transportation services, and the Receipt and Expenditure of Federal and State Public Transportation Funding from the Gulf Coast Center to the Galveston and Brazoria Bi-County Transit District**

**WHEREAS**, Chapter 458 of the Texas Transportation Code establishes the creation of Rural and Urban Transit Districts;

**WHEREAS**, the Gulf Coast Center (GCC) is a Rural and Urban Transit District and the public transportation provider for Galveston and Brazoria counties;

**WHEREAS**, Connect Transit is the public transportation provider for Galveston and Brazoria counties and is currently organized under the Gulf Coast Center (GCC);

**WHEREAS**, Galveston and Brazoria Counties have appointed public transportation stakeholders to a Transit Evaluation Committee (TEC) to consider data and information related to the separation of Connect Transit from the GCC and to make a

recommendation to the GCC Board of Trustee regarding the separation of Connect Transit from the GCC;

**WHEREAS**, the TEC has unanimously recommended the separation of Connect Transit from the GCC and the creation of a new Bi-County Transit District with the responsibility for the provision of public transportation services within Galveston and Brazoria counties;

**WHEREAS**, the GCC Board of Trustees has received and approved the recommendation of the TEC to transfer the responsibility for the provision of public transportation from Connect Transit to the Gulf Coast Transit District at the April 22, 2020 meeting;

**WHEREAS**, Galveston County, pursuant to Chapter 458 of the Texas Transportation Code, has the authority to approve the transfer of the Rural and Urban Transit District from the GCC to a new Bi-County Transit District, to be renamed the Gulf Coast Transit District;

**WHEREAS**, under the recommendation approved by the TEC, each respective governing body will appoint the following voting members from Galveston County to the Gulf Coast Transit District Board of Directors:

- 1 seat Galveston County Commissioner's Court
- 1 seat City of Texas City
- 1 seat City of La Marque
- 1 seat City of Dickinson
- 1 seat University of Texas Medical Branch
- 2 seats Rural Representatives appointed by the Commissioners Court;

**WHEREAS**, each participating governing body must approve its participation in the Gulf Coast Transit District, and thereafter, further actions are expected to finalize the transfer;

**NOW THEREFORE BE IT ORDERED that the Commissioners Court of the County of Galveston, Texas does hereby approve** the transfer of public transportation responsibility from the Gulf Coast Center to the Gulf Coast Transit District, pursuant to Chapter 458 of the Texas Transportation Code

**Be it Further Ordered** that Commissioner Stephen Holmes be appointed by this Commissioner's Court to the Gulf Coast Transit District Board of Directors, and that Commissioner Ken Clark be appointed as alternate.

**Be it Further Ordered** that the participation of other entities named in this Resolution is subject to a similar Resolution accepting membership in the Gulf Coast Transit District by the City Commission of Texas City and the City Councils of La

Marque and Dickinson; and the Administration of UTMB.

**Upon motion duly made and seconded**, the above Resolution was unanimously passed on this the 4th day of May, 2020.

**The County of Galveston, Texas**



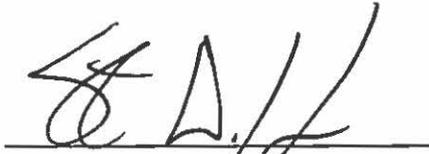
**Mark A. Henry**  
County Judge



**Darrell Appfel**  
Commissioner, Precinct 1



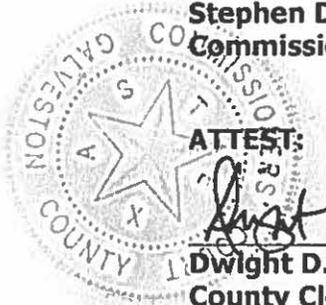
**Joe Giusti**  
Commissioner, Precinct 2



**Stephen D. Holmes**  
Commissioner, Precinct 3



**Kenneth Clark**  
Commissioner, Precinct 4



**ATTEST:**

  
**Dwight D. Sullivan**  
County Clerk

Item 1a: Draft Resolution to Accepting the Recommendation to Separate Connect Transit from GCC

**A RESOLUTION BY THE BOARD OF TRUSTEES OF THE GULF COAST CENTER ACCEPTING THE RECOMMENDATION OF THE TRANSIT EVALUATION COMMITTEE (TEC) TO PROCEED WITH THE CREATION OF A BI-COUNTY TRANSIT DISTRICT, SUBJECT TO APPROVALS BY THE FEDERAL TRANSIT ADMINISTRATION, THE TEXAS DEPARTMENT OF TRANSPORTATION, AND THE HOUSTON – GALVESTON AREA COUNCIL AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO TAKE ACTIONS NECESSARY TO FACILITATE SAID CREATION**

**WHEREAS**, the Gulf Coast Center (GCC) is the recipient of federal and state transit funding and other federal funding related to the provision of public transportation services within Galveston and Brazoria counties;

**WHEREAS**, the GCC is a rural and urban transit district created pursuant to the provisions of Chapter 458 of the Texas Transportation Code;

**WHEREAS**, the GCC Board of Trustees, confirmed by Resolutions of Galveston and Brazoria County Commissioner’s courts, has created a Transit Evaluation Committee (TEC) to review relevant data and information regarding the GCC’s responsibilities for the receipt and expenditure of federal and state transit funding, and other administrative, operating and financial requirements of a Bi-County Transit District, and to consider the extent to which the transfer of public transit responsibilities from the GCC to a new Bi-County Transit District is desirable;

**WHEREAS**, on March 26, 2020 the TEC unanimously approved a motion (see attached) to recommend to the GCC Board of Trustees, the transfer of responsibility for the provision of public transportation services, and the receipt and expenditure of state and federal transit funding, from the GCC to a Bi-County Transit District, pursuant to the provisions of Chapter 458 of the Texas Transportation Code.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE GULF COAST CENTER THAT THE BOARD OF TRUSTEES OF THE GCC ACCEPTS THE RECOMMENDATION OF THE TEC, AND AUTHORIZES THE CHIEF EXECUTIVE OFFICER TO TAKE THE FOLLOWING ACTIONS:**

1. Notify Galveston and Brazoria County Commissioner’s Courts of the GCC BOT’s acceptance of the TEC’s recommendation and request approval for the creation of a new Bi-County Transit District.
2. Execute a Memorandum of Understanding with the new Bi-County Transit District Board of Directors, when legally constituted, for the transfer of all Federal Transit Administration (FTA)- and Texas Department of Transportation Public Transit Division (TxDOT)- funded assets, equipment and facilities and related liabilities.
3. Request that the FTA, the Public Transportation Division of TxDOT, and the Houston – Galveston Area Council (H-GAC) concur in the transfer of all grants and agreements related to the GCC Connect Transit to the new Bi-County Transit District.

**APPROVED ON THIS 22nd DAY OF APRIL, 2020.**

Melissa Tucker  
Chief Executive Officer

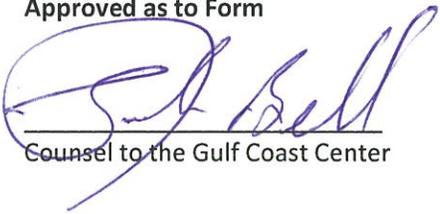


Secretary



Item 1a: Draft Resolution to Accepting the Recommendation to Separate Connect Transit from GCC

Approved as to Form



Counsel to the Gulf Coast Center

**EXHIBIT “B”**

**TO**

**RESOLUTION XXX-2020**

**STATE OF TEXAS §**

**COUNTY OF GALVESTON §**

**INTERLOCAL CONTRACT AMENDMENT**

This Interlocal Contract Amendment ("Amendment") is made and entered into and effective as of the \_\_\_\_ day of \_\_\_\_\_, 2010 ("Effective Date") pursuant to the Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code (the "Act"), by and between the **Gulf Coast Center (Center)**, established pursuant to provisions of Chapter 534 of the Texas Health & Safety Code Ann. (Vernon 1992), and the **City of Dickinson (City)**, a political subdivision of the State of Texas incorporated pursuant to Chapter 43 of the Local Government Code.

**WHEREAS**, pursuant to the Act, the Center and City are authorized to contract with eligible entities to perform governmental functions and services, including governmental functions in which the contracting parties are mutually interested.

**RECITALS**

**WHEREAS**, the parties entered into an Agreement, dated November 19th, 2019 providing for the provision of public transportation services by the Center Connect Transit Division for the period covering FY 2020 to FY 2022, in accordance with the route and coverage area described in Exhibit A.

**WHEREAS**, the City has agreed to provide financial assistance to the Center in accordance with the local share commitment schedule contained within Exhibit B.

**WHEREAS**, the Article 5 of the Agreement anticipated the potential creation of a Bi-County Transit District as a “successor in interest” to the Center, pursuant to the provisions of Chapter 458 of the Texas Transportation Code.

**WHEREAS**, on May 4<sup>th</sup>, 2020 the Galveston County Commissioner’s Court, and on May 12<sup>th</sup>, 2020 the Brazoria County Commissioner’s Courts approved Resolutions creating the Gulf Coast Transit District (GCTD), a Bi-County Transit District, to provide public transit services within Galveston and Brazoria counties.

**WHEREAS**, the Galveston County Commissioner’s Court Resolution extended an invitation to the City to become a Board Member of the GCTD.

**WHEREAS**, it is the desire of the City to join the GCTD and transfer this Interlocal Contract (Agreement) with the GCC to the GCTD.

**WHEREAS**, this Amendment to the November 19<sup>th</sup> Agreement will become effective on September 1<sup>st</sup>, 2020

**WHEREAS**, all other provisions within the Interlocal Contract executed on November 19th, 2019 will remain in effect.

**Accordingly, this Amendment to the existing Interlocal Contract with the GCC, entered into on or about November 19th, 2019, which secures public transportation services and other related infrastructure for the City of Dickinson, will transfer responsibility from the Gulf Coast Center to the Gulf Coast Transit District.**

**THIS AGREEMENT** has been executed by the parties on the date and year first above written.

**GULF COAST CENTER**

By: \_\_\_\_\_  
Melissa Tucker,  
Chief Executive Officer

Approved as to form:

\_\_\_\_\_  
General Counsel to the Gulf Coast Center

**CITY OF DICKINSON, TEXAS**

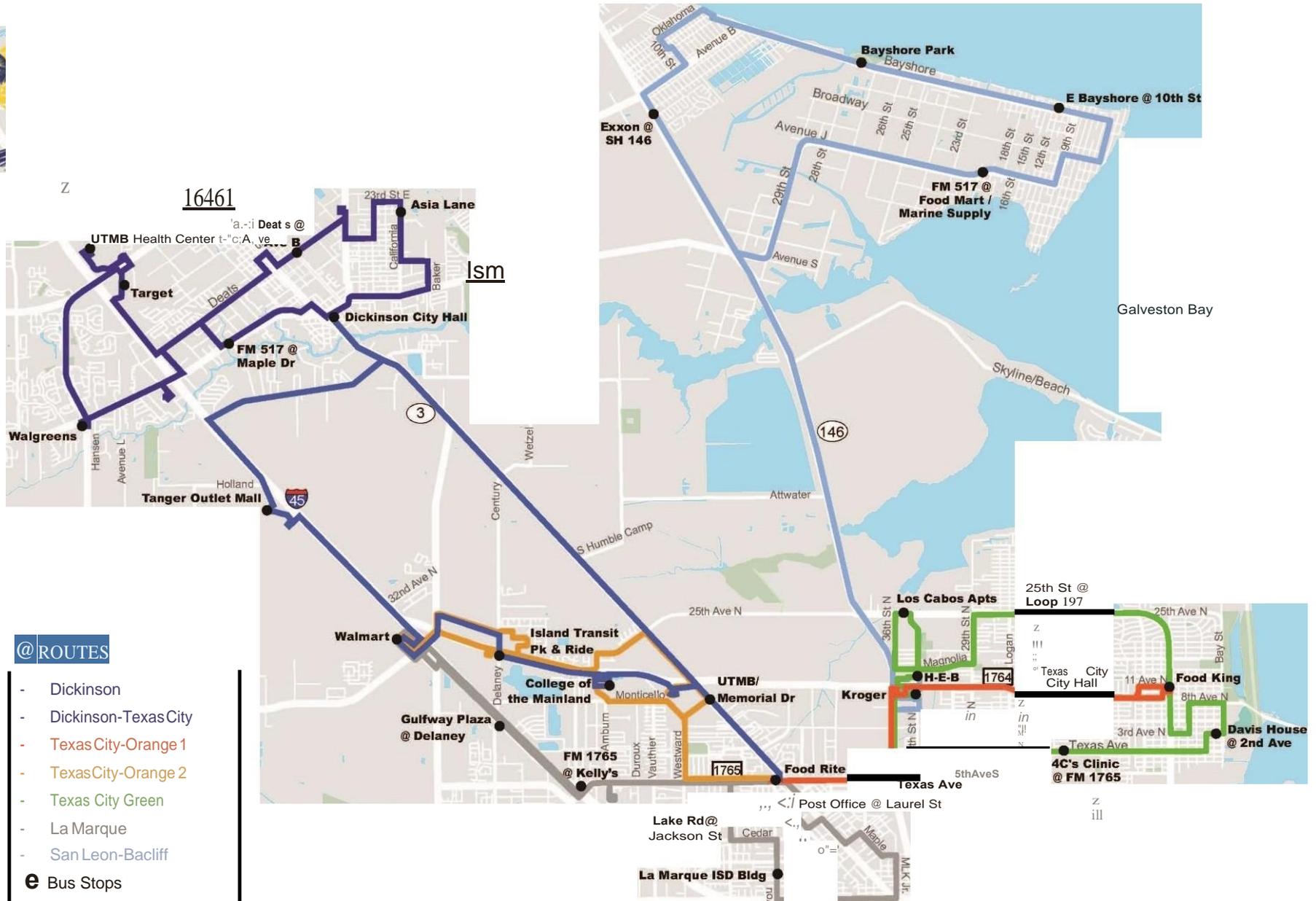
By: \_\_\_\_\_  
Julie Masters, Mayor

Approved as to form:

\_\_\_\_\_  
City Attorney

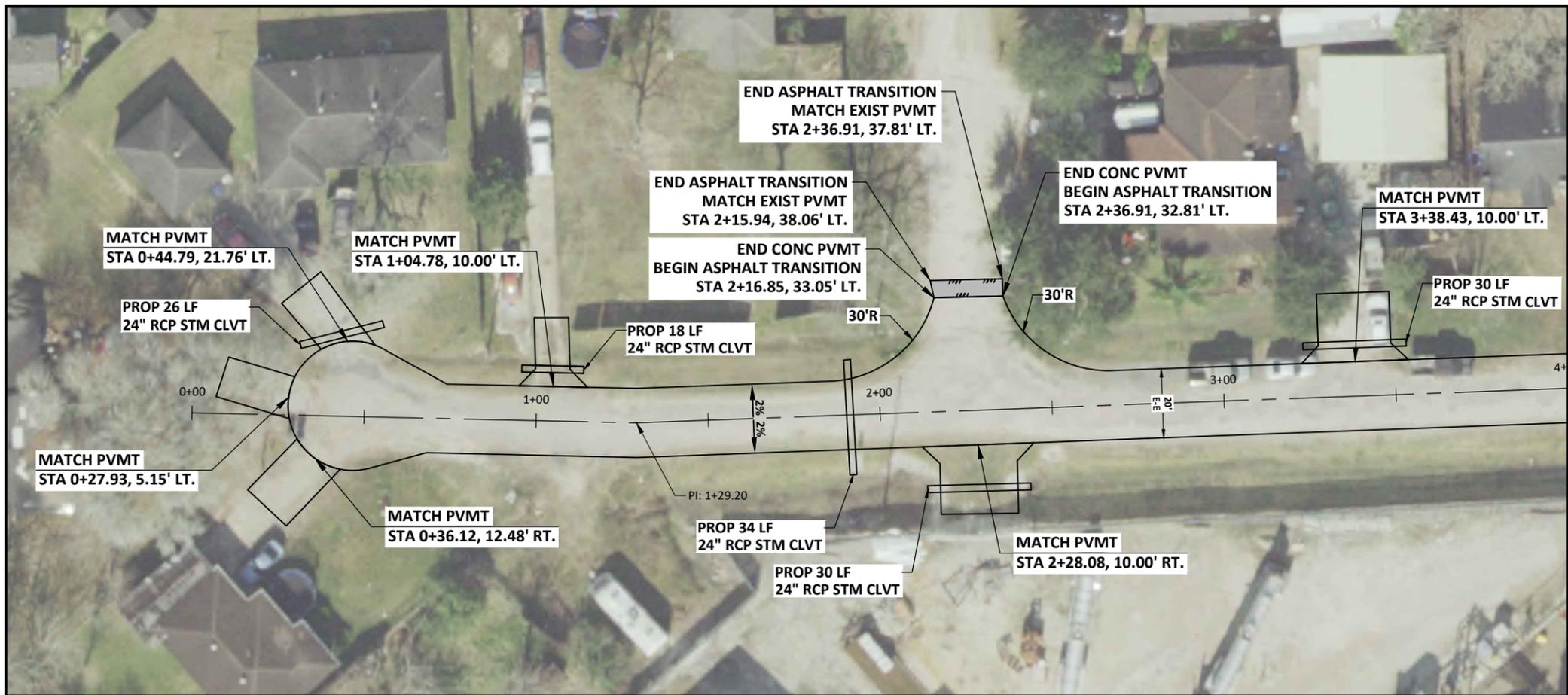
- Exhibit A: Texas City, La Marque, Dickinson Fixed Route System Map**
- Exhibit B: Three (3) Year Local Share Responsibility**

# EXHIBIT A – Texas City/La Marque/Dickinson

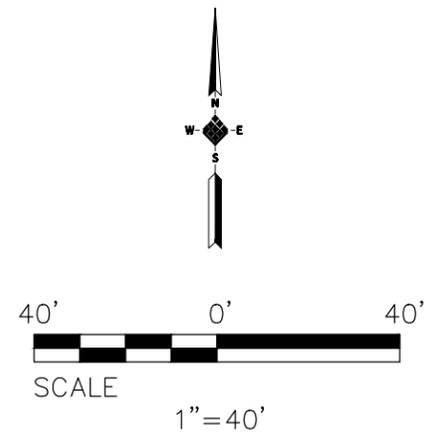




# ITEM 11



MATCHLINE B.L. STA. 4+00



**For Presentation Purpose Only**

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF REVIEW UNDER THE AUTHORITY OF RICHARD A. FULLER, P.E. 90951 ON 6/17/20. IT IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.



APPROVED BY: R.A.F.	DATE: JUNE 2020
DESIGNED BY: M.B.	DRAWN BY: B.A.
CHECKED BY: R.A.F.	DWG NO. 1841-011-03

**CITY OF DICKINSON  
STREET REHABILITATION 2019**

**43RD STREET PAVING PLAN**

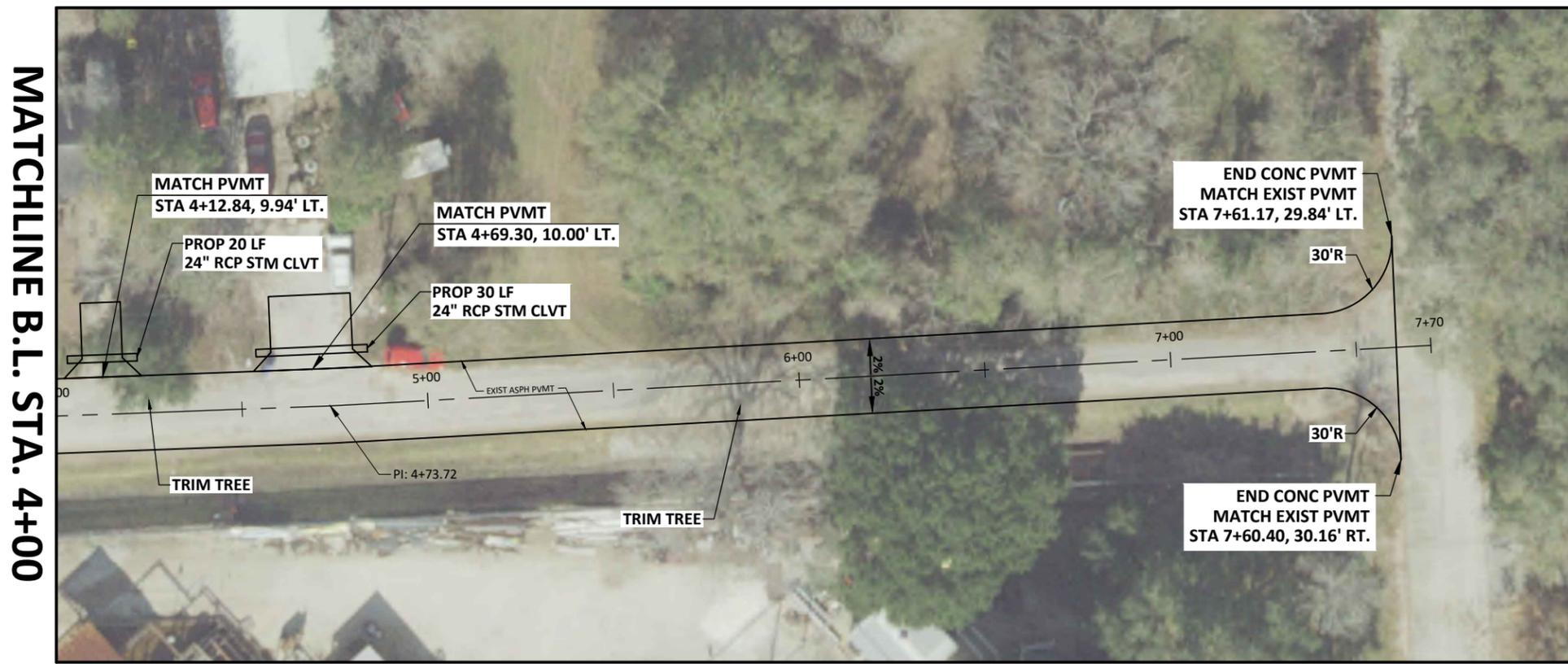


**CITY OF DICKINSON  
PUBLIC WORKS DEPARTMENT**

SCALE: H: ##### V: N/A	DESIGNED BY:
SURVEY BY: IDS	DRAWN BY:
FB NO.:	SHEET NO. <b>1</b> OF <b>1</b> SHEET

**CONSTRUCTION NOTES**

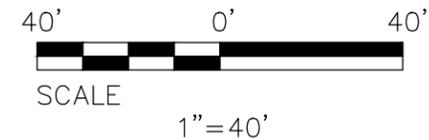
- REMOVE TOP 6" OF EXISTING PAVEMENT. ALL PROP ROADWAY PAVING SHALL BE 20' WIDE, 6" CONCRETE PAVEMENT WITH 6" LIME STABILIZED SUBGRADE (8% LIME BY DRY WEIGHT). SUBGRADE SHALL EXTEND 1' OUTSIDE PROP PAVEMENT. REINFORCE CONCRETE WITH #4 @ 18" O.C.E.W. CONSTRUCT 5' ASPHALT TRANSITIONS WHERE CONCRETE PAVEMENT ENDS AND MATCH WIDTH WITH EXISTING ASPHALT PAVING. CONTRACTOR SHALL PROTECT MAILBOXES AND STREET SIGNS. COORDINATE ANY NECESSARY MAILBOX REPLACEMENT WITH OWNER.
- REMOVE AND REPLACE DRIVEWAYS TO THE ROW. DRIVEWAYS SHALL BE PAVED WITH 6" CONCRETE PAVEMENT. CONSTRUCT DRIVEWAYS WITH EXPANSION JOINTS 3' FROM THE CENTERLINE OF THE CULVERT PIPE ON BOTH SIDES. REMOVE EXISTING DRIVEWAY CULVERT. INSTALL PROP CULVERT WITH CEMENT STABILIZED SAND BEDDING MATERIAL. GRADE CULVERT TO FLOW.
- DESILT AND REGRADE ROADSIDE DITCHES TO FLOW.



MATCHLINE B.L. STA. 4+00

\\hous\projects\1800\1841\03-dickinson disaster recovery construction projects\Eng\Info, anchor way, 43rd CAD\CAD\PLAN-ANCHOR-FALCO.dwg (3rd Street) Plotted Jun 17, 2020 at 11:28am by abennelle (Last Saved by: mbyrd)

For Presentation  
Purpose Only



THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF REVIEW UNDER THE AUTHORITY OF RICHARD A. FULLER, P.E. 90951 ON 6/17/20. IT IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.



APPROVED BY: R.A.F.	DATE: JUNE 2020
DESIGNED BY: M.B.	DRAWN BY: B.A.
CHECKED BY: R.A.F.	JOB NO. 1841-011-03
	DWG NO.

**CITY OF DICKINSON  
STREET REHABILITATION 2019**

**ANCHOR WAY PAVING PLAN**

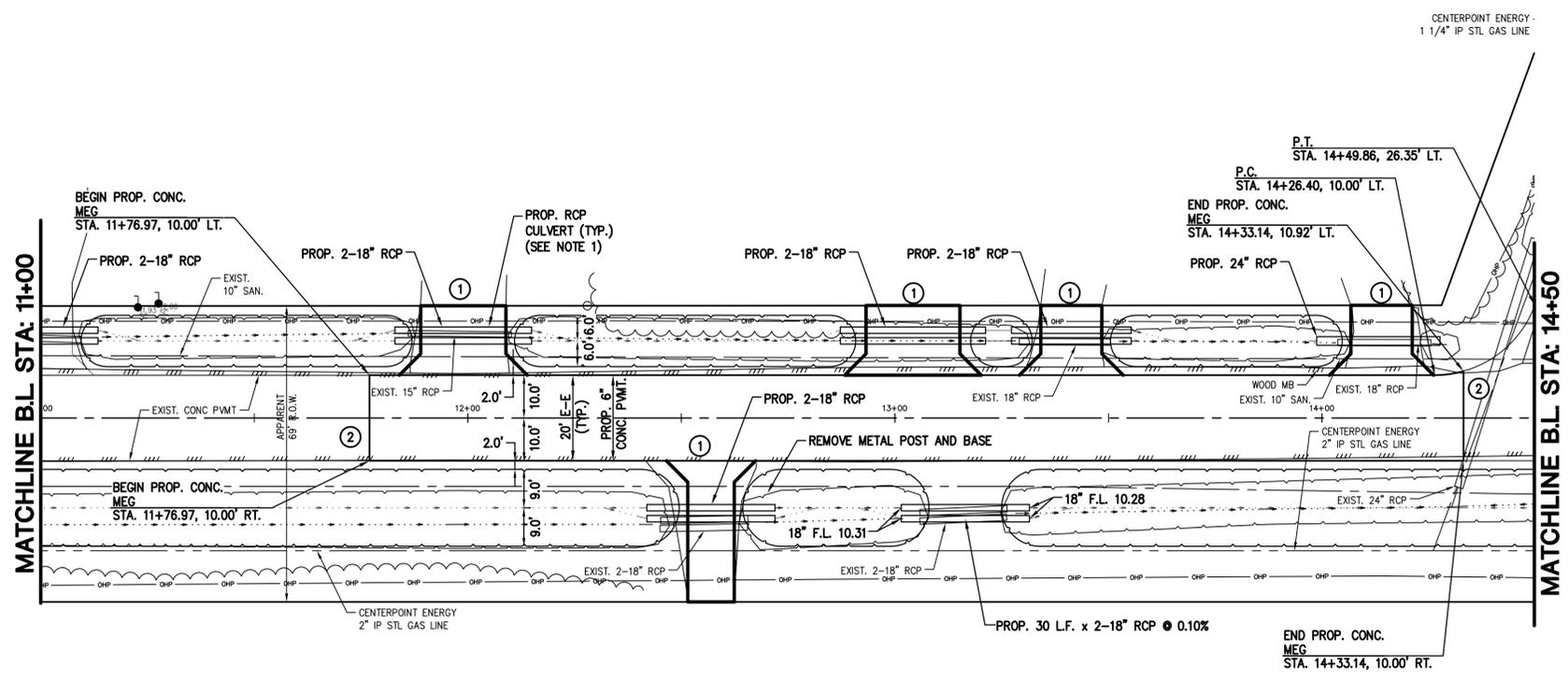


SCALE: H: 1" = 40' V: N/A	DESIGNED BY:
SURVEY BY: IDS	DRAWN BY:
FB NO.:	SHEET NO. <b>1</b> OF <b>1</b> SHEET

\\hous\projects\1841\1841-011-03\dickinson disaster recovery construction projects\Eng\Info, anchor way, 45rd\CAD\CPLAN-43RD-ANCHOR-FALCO.dwg [Anchor Way] Plotted Jun 17, 2020 at 11:29am by abnolle (Last Saved by: mboyd)



X:\1800\1840103 Dickinson Disaster Recovery Construction Projects\Eng\Files\_Arch\Wp\_43rd\CAD\TMS-C-RR-PALM.dwg [PALM 0940 TO 1980] Jun 17, 2020-12:13pm mbyd



For Presentation Purpose Only



DRIVEWAY/SIDEWALK SCHEDULE									
DRIVEWAY/SIDEWALK					CULVERT				
NO.	CL. STATION	RT.	WIDTH	THICKNESS	AREA	LENGTH	UP STATION FL.	DOWN STATION FL.	SLOPE %
1	9+70	RT.	25'	6"	1575	42'	10.55	10.59	0.10
2	10+00	LT.	18'	6"	1080	30'	10.80	10.85	0.17
3	11+00	LT.	18'	6"	1080	30'	10.75	10.77	0.18
4	11+99	LT.	20'	6"	1200	32'	10.60	10.66	0.19
5	13+41	LT.	14'	6"	588	28'	10.25	10.30	0.10

- KEYED NOTES:**
- 1 REMOVE AND REPLACE DRIVEWAYS UP TO ROW OR AS DETERMINED BY CITY OF DICKINSON.
  - 2 REMOVE ASPHALT TRANSITION. CONSTRUCT CONCRETE HEADER WHERE PAVEMENT BEGINS AND ENDS.

- KEYED NOTES:**
- 1 PROP. CONC. PAVING HEADER.
  - 2 PROP. CONC. PAVING DETAILS ON 28.
  - 3 FILL AREA WITH GRANULAR DRAIN. NO SEPARATE DRAIN FILL.
  - 4 ASPHALT MATCH CONCRETE CROWN.
  - 5 MATCH EXIST. ASPHALT.
  - 6 ADJUST EXIST. FEATURE TO PROP. GRADE.

- NOTES:**
1. REMOVE EXIST. CULVERTS AND REPLACE WITH PROP. 18" RCP CULVERTS UNLESS NOTED OTHERWISE.

**BENCHMARK:**  
 FLOODPLAIN REFERENCE MARK NUMBER 010065 IS A NGS METAL ROD STAMPED HGSD 57 1986 AT INTERSECTION OF TERMINI AND NEVADA LOCATED IN GROUND, NORTH OF INTERSECTION, NORTHWEST OF TERMINI, EAST OF POST OFFICE IN KEYMAP 699D (GALV/BRAZ) IN THE CLEAR CREEK WATERSHED NEAR STREAM A100-00-00 ELEV. 12.18 FEET (NAVD 88, 2001 ADJUSTMENT)

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF REVIEW UNDER THE AUTHORITY OF RICHARD A. FULLER, P.E. 90951 ON 05/10/17. IT IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.



APPROVED BY: R.F. DATE: MAY 2017  
 DESIGNED BY: M.W. DRAWN BY: M.B. JOB NO: 1841-004-07  
 CHECKED BY: M.B. DWS NO:

TO ARRANGE FOR LINES TO BE TURNED OFF OR MOVED, CALL CENTERPOINT ENERGY AT 713-207-2222.  
 NOTICE: For your safety, you are required by Texas Law to call 811 at least 48 hours before you dig so that underground lines can be marked. This Verification does not fulfill your obligation to call 811.

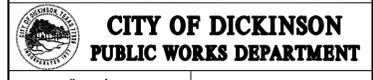
**VERIFICATION OF PRIVATE UTILITY LINES**  
 Date: \_\_\_\_\_  
 CenterPoint Energy/Natural Gas Facilities Verification ONLY.  
 (This signature verifies existing underground gas lines correctly -not to be used for conflict verification.) (Gas service lines are not shown.)  
 Signature Valid for six months.

Date: \_\_\_\_\_  
 TMAP/UNDERGROUND Electrical Facilities Verification ONLY.  
 (This signature verifies existing underground facilities -not to be used for conflict verification.)  
 Signature Valid for six months.

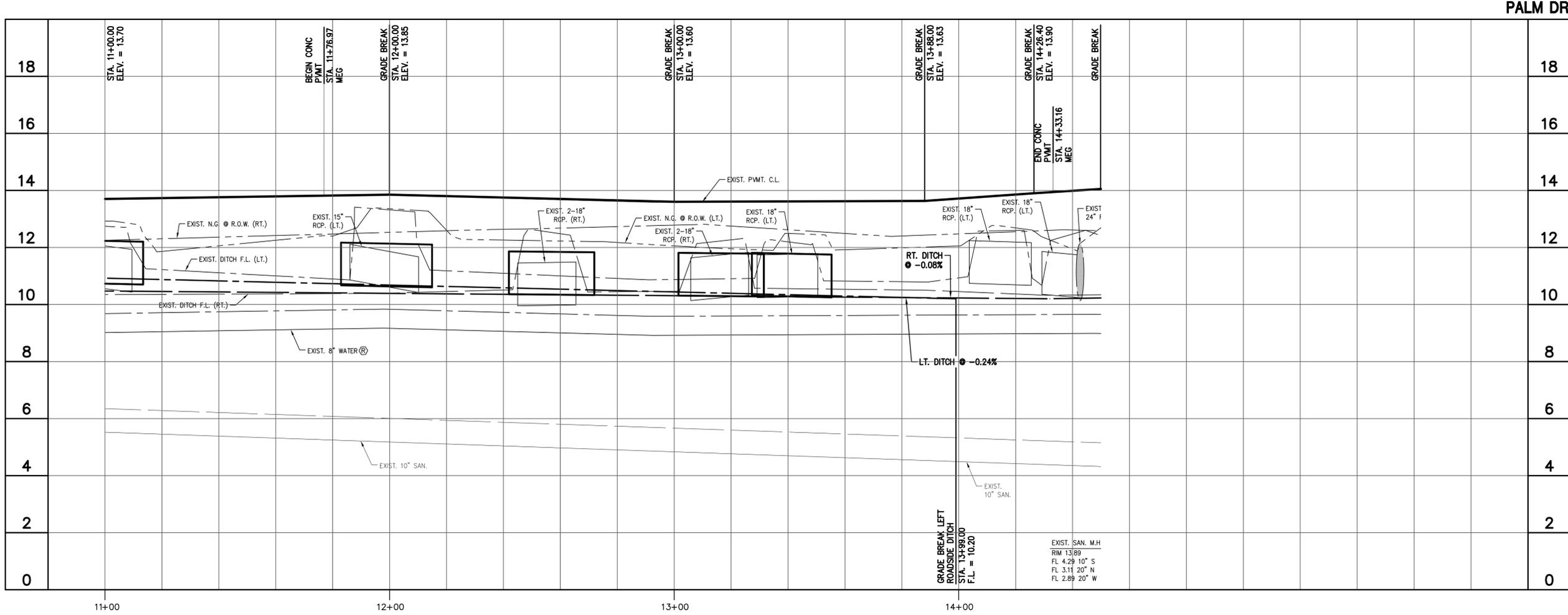
Date: \_\_\_\_\_  
 Frontier Communications Service Area for underground conduit facilities only.  
 Signature valid for one year.

**CITY OF DICKINSON  
 SOUTHSIDE  
 DRAINAGE IMPROVEMENTS**

PALM DR.  
 PLAN AND PROFILE  
 STA. 11+00 TO STA. 14+50



SCALE: 1"=20'  
 1"=2'  
 DESIGNED BY: \_\_\_\_\_  
 DRAWN BY: \_\_\_\_\_  
 SURVEY BY: IDS  
 FB NO: \_\_\_\_\_  
 SHEET NO. 19 OF 51 SHEETS



PALM DR.

18  
16  
14  
12  
10  
8  
6  
4  
2  
0

11+00 12+00 13+00 14+00

EXIST. SAN. M.H.  
 RIM 13.89  
 FL 4.29 10° S  
 FL 3.11 20° N  
 FL 2.89 20° W

**RESOLUTION NUMBER XXX-2020**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, AUTHORIZING THE CITY ADMINISTRATOR TO ISSUE AN ORDER FOR TASK WORK AUTHORIZATION NUMBER 5 FOR DRAINAGE REPAIR AND CULVERT REPAIR ON PALM DRIVE, 43<sup>RD</sup> STREET, ANCHOR WAY, AND FALCO STREET; PROVIDING FOR INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Dickinson ("City") approved an agreement with Lucas Construction Company in the amount of \$2,741,970.00 for the construction of paving improvements within the city; and

**WHEREAS**, the City desires to issue Task Work Authorization Number 5 for drainage repair and culvert repair on Palm Drive, 43<sup>rd</sup> Street, Anchor Way, and Falco Street; and

**WHEREAS**, such improvements will cost an estimated total of \$558,398.00 (as shown as Exhibit A in this resolution), the funding for which is currently available in the City's Street Maintenance Fund 08; and

**WHEREAS**, staff recommends authorizing the City Administrator to issue the Task Work Authorization Number 5 to begin work immediately.

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

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The City of Dickinson hereby authorizes the City Administrator to issue Task Work Authorization Number 5 for drainage repair and culvert repair on Palm Drive, 43<sup>rd</sup> Street, Anchor Way, and Falco Street; and to take all appropriate action to administer the TWA.

Section 3. This Resolution shall become effective immediately upon its passage.

**DULY PASSED AND APPROVED** on this the 23rd day of June 2020.

\_\_\_\_\_  
Julie Masters, Mayor  
City of Dickinson, Texas

ATTEST:

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
Alun W. Thomas, City Secretary  
City of Dickinson, Texas

\_\_\_\_\_  
David W. Olson, City Attorney  
City of Dickinson, Texas

**EXHIBIT “A”**

**TO**

**RESOLUTION XXX-2020**

ITEM NO.	DESCRIPTION	Qty.	Unit	Unit Price	AMOUNT
<b>Palm Drive - Replace asphalt pavement with concrete pavement, regrade roadside ditches, repave driveways</b>					
(1)	Site Preparation including Mob, Bonds, Insurance, Permits, Erosion Control	1%	LS	\$ 50,000.00	\$ 500.00
(2)	Traffic Control and Regulation	1.00%	LS	\$ 50,000.00	\$ 500.00
(3)	Storm Water Pollution Prevention Plan Best Management Practices	1.00%	LS	\$ 40,000.00	\$ 400.00
Subtotal:					<b>\$ 1,400.00</b>
<b>Palm Drive - Approximately 345 feet, south of West Oleander Drive</b>					
<b>Project 1</b>					
		<b>Qty.</b>	<b>Unit</b>	<b>Unit Price</b>	<b>AMOUNT</b>
(5)	Removing Base and Asphalt Pavement	285.00	CY	\$ 18.00	\$ 5,130.00
(6)	Removing Reinforced Concrete Pavement, 6" depth	80.00	SY	\$ 10.00	\$ 800.00
(7)	Sawcut Reinforced Concrete Paving, Full Depth, 6" maximum depth	100.00	LF	\$ 10.00	\$ 1,000.00
(8)	Desilt Roadside Ditch	52.00	CY	\$ 15.00	\$ 780.00
Approx 700 Linear Feet: Est 2 CF/LF = 52 CY					
(14)	Lime	14.00	TON	\$ 185.00	\$ 2,590.00
(15)	Lime Treated Subgrade, 6" Depth, 8% lime by dry weight	629.00	SY	\$ 5.00	\$ 3,145.00
(18)	Reinforced Concrete Paving, 6" Depth with #4 bars at 18" on center each way	570.00	SY	\$ 50.00	\$ 28,500.00
(19)	Construction Joint, 5" x 3/4" Redwood with 18" long, 3/4" Dowels	300.00	LF	\$ 6.00	\$ 1,800.00
(32)	6" Concrete Driveway (#4 re-bar @ 18" centers both ways)	183.00	SY	\$ 60.00	\$ 10,980.00
(24)	Reinforced Concrete Pipe, 24" Diameter, Rubber Gasketed	364.00	LF	\$ 60.00	\$ 21,840.00
(30)	Culvert Removal	173.00	LF	\$ 20.00	\$ 3,460.00
Subtotal:					<b>\$ 80,025.00</b>
<b>43rd Street - Approximately 718 feet, west of Galveston Avenue</b>					
<b>Project 2</b>					
		<b>Qty.</b>	<b>Unit</b>	<b>Unit Price</b>	<b>AMOUNT</b>
(5)	Removing Base and Asphalt Pavement	332.00	CY	\$ 18.00	\$ 5,976.00
(6)	Removing Reinforced Concrete Pavement, 6" depth	95.00	SY	\$ 10.00	\$ 950.00
(7)	Sawcut Reinforced Concrete Paving, Full Depth, 6" maximum depth	84.00	LF	\$ 10.00	\$ 840.00
(8)	Desilt Roadside Ditch	54.00	CY	\$ 15.00	\$ 810.00
Approx 720 Linear Feet: Est 2 CF/LF = 54 CY					
(9)	Asphaltic Concrete Paving (ACP), Type D, 2" Depth	12.00	SY	\$ 13.00	\$ 156.00
(14)	Lime	42.00	TON	\$ 185.00	\$ 7,770.00
(15)	Lime Treated Subgrade, 6" Depth, 8% lime by dry weight	1953.00	SY	\$ 5.00	\$ 9,765.00
(18)	Reinforced Concrete Paving, 6" Depth with #4 bars at 18" on center each way	1785.00	SY	\$ 50.00	\$ 89,250.00
(19)	Construction Joint, 5" x 3/4" Redwood with 18" long, 3/4" Dowels	740.00	LF	\$ 6.00	\$ 4,440.00
(24)	Reinforced Concrete Pipe, 24" Diameter, Rubber Gasketed	188.00	LF	\$ 60.00	\$ 11,280.00
(30)	Culvert Removal	188.00	LF	\$ 20.00	\$ 3,760.00
(32)	6" Concrete Driveway (#4 re-bar @ 18" centers both ways)	302.00	SY	\$ 60.00	\$ 18,120.00
Subtotal:					<b>\$ 153,117.00</b>

<b>Anchor Way - Approximately 520 feet, west of Harbor Light Drive</b>				
<b>Project 3</b>				
	<b>Qty.</b>	<b>Unit</b>	<b>Unit Price</b>	<b>AMOUNT</b>
(5)	Removing Base and Asphalt Pavement	245.00	CY	\$ 18.00 \$ 4,410.00
(6)	Removing Reinforced Concrete Pavement, 6" depth	29.00	SY	\$ 10.00 \$ 290.00
(7)	Sawcut Reinforced Concrete Paving, Full Depth, 6" maximum depth	98.00	LF	\$ 10.00 \$ 980.00
(8)	Desilt Roadside Ditch	40.00	CY	\$ 15.00 \$ 600.00
Approx 520 Linear Feet: Est 2 CD/LF = 40 CY				
(9)	Asphaltic Concrete Paving (ACP), Type D, 2" Depth	36.00	SY	\$ 13.00 \$ 468.00
(14)	Lime	31.00	TON	\$ 185.00 \$ 5,735.00
(15)	Lime Treated Subgrade, 6" Depth, 8% lime by dry weight	1453.00	SY	\$ 5.00 \$ 7,265.00
(18)	Reinforced Concrete Paving, 6" Depth with #4 bars at 18" on center each way	1335.00	SY	\$ 50.00 \$ 66,750.00
(19)	Construction Joint, 5" x 3/4" Redwood with 18" long, 3/4" Dowels	520.00	LF	\$ 6.00 \$ 3,120.00
(25)	Reinforced Concrete Pipe, 30" Diameter, Rubber Gasketed	76.00	LF	\$ 80.00 \$ 6,080.00
(24)	Reinforced Concrete Pipe, 24" Diameter, Rubber Gasketed	40.00	LF	\$ 60.00 \$ 2,400.00
(30)	Culvert Removal	116.00	LF	\$ 20.00 \$ 2,320.00
(32)	6" Concrete Driveway (#4 re-bar @ 18" centers both ways)	138.00	SY	\$ 60.00 \$ 8,280.00
<b>Subtotal:</b>				<b>\$ 108,698.00</b>

<b>Falco Street - Approximately 850 feet, west of Highway 3</b>				
<b>Project 4</b>				
	<b>Qty.</b>	<b>Unit</b>	<b>Unit Price</b>	<b>AMOUNT</b>
(5)	Removing Base and Asphalt Pavement	424.00	CY	\$ 18.00 \$ 7,632.00
(6)	Removing Reinforced Concrete Pavement, 6" depth	137.00	SY	\$ 10.00 \$ 1,370.00
(7)	Sawcut Reinforced Concrete Paving, Full Depth, 6" maximum depth	158.00	LF	\$ 10.00 \$ 1,580.00
(8)	Desilt Roadside Ditch	63.00	CY	\$ 15.00 \$ 945.00
Approx 850 Linear Feet: Est 2 CF/LF = 63 CY				
(9)	Asphaltic Concrete Paving (ACP), Type D, 2" Depth	22.00	SY	\$ 13.00 \$ 286.00
(14)	Lime	53.00	TON	\$ 185.00 \$ 9,805.00
(15)	Lime Treated Subgrade, 6" Depth, 8% lime by dry weight	2430.00	SY	\$ 5.00 \$ 12,150.00
(18)	Reinforced Concrete Paving, 6" Depth with #4 bars at 18" on center each way	2222.00	SY	\$ 50.00 \$ 111,100.00
(19)	Construction Joint, 5" x 3/4" Redwood with 18" long, 3/4" Dowels	925.00	LF	\$ 6.00 \$ 5,550.00
(20)	Reinforced Concrete Curb, 6" height with #3 bar #3 dowel at 18"	20.00	LF	\$ 5.00 \$ 100.00
(24)	Reinforced Concrete Pipe, 24" Diameter, Rubber Gasketed	462.00	LF	\$ 60.00 \$ 27,720.00
(30)	Culvert Removal	304.00	LF	\$ 20.00 \$ 6,080.00
(32)	6" Concrete Driveway (#4 re-bar @ 18" centers both ways)	514.00	SY	\$ 60.00 \$ 30,840.00
<b>Subtotal:</b>				<b>\$ 215,158.00</b>
<b>Subtotal:</b>				<b>\$ 558,398.00</b>

<b>Original Contract Price: \$\$</b>	<b>%</b>	<b>Prior TWA's: \$\$</b>	<b>%</b>	<b>This TWA:\$\$</b>	<b>%</b>
\$ 3,228,640.00	63.32%	\$ 1,485,967.50	46.02%	\$ 558,398.00	17.30%

# **ITEM 12**

## **Executive Session**

# **ITEM 13**

**Reconvene**

# **ITEM 14**

**Matters Discussed in  
Executive Session**

# **ITEM 15**

**Adjourn**