WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA
WATAUGA CITY COUNCIL
REGULAR MEETING
MONDAY, NOVEMBER 14, 2022
CITY HALL COUNCIL CHAMBER, 7105 WHITLEY ROAD
6:30 PM

This notice is posted pursuant to the Texas Open Meetings Act. Notice is hereby given that a **Regular City Council Meeting** of the City of Watauga, Texas will be held at which time the following subjects will be discussed and may be acted upon.

CALL TO ORDER (Council Members, City Staff, Members of the Public - when speaking during the meeting please speak directly into the microphones on the dais or podium)

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE United States and Texas Flags

ANNOUNCEMENTS

PRESENTATIONS

1. Presentation of Service Awards for the City of Watauga Employees celebrating a Milestone Anniversary during the month of November

2. Recognition of the Fire Department's Achievement of Excellence in Fire Prevention 2022 - Platinum award.
   Joshua Jones, City Manager

3. Proclamation honoring the service of Judge Glen Whitley
   Arthur Miner, Mayor

4. Proclamation for Small Business Saturday

PUBLIC COMMENT If speaking for an organization or group, the speaker should identify the group represented. If speaking during Public Comment (for matters not posted on that particular meeting's agenda), members of the City Council and Staff may only provide a statement of factual information in response to the inquiry or recite existing policy in response (e.g., to correct a factual misstatement made by the citizen or provide factual information requested by the citizen). Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a future meeting. If necessary, the Chair will task the City Manager to respond to the citizen and report back to the City Council as soon as practicable. Such report to the-City Council shall not constitute a meeting called by the City Council nor shall it constitute deliberation or formal action. Individual citizens addressing the City Council during Public Comment shall not exceed three (3) minutes in their comments; however, the Chair may extend or reduce the speaker's allotted time in order to conduct an efficient and effective public meeting. The time allotted shall not be donated to others desiring to speak. Public Comment is not established to engage in a conversation with the Council and no formal Council action will be taken.

PUBLIC TESTIMONY FOR ACTION ITEMS Only those persons who submit a completed Request to Speak form prior to the agenda item being introduced by the Chair will be allowed to speak on agenda items set for action (this doesn't include presentations or reports). The Chair shall ask each person requesting to speak to approach the podium when called to speak. Speakers time shall generally not exceed three (3) minutes in their comments and all comments must be germane to the specific agenda item being discussed; however, the Chair may extend or reduce the speaker's allotted time. Speakers shall not be permitted to donate their time to other speakers. Members of the City Council may ask questions or discuss the item directly with the citizen during the citizen's testimony if necessary. Any discussion between a Council member and the citizen will not count toward the time limit and Council Members are encouraged not to speak until the citizen has first utilized their allocated time.

CONSENT AGENDA All of the items on the consent agenda are considered to be self-explanatory by the Council and will be enacted with one motion, one second, and one vote. There will be no separate discussion of these items.

1. Consider action to approve the purchase of a Street Sweeper from Kinloch Equipment & Supply, Inc. through the Sourcewell cooperative purchasing program
   Paul Hackleman, Director of Public Works

2. Consider action to approve the Quarterly Investment Report for the period ending September 30, 2022
   Sandra Gibson, Director of Finance

3. Consider action to authorize the expenditure for Police Department HVAC replacement by Enviromatic Services available through cooperative purchasing
   Paul Hackleman, Director of Public Works

Joshua Jones, City Manager

4. Consider action on a Professional Services Agreement between the City of Watauga, Texas and Burgess & Niple, Inc. for design for Hightower Drive Phase 1
Paul Hackleman, Director of Public Works

5. Consider action to approve a Professional Services Agreement between the City of Watauga and Burgess & Niple, Inc. for General Engineering Services
Paul Hackleman, Director of Public Works

6. Consideration and action to approve the Monthly Financial Report for the period ending September 30, 2022 (Pre-audit)
Sandra Gibson, Director of Finance

7. Consider action to appoint Bryan Steward to Place 2 on the Board of Appeals, Kim Irving to Place 5 on the Parks Advisory Board, TJ Crabill to Place 2 on the Civil Service Commission, and Claude Smith to Place 5 on the WEDC.

8. Consider action to approve the minutes from the August 22, 2022 regular council meeting.

PUBLIC HEARINGS / ACTION

ACTION ITEMS

REPORTS

ITEMS FOR FUTURE AGENDAS

EXECUTIVE SESSION The City Council will recess its open meeting and reconvene in executive session to discuss the following items pursuant to the below referenced section(s) of the Texas Government Code:

1. Pursuant to Section 551.074 of the Texas Government Code, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.To discuss and provide feedback regarding the annual performance evaluation of the City Secretary.

RECONVENE The City Council will return to open session in the City Council Chamber for possible discussion and action as a result of the Executive Session.

ITEMS OF EXECUTIVE SESSION DELIBERATION

ADJOURNMENT

Meeting Notices and Reservation of Rights

The City Council may retire to executive session any time between the meeting's opening and adjournment for the purpose of consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code; discussion of personnel matters pursuant to Chapter 551.074 of the Texas Government Code if the requisite information is otherwise posted; deliberation regarding real property pursuant to Chapter 551.072 of the Texas Government Code; deliberation regarding economic development negotiations pursuant to Chapter 551.087 of the Texas Government Code; and/or deliberation regarding the deployment, or specific occasions for implementation of security personnel or devices pursuant to Chapter 551.076 of the Texas Government Code (as applicable) when determined necessary by the to address a subject matter on the agenda. Action, if any, will be taken in open session.

Attendance by Other Elected or Appointed Officials: It is anticipated that members of other governmental bodies, and/or city council, boards, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the body, board, commission and/or committee. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a possible meeting of the other body, board, commission and/or committee, whose members may be in attendance, if such numbers constitute a quorum. The members of the city council, boards, commissions and/or committees may be permitted to participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that city council, body, board, commission or committee subject to the Texas Open Meetings Act.

NOTICE

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (817) 514-5825, OR FAX (817) 514-3625.

I, Linda Proskey, City Secretary for the City of Watauga, hereby certify that this agenda was posted on the bulletin boards at City Hall, 7105 Whitley Road, Watauga, Texas, on November 11, 2022, before 6:00 p.m., in accordance with Chapter 551 of the Texas Government Code.

Linda Proskey, City Secretary

CITY OF WATAUGA, TEXAS

Employee Service Awards

November 2022

Linae Garcia

Police Records Clerk

10 Years of Service

Thank You

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

DATE:	October 25, 2022
TO:	Honorable City Council Members
FROM:	Joshua Jones, City Manager
THROUGH:	
SUBJECT:	Recognition of the Fire Department's Achievement of Excellence in Fire Prevention 2022 - Platinum award.

BACKGROUND/INFORMATION:

The Fire Department has been awarded the Texas Fire Marshal's achievement of excellence award .

FINANCIAL IMPLICATIONS:

None

RECOMMENDATION/ACTION DESIRED:

Respectfully recommend the Mayor to present the Certificate of Recognition.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Fire Department Award
2. Recognition Certificate

REVIEWED BY:

Joshua Jones, City Manager	Approved - 11/3/2022
Linda Proskey, City Secretary	Final Approval - 11/3/2022

Approved as to form for inclusion on Agenda

WATAUGA FIRE DEPARTMENT

5909 HIGHTOWER DRIVE
WATAUGA, TEXAS 76148

TEL: (817) 514-5700
WWW.WATAUGATX.ORG/FIRE

TEXAS FIRE CHIEFS ASSOCIATION
Best Practices
RECOGNITION PROGRAM

PRESS RELEASE

Watauga Fire Department
Awarded 2022 Achievement of Excellence – Platinum Award

SAN MARCOS, TEXAS – October 27, 2022 – Today, at the 2022 Annual Texas Fire Marshal's Conference, the Watauga Fire Department was awarded the 2022 Achievement of Excellence Platinum Level Award. TXFMA President Ariana Kistner stated, "On behalf of the Texas Fire Marshals Association, I would like to express our appreciation and admiration for this department's phenomenal efforts to advance fire prevention in their community and beyond. Their dedication to our chosen profession is impressive. All the extra hours they put into their jobs and their professionalism serve as motivation for us all. This level of dedication and professionalism in the field of fire prevention are the cornerstones of what this award represents."

The Achievement of Excellence in Fire Prevention Award ("AEFP Award") is an annual award recognizing organizations for performance excellence in fire prevention. Established in 2008, the AEFP Award is administered by the Texas Fire Marshal's Association, the official State Chapter of the International Fire Marshal's Association.

This is Watauga Fire Department's third consecutive year in a row to reach the Gold level – making it become **Platinum**. No other Texas fire department has achieved this level since the award began in 2008.

Fire Chief Shawn Fannan stated, "I am very proud of the Watauga Fire Department receiving the designation of Platinum Level -for the Achievement of Excellence. It is because of the hard work, dedication, and professionalism of the men and women of the Watauga Fire Department that we have earned such a prestigious award".

WATAUGA
TEXAS
"A Great Place to Live"

Certificate of Recognition

PRESENTED TO THE

Watauga Fire Department

IN RECOGNITION OF RECEIVING THE TEXAS FIRE MARSHAL'S
2022 ACHIEVEMENT OF EXCELLENCE –PLATINUM AWARD

ARTHUR MINER, MAYOR

DATE

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

DATE:	October 26, 2022
TO:	Honorable City Council Members
FROM:	Arthur Miner, Mayor
THROUGH:	Andrew Neal, Council Member, Place 4
SUBJECT:	Proclamation honoring the service of Judge Glen Whitley

---

BACKGROUND/INFORMATION:

Judge Whitley will be in attendance to accept the Proclamation,

FINANCIAL IMPLICATIONS:

None

RECOMMENDATION/ACTION DESIRED:

This item does not require a recommendation as it is a presentation/report.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Judge Glen Whitley Proclamation

REVIEWED BY:

Joshua Jones, City Manager	Approved - 11/7/2022
Linda Proskey, City Secretary	Final Approval - 11/8/2022

Approved as to form for inclusion on Agenda

WATAUGA
TEXAS

Proclamation

We are here today to pay honor and celebrate the dedicated, selfless service of Judge Glen Whitley to the citizens of Watauga, Texas; and

WHEREAS, Judge Glen Whitley has served as Tarrant County Judge from 2007 through 2022 and presided over the Tarrant County Commissioners Court and provided leadership on policy and county services for the 14th largest county in the United States.

WHEREAS, Judge Whitley served as the head of emergency management for Tarrant County, a role that proved to be critical during the Covid-19 pandemic. He has been lauded for his collaborative approach to crisis management, as he worked closely with regional partners including cities, school districts, hospitals, service providers, non-profit organizations, and many others throughout the pandemic response.

WHEREAS, Judge Whitley is the past president of the National Association of Counties, the West Texas County Judge and Commissioners Association of Texas, and the North Central Texas Council of Governments. These organizations help local governments develop policies, recognize regional opportunities, and make collaborative decisions. Additionally, he is a past chairman of the Regional Transportation Council and the Texas Conference of Urban Counties.

WHEREAS, He serves as a board member of the National Association of Counties and the Texas Association of Counties and on the Federal Communications Commission's Intergovernmental Advisory Committee, where he advises the Commission on critical telecommunication issues.

WHEREAS, on behalf of the entire City Council, City Staff, and the residents of Watauga, I want to express my sincere appreciation to Judge Glen Whitley for his exceptional service. And I wish him much happiness and success as he begins this new chapter in his life.

NOW, THEREFORE, I, Arthur L. Miner, Mayor of the City of Watauga, do hereby proclaim the day of Monday, November 14, 2022, as;

"Judge Glen Whitley Day"

in the City of Watauga, and urge all citizens and City employees to join me in congratulating Judge Whitley for his outstanding career with Tarrant County and wishing him many continued years of happiness and good health.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Watauga to be affixed this 14th day of November 2022.

____
Arthur L. Miner, Mayor

ATTEST

AGENDA MEMORANDUM

DATE: November 9, 2022

TO: Honorable City Council Members

FROM:

THROUGH: Arthur Miner, Mayor

SUBJECT: Proclamation for Small Business Saturday

BACKGROUND/INFORMATION:

Small Business Saturday is an annual event that was created to encourage consumers to shop locally in person and online at small businesses. This event takes place every November and represents a significant opportunity to increase sales for small businesses during the holiday shopping season.

FINANCIAL IMPLICATIONS:

None

RECOMMENDATION/ACTION DESIRED:

This item does not require a recommendation as it is a presentation/report.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Small Business Saturday 2022

REVIEWED BY:

Joshua Jones, City Manager	Approved - 11/9/2022
Linda Proskey, City Secretary	Final Approval - 11/9/2022

Approved as to form for inclusion on Agenda

Proclamation

WHEREAS, the City of Watauga celebrates our local small businesses and the contributions they make to our local economy and community; and

WHEREAS, according to the United States Small Business Administration, there are 32.5 million small businesses in the United States, small businesses represent 99.7% of firms with paid employees, small businesses are responsible for 62% of net new jobs created since 1995, and small businesses employ 46.8% of the employees in the private sector in the United States; and

WHEREAS, 79% of consumers understand the importance of supporting the small businesses in their community on Small Business Saturday®, 70% report the day makes them want to encourage others to Shop Small®, independently-owned retailers, and 66% report that the day makes them want to Shop Small all year long; and

WHEREAS, 58% of shoppers reported they shopped online with a small business and 54% reported they dined or ordered takeout from a small restaurant, bar, or café on Small Business Saturday in 2021; and

WHEREAS, the City of Watauga supports our local businesses that create jobs, boost our local economy and preserve our communities; and

WHEREAS, advocacy groups, as well as public and private organizations, across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

NOW, THEREFORE, **I**, Arthur L. Miner, Mayor of the City of Watauga, do hereby proclaim the day of November 26, 2022, as:

SMALL BUSINESS SATURDAY

And urge the residents of our community, and communities across the country, to support small businesses and merchants on Small Business Saturday and throughout the year.

Proclaimed this the 14th day of November 2022.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Watauga, Texas to be affixed this 14th day of November 2022.

____
Arthur L. Miner, Mayor

ATTEST

____
Linda Proskey, City Secretary

AGENDA MEMORANDUM

DATE: October 3, 2022

TO: Honorable City Council Members

FROM: Paul Hackleman, Director of Public Works

THROUGH: Joshua Jones, City Manager

SUBJECT: Consider action to approve the purchase of a Street Sweeper from Kinloch Equipment & Supply, Inc. through the Sourcewell cooperative purchasing program

---

BACKGROUND/INFORMATION:

The Fiscal Year 2022-2023 approved Budget provides funding for a Street Sweeper for the Public Works Department within the Storm Water Division.

Texas Local Government Code Chapter 252 requires Council approval of expenditures in excess of $50,000.

The Fleet and Building Maintenance Division of the Public Works Department obtained a quote for Elgin Broom Bear Street Sweeper from Kinloch Equipment and Supply, Inc. utilizing the Sourcewell Contract #093021-ELG in the amount of $328,222.00.

The City is a member of the Sourcewell cooperative which allows us to utilize contracts offered through the cooperative per Local Government Code Section 271.102 and Texas Government Code 791. The codes were designed to allow government entities the ability to utilize contracts for products and services that meet all State and Local purchasing laws and requirements.

FINANCIAL IMPLICATIONS:

This purchase is funded by the Equipment Replacement Fund as presented in the Capital Outlay Plan and approved in the FY2022-2023 Budget.

RECOMMENDATION/ACTION DESIRED:

Staff respectfully recommends the City Council approve the purchase of Street Sweeper from Kinloch Equipment and Supply, Inc.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. QUOTE - Elgin Broom Bear Sourcewell Proposal 10.24.22
2. Kinloch Purchase Rider (002)

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

3. Kinloch Equip1295

REVIEWED BY:

Paul Hackleman, Director of Public Works	Approved - 10/27/2022
David Berman, City Attorney	Approved - 10/27/2022
Deby Woodard, Assistant Director of Finance	Approved - 11/3/2022
Sandra Gibson, Director of Finance	Approved - 11/3/2022
Joshua Jones, City Manager	Approved - 11/3/2022
Linda Proskey, City Secretary	Final Approval - 11/3/2022

Approved as to form for inclusion on Agenda

Kinloch
Equipment & Supply, Inc.

Presents a Sourcewell Proposal Summary

of the

ELGIN
Built for clean. Backed for life.

Broom Bear

Broom Bear Single Engine Street Sweeper with Dual Side Brooms

For

W
TEXAS

Dan Federico
Tel: 813.713.1455

Quote Number: 2022-47628

PRODUCT DESCRIPTION

· Conveyor squeegee, variable height, right side dumping, 4.5 cubic yard hopper, with dual, hydraulically driven, trailing arm side brooms, sweeper is powder coated from powder coatings chart 2003/N with powder coated gray undercarriage.

STANDARD FEATURES

· Broom side, 46" steel vertical digger 4 or 5 segment
· Broom side, air floating suspension with adjustable reach, air deploy
· Broom, main, 34" diameter, 60" wide prefab disposable
· Broom Measurement Ruler
· Conveyor chain, hardened with polyurethane sprockets
· Conveyor, 11 flight squeegee with rubber edging
· Conveyor, lift independent from main broom
· Conveyor, three-piece replaceable wear plates
· Conveyor flush out system
· Conveyor raise in reverse
· Conveyor stall alarm
· Dirt shoes, spring assisted, heavy duty single row carbide steel (rubber isolated)
· Electric backup alarm
· Hopper inspection door
· Hopper, 4.5 cu yd with window and skylight
· Hopper up indicator and beep
· Hopper, variable high dump; 9' 6", 4.5 yard
· Hose, hydrant fill, 16' 8" with coupling
· Hydraulic oil level gauge w/ external thermometer and in-cab level light
· Hydraulic system, load sensing with selectable transmission driven PTO pump
· Lights, automatic backup
· Lights, combination tail/stop, separate amber signal
· Lights, flood light, one per broom (3)
· Manuals, operator and parts
· Mirrors, West Coast type with 8" convex inserts, one each side
· Rear broom cover and anti-carryover wrap
· Rear broom spray bar
· Rear right hand flood light
· Reflectors, set of 6
· Sidebroom speed control, external to cab
· Sweep resume/raise in reverse
· Tactile controls for all sweep functions
· Tool storage
· Water fill, anti-siphon
· Water level indicator in-cab
· Water Pump, electric diaphragm
· Water tank, molded polyethylene, 360 gallon total nominal capacity
· 1 Year Parts and Labor Warranty
· AM/FM/CD Radio
· Left Hand Fender Mounted Mirror
· Steel Bristles with Polyethylene Segments
· Sweeper Painted Standard White
· Chassis Painted Standard White
· Red Logo
· Sweeper - Operator Manual
· Sweeper Parts Manual

ADDITIONAL FEATURES

· MY2024 Freightliner M-2 Non-CDL Chassis with Dual Steering
· Standard Electric Horn

· Sidebroom Tilt Option Right Hand
· In-Cab Function Control for Sidebroom Water
· Package A: LED Stop/Tail/Turn Lights
· 2 1/2 Lb. Fire Extinguisher

Total Sourcewell Cooperative Purchasing Contract Price F.O.B. Watauga, TX:	**$328,222.00**

Product Model: BROOM BEAR
Proposal Date: 9/22/2022
Quote Number: 2022-47628
Price List Date: 5/17/2022
P.O. Number: ________________
Payment Terms: Net Due Upon Delivery

Proposal Notes:

1. Prices quoted herein are in accordance with Sourcewell Cooperative Purchasing Contract # 093021-ELG.
2. Prices quoted herein are firm until 10.31.22
3. Under Texas Transportation Code Chapter 502, street sweepers are exempt from the requirement of titling, registering, and plating in the State of Texas. As such, our proposal has made no such provisions or accommodations to provide these non-mandated services.

SIGNED BY:

____ Date: ________________________

LIMITED WARRANTY

ELGIN SWEEPER COMPANY warrants each new machine manufactured by it against defects in material and workmanship provided the machine is used in a normal and reasonable manner. This warranty is extended only to the original user-purchaser for a period of twelve (12) months from the date of delivery to the original user-purchaser.

ELGIN SWEEPER COMPANY will cause to be repaired or replaced, as the Company, may elect, any part or part of such machine which the Company's examination discloses to be defective in material or workmanship.

Repairs or replacements are to be made at the selling Elgin distributor's location or at other locations approved by ELGIN SWEEPER COMPANY.

The ELGIN SWEEPER COMPANY warranty shall not apply to:

1. Major components or trade accessories such as but not limited to, trucks, engines, tires or batteries that have a separate warranty by the original manufacturer.
2. Normal adjustments and maintenance services.
3. Normal wear parts such as but not limited to, broom filters, broom wire, shoe runners and rubber deflectors.
4. Failures resulting from the machine being operated in a manner or for a purpose not recommended by ELGIN SWEEPER COMPANY.
5. Repairs, modifications or alterations without the consent of ELGIN SWEEPER COMPANY which, in the Company's sole judgment, have adversely affected the machine's stability or reliability.
6. Items subjected to misuse, negligence, accident or improper maintenance.

The use in the product of any part other than parts approved by ELGIN SWEEPER COMPANY may invalidate this warranty. ELGIN SWEEPER COMPANY reserves the right to determine, in its sole discretion, if the use of non-approved parts operates to invalidate the warranty.

Nothing contained in this warranty shall make ELGIN SWEEPER COMPANY liable for loss, injury, or damage of any kind to any person or entity resulting from any defect or failure in the machine.

TO THE EXTENT LIMITED BY LAW, THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND **FITNESS FOR A PARTICULAR PURPOSE.**

This warranty is also in lieu of all other obligations or liabilities on the part of ELGIN SWEEPER COMPANY, including but not limited to, liability for incidental and consequential damages on the part of the Company or the seller.

ELGIN SWEEPER COMPANY makes no representation that the machine has the capacity to perform any functions other than as contained in the Company's written literature, catalogs or specifications accompanying delivery of the machine.

No person or affiliated company representative is authorized to give any other warranties or to assume any other liability on behalf of ELGIN SWEEPEAR COMPANY in connection with the sale, servicing or repair of any machine manufactured by the Company.

ELGIN SWEEPER COMPANY reserves the right to make design changes or improvements in tis products without imposing any obligation upon itself to change or improve previously manufactured products.

GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS

By submitting a response to a solicitation or bid, or by entering into a contract for goods or services and/or by accepting a purchase order, the contractor, consultant or vendor, identified below, agrees that the below terms and conditions shall govern all agreements with the City unless otherwise agreed to by **a specifically executed provision** within the contract or purchase order, provided same is permissible by law. Absent a specifically executed provision, the below terms are BINDING and SUPERSEDE any and all other terms and/or conditions whether oral or written.

Application. This GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS ("Governmental Rider") applies to, is part of, and takes precedence over any conflicting provision in or attachment to the Response to Solicitation or Bid, Contract or Purchase Order, as applicable, ("Contract") (attached hereto) of _______Kinloch Equipment_________________("Vendor"). The Contract involved in this Governmental Rider is described as follows:

_____________*Street Sweeper*_________________________________

Payment Provisions. The City's payments under the Contract, including the time of payment and the payment of interest on overdue amounts, are subject to Chapter 2251, Texas Government Code. The City reserves the right to modify any amount due to Vendor presented by invoice to the City if necessary to conform the amount to the terms of the contract.

Multiyear Contracts. If the City's City Council does not appropriate funds to make any payment for a fiscal year after the City's fiscal year in which the contract becomes effective and there are no proceeds available for payment from the sale of bonds or other debt instruments, then the Contract automatically terminates at the beginning of the first day of the successive fiscal year. (Section 5, Article XI, Texas Constitution). It is understood and agreed the City shall have the right to terminate the Contract at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to continue the contract, as determined by the City's budget for the fiscal year in question. The City may execute such termination by giving Vendor a written notice of termination at the end of its then current fiscal year.

Local Preference. The City Council supports the local preference option for purchasing. In accordance with Chapter 271.9051 of the State of Texas Local Government Code, the City Council may choose to award a competitive bid to a bidder whose principal place of business is in the City limits, provided that this bid is within 5% of the lowest bid price received, provided such action is not prohibited by law. The City determines that any such local bidder offers the City the best combination of contract price and additional economic development opportunities.

No Ex-Parte Communications during Competitive Bidding Period. To insure the proper and fair evaluation of a response, the City prohibits ex parte communication initiated by the proposed Vendor to a City official or employee evaluating or considering the responses prior to the time a formal decision has been made. Questions and other communication from vendors will be permissible until 5:00 pm on the day specified as the deadline for questions. Any communication between the proposed Vendor and the City after the deadline for questions will be initiated by the appropriate City official or employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the response. Ex parte communication may be grounds for disqualifying the offending Vendor from consideration or award of the solicitation then in evaluation, or any future solicitation.

Abandonment or Default. A Vendor who abandons or defaults the work on the contract and causes the City to purchase goods, materials or services elsewhere may be charged for any increased cost of goods, materials and/or services related thereto; may be considered disqualified in any re-advertisement of the service; and may not be considered in future bids for the same type of work for a period of three years for the same scope of work, goods, or services.

Disclosure of Litigation. Each prospective Vendor shall include in its proposal a complete disclosure of any civil or criminal litigation or investigation pending which involves the Vendor or which has occurred in the past in which the Vendor has been judged guilty or liable by a competent court regardless of whether the Court Order or Judgment is final or on appeal.

Cancellation. the City reserves the right to cancel the contract without penalty by providing 30 days prior written notice to the Vendor. Termination under this paragraph shall not relieve the Vendor of any obligation or liability that has occurred prior to cancellation. **NOTE: This contract is subject to cancellation, without penalty, at any time the City deems the vendor to be non-compliant with contractual obligations.**

Annual Vendor Performance Review. The City reserves the right to review the Vendor's performance at the end of each twelve-month contract period and to cancel all or part of the Contract (without penalty) or continue the contract through the next period.

Compliance with other laws and certification of eligibility to contract. Any offer to contract with the City shall be considered an executed certification that the Vendor will comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, (as amended during the contracting period) and any orders and decrees of any court, administrative bodies or tribunals in any matter affecting the performance of the Contract, including without limitation, immigration laws, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations.

Compliance with all Codes, Permitting and Licensing Requirements. The successful Vendor shall comply with all national, state, and local laws and regulations as well as those of any other authorities that have jurisdiction pertaining to equipment and materials used and their application. None of the terms or provisions of the specification shall be construed as waiving any rules, regulations, or requirements of these authorities. The successful Vendor shall be responsible for obtaining all necessary permits, certificates and/or licenses to fulfill contractual obligations.

Liability and Indemnity of City. Any provision of the Contract is void and unenforceable if it: (1) limits or releases either party from liability that would exist by law in the absence of the provision; (2) creates liability for either party that would not exist by law in the absence of the provision; or (3) waives or limits either party's rights, defenses, remedies, or immunities that would exist by law in the absence of the provision. (Section 5, Article XI, Texas Constitution)

Indemnity and Independent Vendor Status of Vendor. Vendor shall indemnify, save harmless and defend the City, its officers, agents, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorney's fees and any and all other costs or fees (whether grounded in Constitutional law, Tort, Contract, or Property Law, or raised pursuant to local, state or federal statutory provision), arising out of the performance of the Contract and/or arising out of a willful or negligent act or omission of the Vendor its officers, agents, and employees. It is understood and agreed that the Vendor and any employee or sub-contractor of Vendor shall not be considered an employee of the City. The Vendor shall not be within protection or coverage of the City's workers' compensation insurance, health insurance, liability insurance or any other insurance that the City from time to time may have in force and effect. City specifically reserves the right to reject any and all Vendor's employees, representatives, or sub-contractors and/or their employees for any cause, should the presence of any such person on City property or their interaction with City employees be found not in the best interest of the City or is found to interfere with the effective and efficient operation of the City's workplace.

Liens. Vendor agrees to and shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under the Contract. At the City's request the Vendor shall provide and shall cause all subcontractors to provide a proper release of all liens, or satisfactory evidence of freedom from liens shall be delivered to the City.

Confidentiality. Any provision in the Contract that attempts to prevent the City's disclosure of information that is subject to public disclosure under federal or Texas law is invalid. (Chapter 552, Texas Government Code).

Tax Exemption. The City is not liable to Vendor for any federal, state, or local taxes for which the City is not liable by law, including state and local sales and use taxes (Section 151.309 and Title 3, Texas Tax Code) and federal excise tax (Subtitle D of the Internal Revenue Code). Accordingly, those taxes may not be added to any item. Texas limited sales tax exemption certificates will be furnished upon request. Vendors shall not charge for said taxes. If billed, the City will remit payment less sales tax.

Contractual Limitations Period. Any provision of the Contract that establishes a limitations period that does not run against the City by law or that is shorter than two years is void. (Sections 16.061 and 16.070, Texas Civil Practice and Remedies Code)

Sovereign Immunity. Any provision of the Contract that seeks to waive the City's immunity from suit and/or immunity from liability is void unless agreed to by specific acknowledgement of the provision within the contract.

Governing Law and Venue. Texas law governs this Contract and any lawsuit on this Contract must be filed in a court that has jurisdiction in Tarrant County, Texas.

Right to trial by Jury. Any provision of the Contract that seeks to waive an aggrieved Party's right to trial by jury is void unless agreed to by specific acknowledgement of the provision within the contract.

Certificate of Interested Parties (TEC Form 1295). For contracts that require City Council approval or that is for services that would require a person to register as a lobbyist under Chapter 305 of the Government Code, the City may not accept or enter into a contract until it has received from the Vendor a completed and signed Texas Ethics Commission (TEC) Form 1295 complete with a certificate number assigned by the (TEC), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The Vendor understands that failure to provide said form complete with a certificate number assigned by the TEC may prohibit the City from entering the Contract.

Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, signed and provided to the City. The TEC Form 1295 may accompany the bid or may be submitted separately but must be provided to the City prior to the award of the contract. Neither the City nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any potential Vendor with respect to the proper completion of the TEC Form 1295.

Energy Boycott. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 13), the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The signatory executing the Contract on behalf of Vendor verifies Vendor does not boycott energy companies and will not boycott energy companies during the term of the Contract. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City determines the requirements of Subsection 2274.002(b) are inconsistent with the City's constitutional or statutory duties related to the issuance, incurrence or management of debt obligations or the deposit, custody, management, borrowing or investment of funds.

Firearms. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 19) the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The signatory executing the Contract on behalf of Vendor verifies Vendor does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City contracts with a sole-source provider or if the City does not receive any bids, if applicable, from a company that is able to provide the required verification.

Critical Infrastructure. In accordance with Chapter 2274, Texas Government Code, the City may not enter into a contract or agreement with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more (1) if the company would be granted direct or remote access to or control of critical infrastructure in Texas, excluding access specifically allowed by the City for product warranty and support purposes and (2) if the City knows the company is (A) owned by or the a majority of stock or other ownership interest of the company is held or controlled by (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country or (ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of such countries, or (B) headquartered in such countries. The signatory executing the Contract on behalf of Vendor represents that neither Vendor nor any of its parent companies, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company of which the City may not contract pursuant to Section 2274.0102, Texas Government Code. The foregoing verification is made solely to comply with Section 2274.0102, Texas Government Code.

Anti-Boycott Israel Verification. In accordance with Chapter 2270, Texas Government Code, the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

The signatory executing the Contract on behalf of Vendor verifies that Vendor and its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent the Contract is a contract for goods or services, will not boycott Israel during the term of the Contract. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The signatory understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit. This section does not apply to a Vendor which is a sole proprietorship and/or which has less than 10 full-time employees. This section does not apply to a contract valued at less than $100,000.

Iran, Sudan, and Foreign Terrorist Organizations. The signatory executing the Contract on behalf of Vendor represents that neither Vendor nor any of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the entity and each of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The signatory understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit.

CITY OF WATAUGA, TEXAS	Kinloch Equipment & Supply, Inc Vendor
By:________________ City Manager	By: Todd Kinloch
	Name: Todd B. Kinloch
	Title: President
Date:________________	Date: October 24, 2022

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2022-947960

Date Filed:
10/24/2022

Date Acknowledged:
10-27-2022

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Kinloch Equipment & Supply, Inc
Pasadena, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Watauga

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

Elgin Sweeper
Elgin Sweeper

4

Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party. ☒

6 UNSWORN DECLARATION

My name is Todd B. Kinloch, and my date of birth is May 20, 1956.

My address is 3320 Pasadena Blvd (street), Pasadena (city), TX (state), 77503 (zip code), USA (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Harris County, State of Texas, on the 24th day of October (month), 2022 (year).

Todd Kinloch

Signature of authorized agent of contracting business entity
(Declarant)

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

DATE:	October 13, 2022
TO:	Honorable City Council Members
FROM:	Sandra Gibson, Director of Finance
THROUGH:	Joshua Jones, City Manager
SUBJECT:	Consider action to approve the Quarterly Investment Report for the period ending September 30, 2022

BACKGROUND/INFORMATION:

The Quarterly Investment Report for the period ending September 30, 2022 is attached for Council review and approval.

The City is required to comply with Chapter 2256 of the Government Code, otherwise known as the Public Funds Investment Act. Provisions of that act require at a minimum quarterly reporting. The accompanying Quarterly Investment Report lists, in summary form and in detail, the investment position of the City of Watauga's investment portfolios as of September 30, 2022. The overall strategy of running the City's investment portfolios is governed by the City's Investment Policy and overseen by the City's investment committee. All investments are governed by state law and the City's Investment Policy, which dictates the following investment objectives, in order of priority:

Safety of Principal
Liquidity
Return on Investments

As of September 30, 2022, the City held money market accounts and investments with a combined book value of $44,070,366. The City fund portfolio consists of operating funds, construction funds, and debt service funds. Construction funds account for 70% of the investment portfolio and are dedicated to funding various capital improvement projects throughout the City. Construction funds include the 2022 Certificates of Obligation proceeds received in September, 2022. The City's portfolio has averaged a yield of 2.61% for the fourth quarter of Fiscal Year 2021-2022 and investment earnings for the quarter were $221,293. In September, the Federal Open Market Committee (FOMC) raised the Fed Funds target range 75 basis-points to 3.00% to 3.25%. At the quarter end, the City's portfolio distribution is 14% in Certificates of Deposit, 75% in money market accounts, and 10% in pooled investment accounts.

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

The investment committee reviewed the Quarterly Investment Report. The Committee finds the report to be in compliance with the Public Funds Investment Act and recommends that the City Council receive and accept the report, as presented.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

Staff recommends approval of the Quarterly Investment Report for the period ending September 30, 2022.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Quarterly Investment Report for the period ending 9/30/2022

REVIEWED BY:

Sandra Gibson, Director of Finance	Approved - 10/26/2022
David Berman, City Attorney	Approved - 10/27/2022
Joshua Jones, City Manager	Approved - 10/27/2022
Linda Proskey, City Secretary	Final Approval - 10/27/2022

Approved as to form for inclusion on Agenda

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2022

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Wataugà is in compliance with the Public Funds Investment Act and the City of Watauga Investment Policy

City Manager

Sandra Gibson

Director of Finance

Debra Woodard

Assistant Director of Finance

Disclaimer: These reports were compiled using information provided by the City of Watauga. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment adviser fees.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

	September 30, 2021			September 30, 2022		
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Ave. Yield**	**Book Value**	**Market Value**
DDA/MMA/NOW	0.18%	$ 28,259,424	$ 28,259,424	2.54%	$ 33,548,684	$ 33,548,684
Pools	0.03%	8,350,732	8,350,732	2.48%	4,488,737	4,488,737
CD/Security	1.13%	2,541,210	2,541,210	3.12%	6,032,945	6,032,945
Totals		**$ 39,151,366**	**$ 39,151,366**		**$ 44,070,366**	**$ 44,070,366**
Fourth Quarter-End Yield	**0.21%**			**2.61%**		

Average Quarter-End Yields ***(1):***

	2021 Fiscal Year	**2022 Fiscal Year**
Watauga	0.26%	0.67%
Rolling Three Month Treasury	0.06%	1.06%
Rolling Six Month Treasury	0.08%	1.01%
TexPool	0.04%	0.90%
Fiscal YTD Interest Earnings	$ 114,335 (Approximate)	$ 332,782 (Approximate)

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

Summary

Quarter End Results by Investment Category:

	June 30, 2022		September 30, 2022		
Asset Type	**Book Value**	**Market Value**	**Book Value**	**Market Value**	**Ave. Yield**
DDA/MMA/NOW	$ 27,686,178	$ 27,686,178	$ 33,548,684	$ 33,548,684	2.54%
Pools	11,638,155	11,638,155	4,488,737	4,488,737	2.48%
CD/Security	1,518,477	1,518,477	6,032,945	6,032,945	3.12%
Totals	**$ 40,842,811**	**$ 40,842,811**	**$ 44,070,366**	**$ 44,070,366**	2.61%

Current Quarter Portfolio Performance *(1)*		Fiscal Year-to-Date Portfolio Performance *(2)*	
Average Quarterly Yield	2.61%	Average Quarter End Yield	0.67%
Rolling Three Month Treasury	2.76%	Rolling Three Month Treasury	1.06%
Rolling Six Month Treasury	2.46%	Rolling Six Month Treasury	1.01%
TexPool	2.41%	TexPool	0.90%

Interest Earnings (Approximate)	
Quarterly Interest Earnings	$ 221,293
Fiscal YTD Interest Earnings	$ 332,782

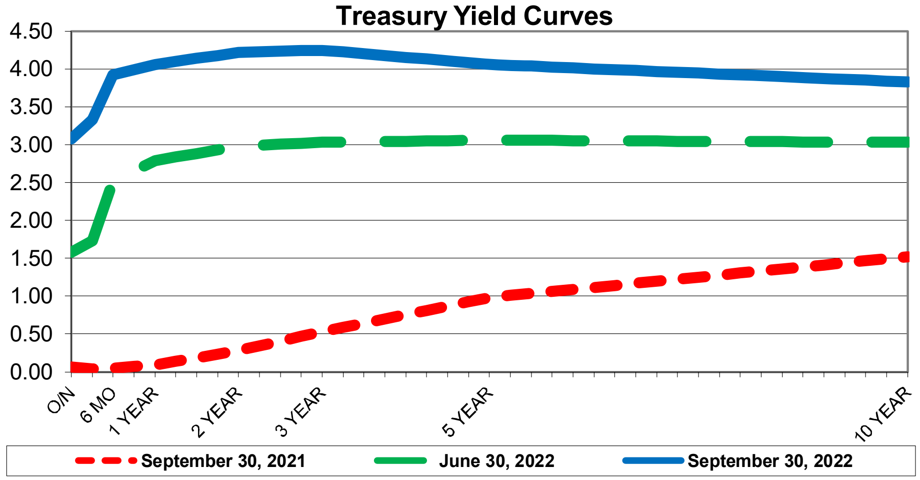
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

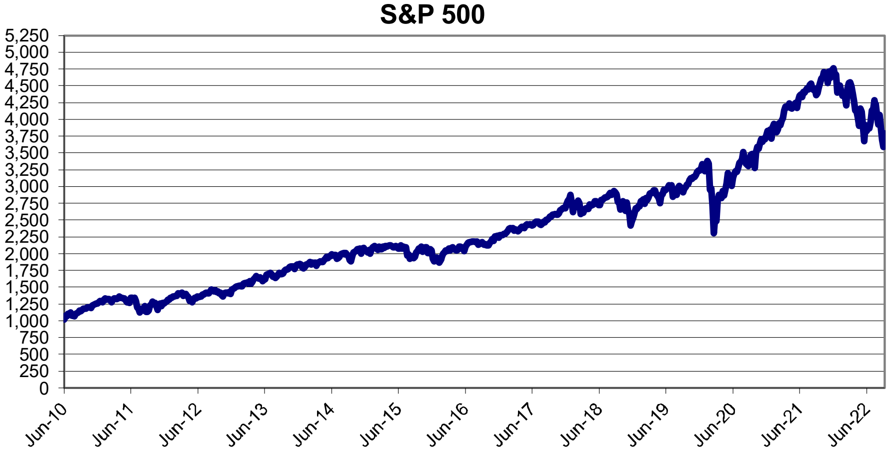
(2) **Fiscal Year-to-Date Average Yields -** calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

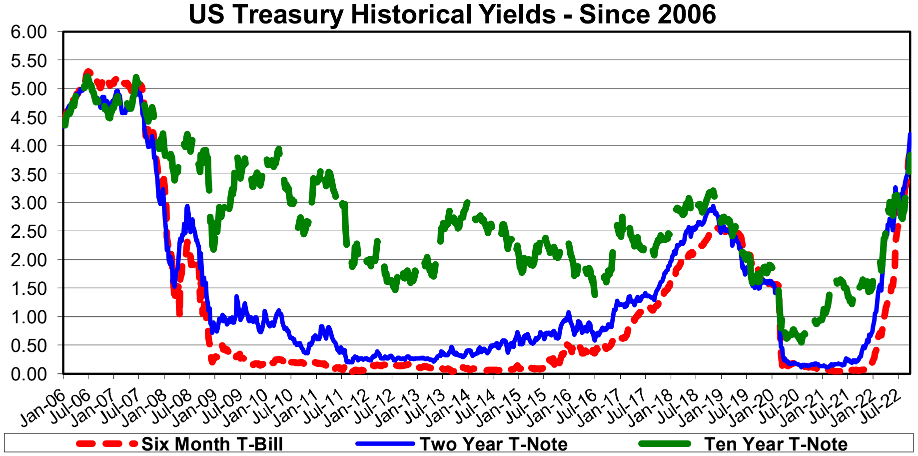
Economic Overview

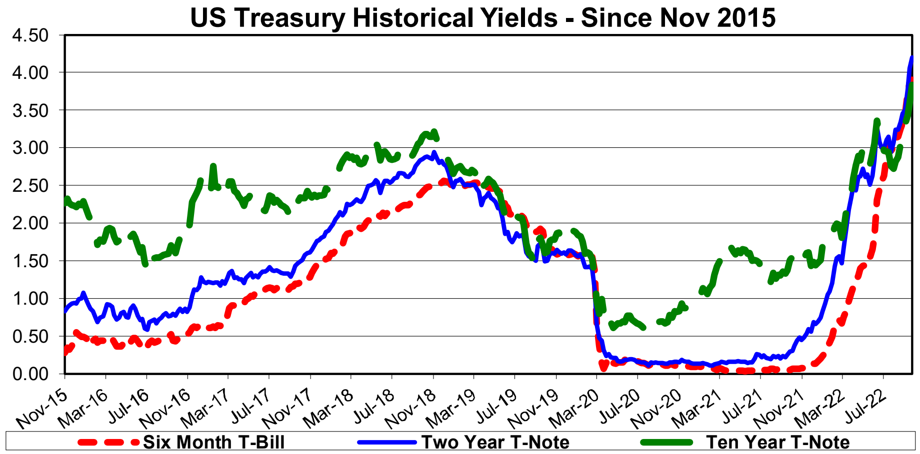
9/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 3.00% - 3.25% September 21st (Effective Fed Funds are trading +/-3.10%). The FOMC continued actively reducing their balance sheet. An additional 0.50% - 0.75% increase is currently anticipated November 2nd. Second Quarter GDP was confirmed at -0.6%. Domestic and international economies are slowing. September Non-Farm Payroll added 263k new jobs with a Three Month Average of 372k. Crude oil fell below $80 per barrel, but OPEC+ announced a target production reduction of 2 million barrels/day. The Stock Markets continued bouncing down and are +/-20% below the 2021 peak. The negatively sloped yield curve (6 months to 10 years, with peak yield at 3 years) may indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-4.9% and CPI exceeding 8%).









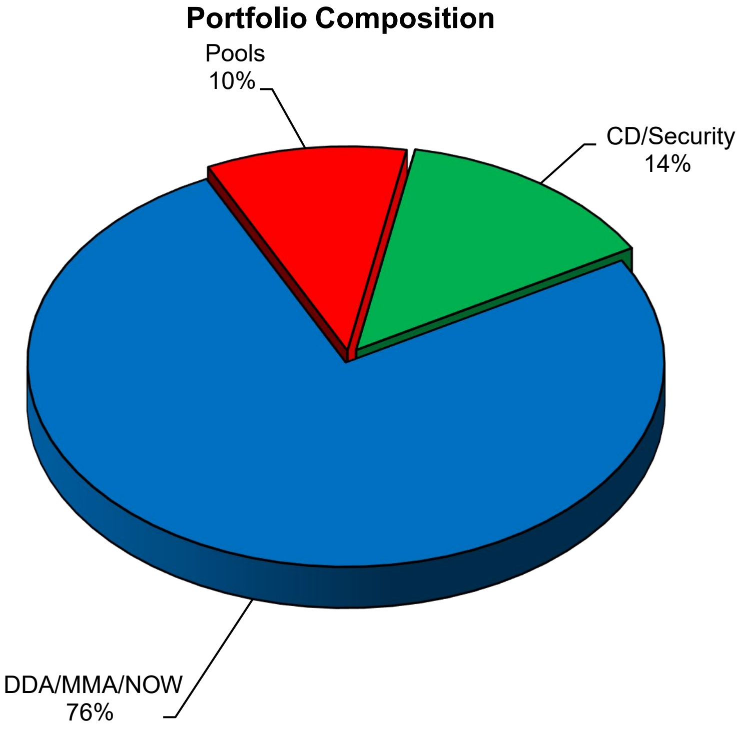
Investment Holdings

September 30, 2022

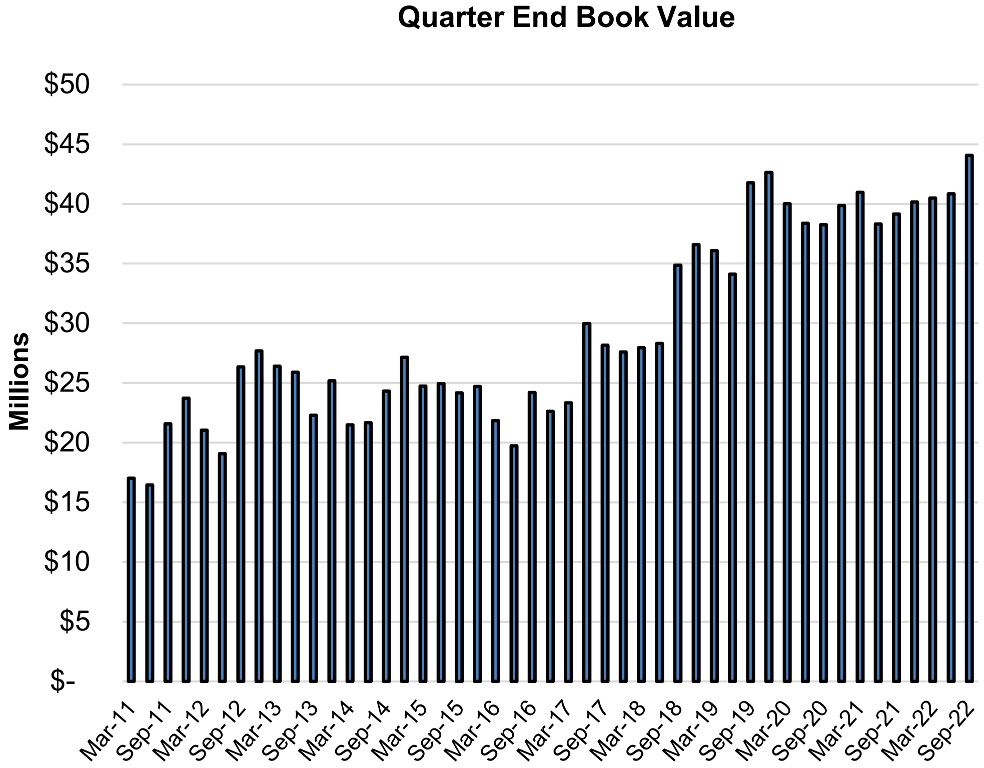
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
Southside Bank MMA		2.54%	10/01/22	09/30/22	$ 33,548,684	$ 33,548,684	1.00	$ 33,548,684	1	2.54%
TexasDAILY	AAAm	2.43%	10/01/22	09/30/22	475,007	475,007	1.00	475,007	1	2.43%
LOGIC	AAAm	2.48%	10/01/22	09/30/22	311,523	311,523	1.00	311,523	1	2.48%
TexPool	AAAm	2.41%	10/01/22	09/30/22	2,447,604	2,447,604	1.00	2,447,604	1	2.41%
TexPool Prime	AAAm	2.61%	10/01/22	09/30/22	1,254,603	1,254,603	1.00	1,254,603	1	2.61%
East West Bank CD		2.97%	01/24/23	07/28/22	2,000,000	2,010,606	100.00	2,010,606	116	3.01%
East West Bank CD		3.06%	04/28/23	07/28/22	1,000,000	1,005,464	100.00	1,005,464	210	3.11%
East West Bank CD		3.15%	07/28/23	07/28/22	3,000,000	3,016,875	100.00	3,016,875	301	3.20%
					$ 44,037,422	**$ 44,070,366**		**$ 44,070,366**	**32**	**2.61%**
									(1)	**(2)**

(1) Weighted average life - Pools, Money Market Funds, and Bank Deposits are assumed to have a one day maturity.

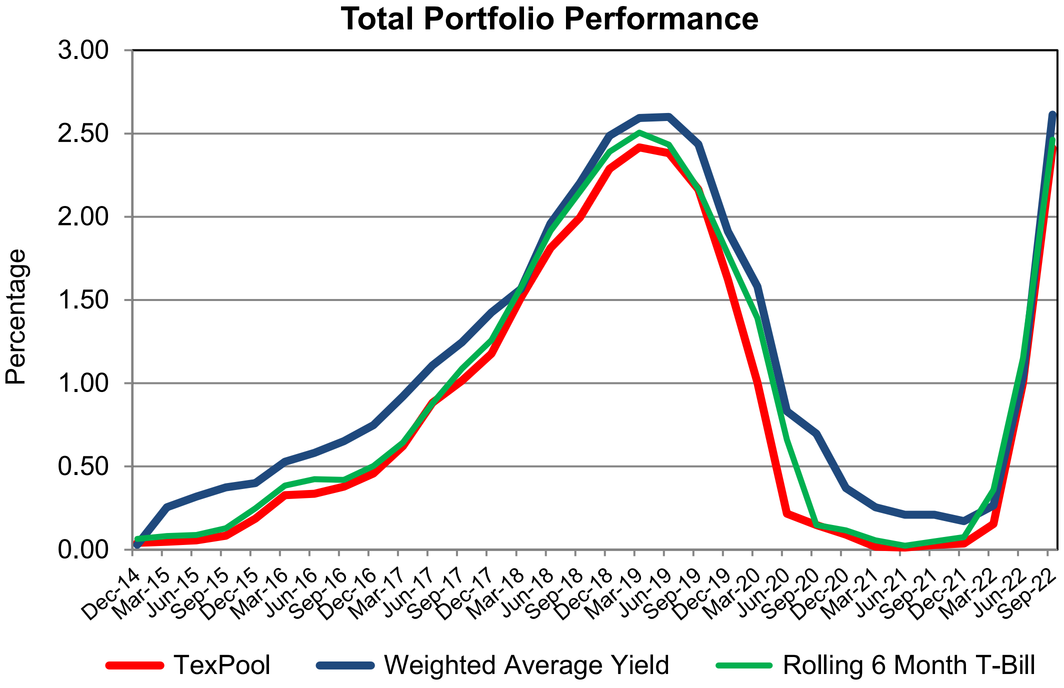
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on Adjusted Book Value, adviser fees and realized and unrealized gains/losses are not considered. The pool and mutual fund yields are the average for the last month of the quarter. Bank deposit yields are estimated from the monthly allocated earnings.



Portfolio Composition



Quarter End Book Value



Total Portfolio Performance

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/22	Increases	Decreases	Book Value 09/30/22	Market Value 06/30/22	Change in Market Value	Market Value 09/30/22
Southside Bank MMA	2.54%	10/01/22	$ 27,686,178	$ 5,862,506	$ –	$ 33,548,684	$ 27,686,178	$ 5,862,506	$ 33,548,684
TexasDAILY	2.43%	10/01/22	472,614	2,393	–	475,007	472,614	2,393	475,007
LOGIC	2.48%	10/01/22	309,886	1,638	–	311,523	309,886	1,638	311,523
TexPool	2.41%	10/01/22	9,607,957	–	(7,160,353)	2,447,604	9,607,957	(7,160,353)	2,447,604
TexPool Prime	2.61%	10/01/22	1,247,699	6,904	–	1,254,603	1,247,699	6,904	1,254,603
Prosperity Bank CD	0.70%	07/25/22	1,518,477	–	(1,518,477)	–	1,518,477	(1,518,477)	–
East West Bank CD	2.97%	01/24/23	–	2,010,606	–	2,010,606	–	2,010,606	2,010,606
East West Bank CD	3.06%	04/28/23	–	1,005,464	–	1,005,464	–	1,005,464	1,005,464
East West Bank CD	3.15%	07/28/23	–	3,016,875	–	3,016,875	–	3,016,875	3,016,875
TOTAL / AVERAGE	**2.61%**		**$ 40,842,811**	**$ 11,906,386**	**$ (8,678,830)**	**$ 44,070,366**	**$ 40,842,811**	**$ 3,227,556**	**$ 44,070,366**

Allocation
September 30, 2022
Book & Market Value

	Total	Consolidated Cash	Construction	Crime Control District
Southside Bank MMA	$ 33,548,684	$ 8,732,964	$ 24,815,721	$ –
TexasDAILY	475,007	475,007	–	–
LOGIC	311,523	311,523	–	–
TexPool	2,447,604	2,423,817	–	23,787
TexPool Prime	1,254,603	1,254,603	–	–
01/24/23–East West Bank CD	2,010,606	–	2,010,606	–
04/28/23–East West Bank CD	1,005,464	–	1,005,464	–
07/28/23–East West Bank CD	3,016,875	–	3,016,875	–
Totals	**$ 44,070,366**	**$ 13,197,914**	**$ 30,848,666**	**$ 23,787**

Allocation
June 30, 2022
Book & Market Value

	Total	Consolidated Cash	Construction	Crime Control District
Southside Bank MMA	$ 27,686,178	$ 9,182,625	$ 18,503,553	$ –
Texas Term Daily	472,614	472,614	–	–
LOGIC	309,886	309,886	–	–
TexPool	9,607,957	9,584,291	–	23,666
TexPool Prime	1,247,699	1,247,699	–	–
07/25/22–Prosperity Bank CD	1,518,477	–	1,518,477	–
Totals	**$ 40,842,811**	**$ 20,797,115**	**$ 20,022,030**	**$ 23,666**

Dallas–Fort Worth Economic Indicators

Federal Reserve Bank of Dallas

September 28, 2022

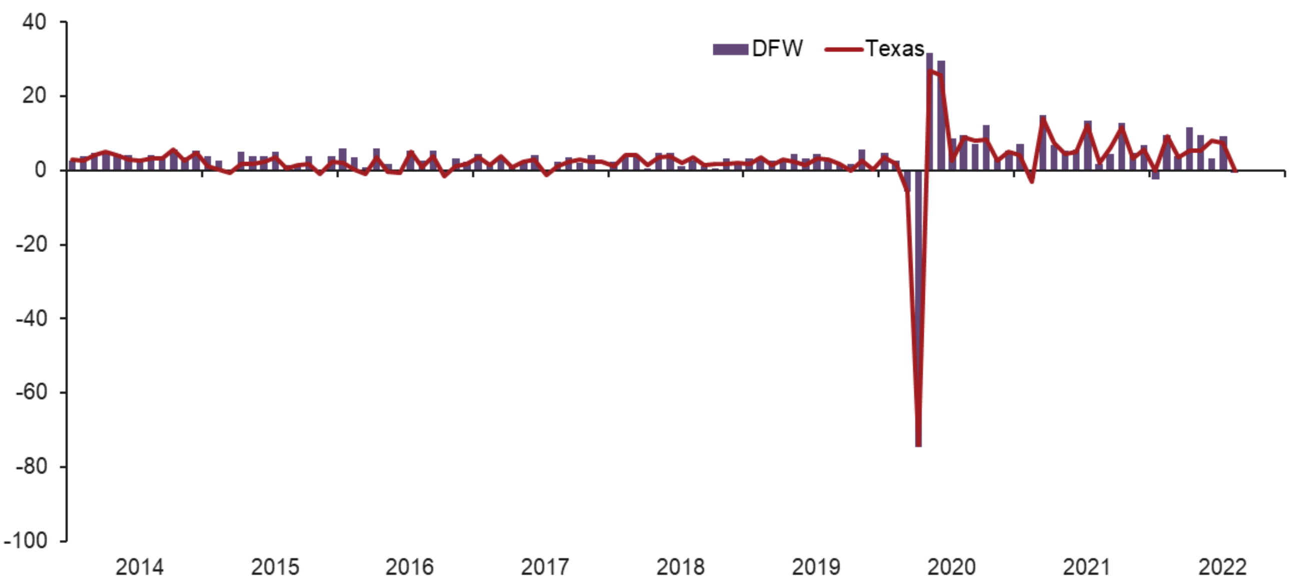
Dallas–Fort Worth's rapid economic growth slowed in August. Payrolls contracted, unemployment was unchanged and growth in the business-cycle indexes slowed. Demand for apartments was sluggish in August, though multifamily permit issuance climbed. Single-family permits fell further but remained highly elevated.

Labor Market

Payrolls Contract in August

DFW employment fell an annualized 0.6 percent (-1,950 jobs) in August, marking the first month of job losses since January 2022 (*Chart 1*). Payrolls in Dallas dipped an annualized 0.7 percent (-1,800), and employment in Fort Worth was little changed (-150). Texas' payrolls held steady in August after growing 7.6 percent in the prior month. Unemployment rates were unchanged at 3.5 percent in Dallas and 3.6 percent in Fort Worth; both remain below Texas' jobless rate of 4.1 percent.

Chart 1
Employment Growth

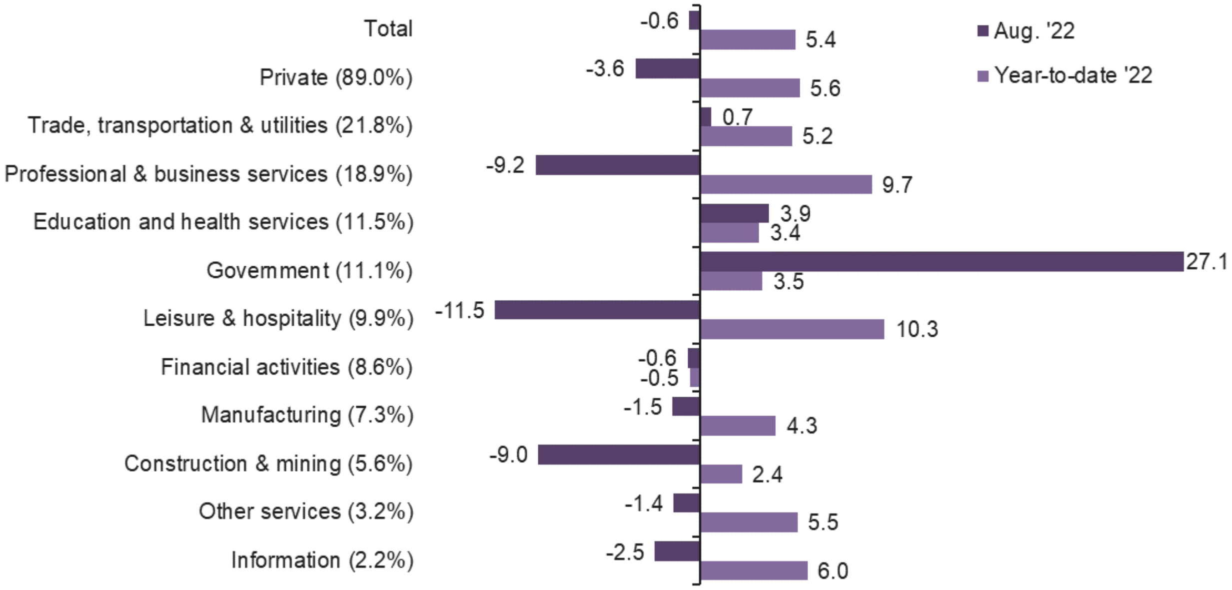


SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

Employment Growth Mixed

The August deterioration in payrolls was generally broad based across major employment sectors (*Chart 2*). Declines were led by leisure and hospitality, down an annualized 11.5 percent, or -4,160 jobs, followed closely by professional and business services (9.2 percent, or -6,200 jobs). Government (9,130), education and health services (1,510) and trade, transportation and utilities (500) were the only sectors that added jobs in August. Through August, DFW payrolls have increased a robust 5.4 percent on an annualized basis, with nearly all major sectors posting employment gains.

Chart 2
Employment Growth by Sector

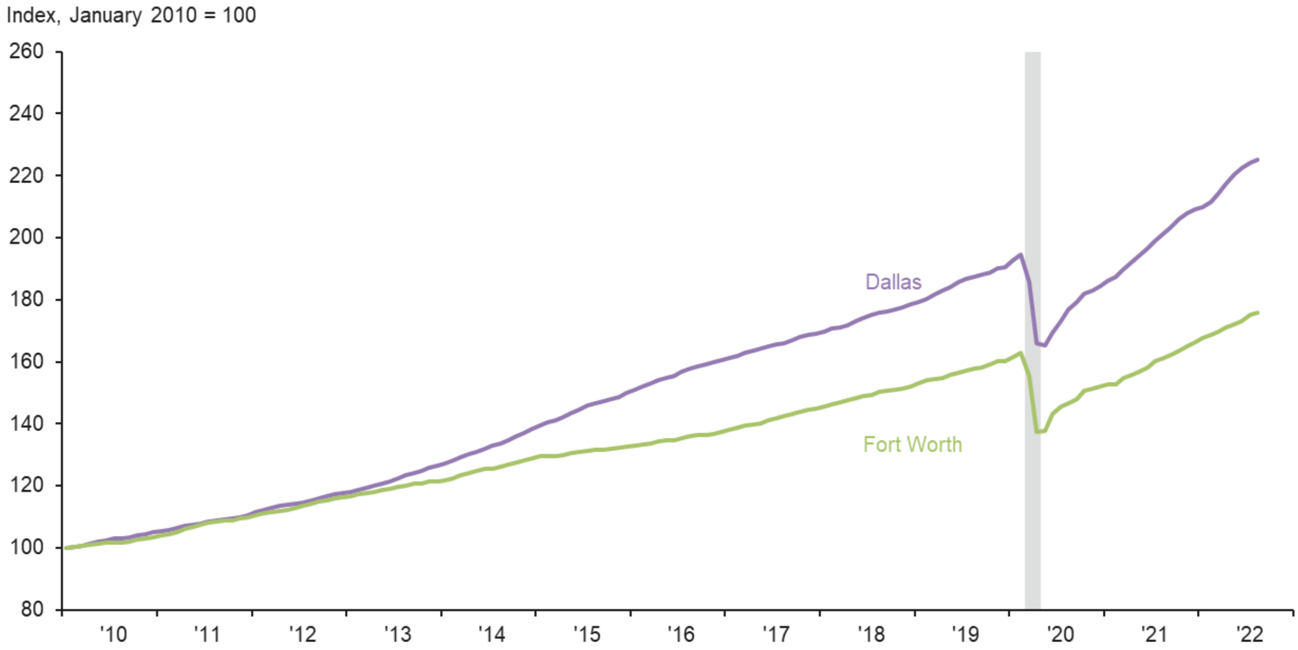


NOTE: Data show seasonally adjusted and annualized percentage growth by sector. Numbers in parentheses are shares of total Dallas–Fort Worth nonfarm employment in August 2022 and may not sum to 100 due to rounding.
SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

Business-Cycle Indexes

The Dallas and Fort Worth business-cycle indexes continued to expand in August, albeit at a slower pace than in previous months. Growth in the Dallas index was an annualized 5.1 percent—below its long-run average rate of increase (*Chart 3*). The Fort Worth index rose an annualized 5.2 percent, its slowest pace of increase since February 2021.

Chart 3
Dallas and Fort Worth Business-Cycle Indexes



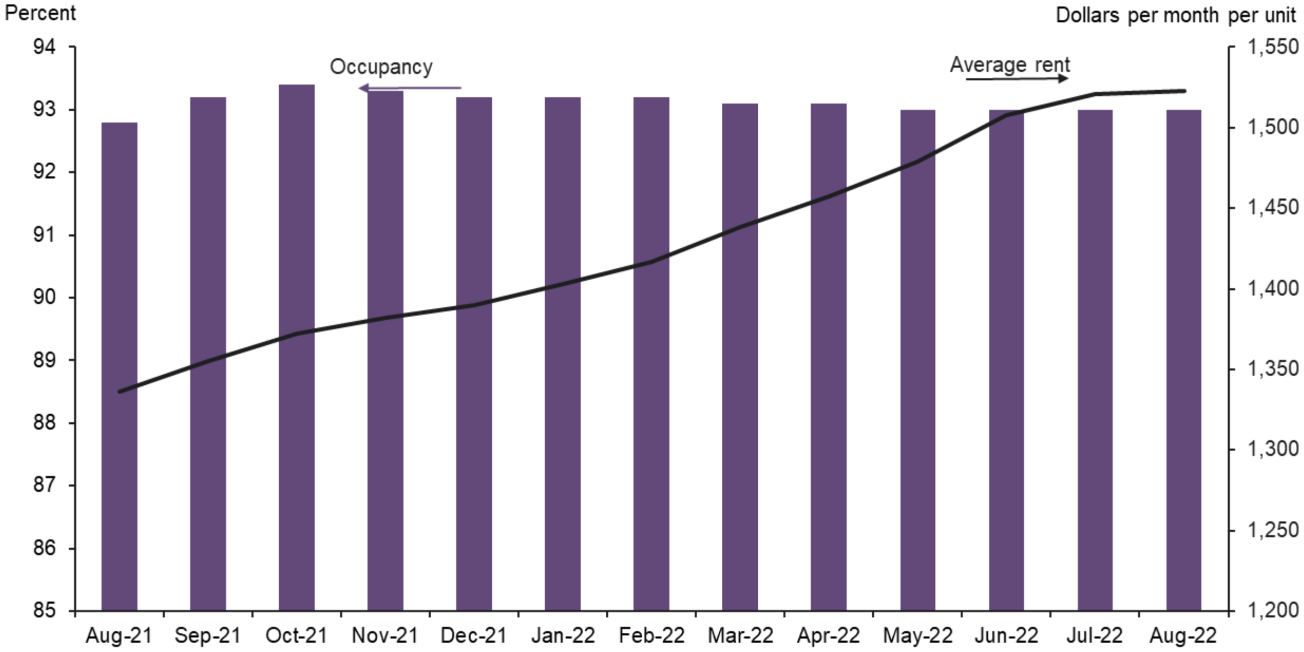
NOTE: The gray bar indicates the COVID-19 recession.
SOURCE: Dallas Fed.

Construction and Real Estate

Apartment Demand Moderates

DFW apartment absorption was nearly flat in August. Net absorption was -237 units following increases of 1,155 units in May, 1,194 in June and 760 in July. Average monthly rents in DFW increased to $1,523 per unit in August, up 14.0 percent year over year (*Chart 4*). Occupancy held steady at 93 percent—little changed from August 2021. While rents continue to inch upward, the pace of increase has moderated in recent months across most categories.

Chart 4
DFW Apartment Occupancy and Rents

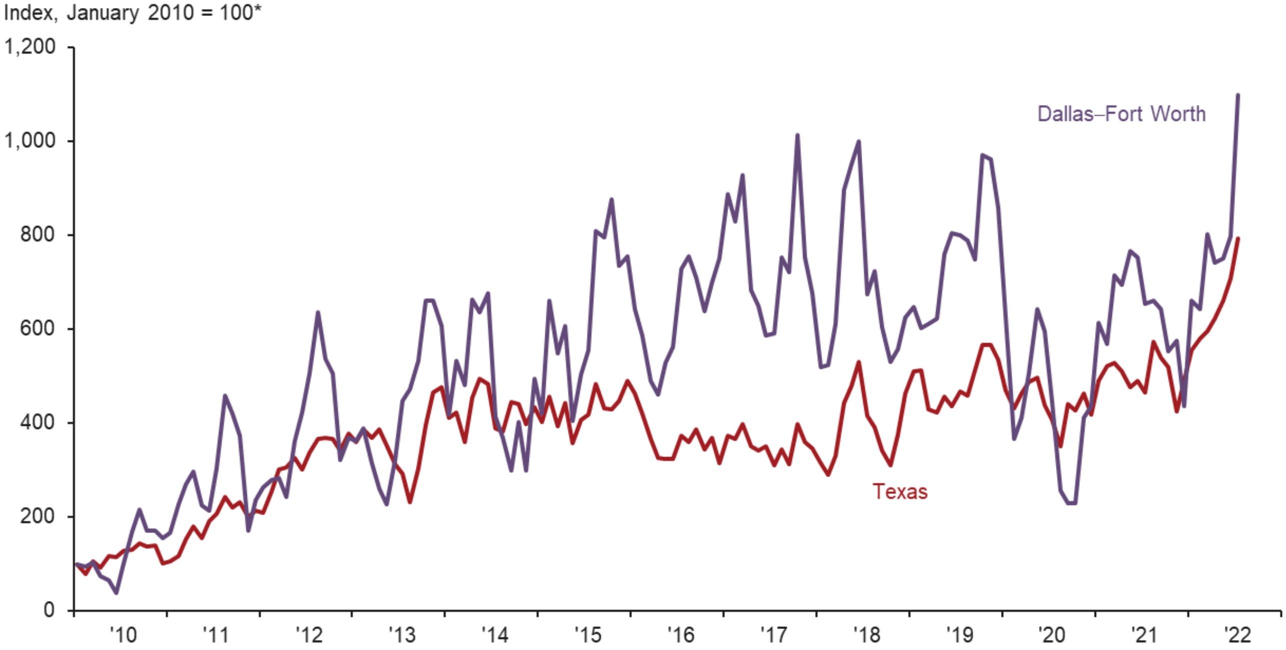


SOURCE: ApartmentData.com.

Multifamily Construction Surges

Multifamily permit issuance, which leads apartment construction, surged in August (*Chart 5*). In the first seven months of the year, DFW multifamily permits were 31 percent higher than in the same period in 2021. Statewide, multifamily permits were up 38 percent over this period, supported by strong demand and rent growth over the past year. DFW remains among the busiest large U.S. metros in apartment building.

Chart 5
Multifamily Housing Permits

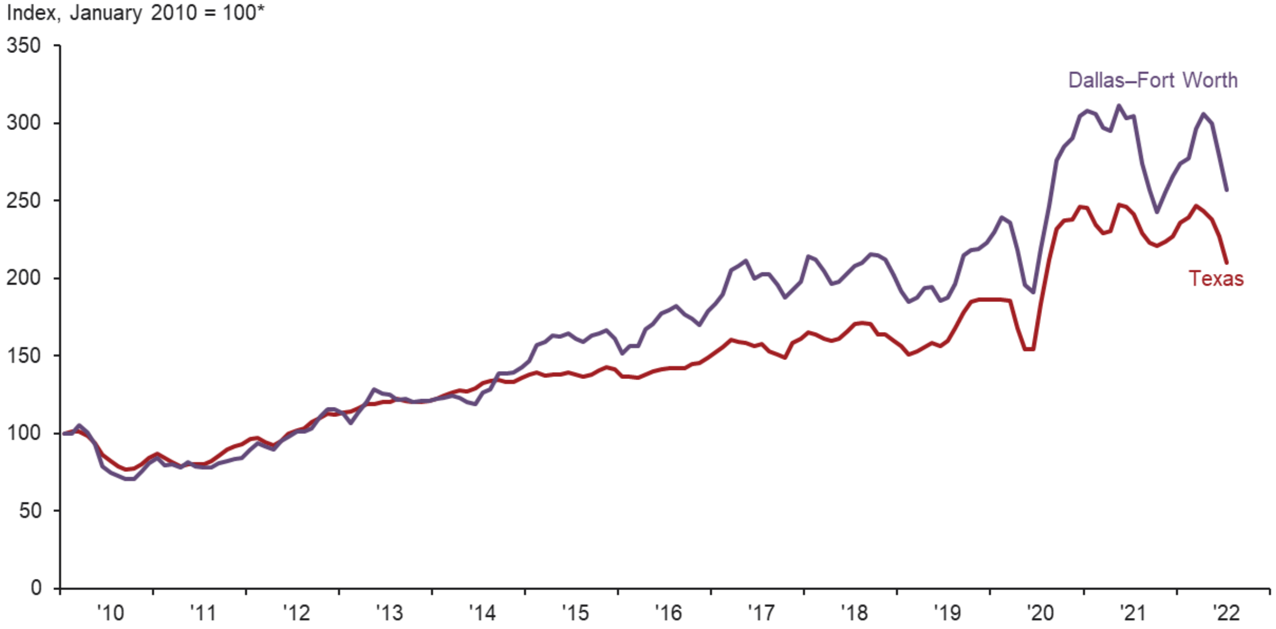


*Three-month moving average; seasonally adjusted.
SOURCE: Census Bureau.

Single-Family Permit Issuance Slides

Single-family permit issuance, which leads home construction, fell in DFW for the fourth straight month in July following hefty increases earlier in the year (*Chart 6*). Homebuilders noted that declining sales and high cancellation rates are partly responsible for moderating activity in recent months. Still, homebuilding remains highly elevated compared with prepandemic levels; through July, single-family permits in DFW and Texas were nearly 50 percent higher compared with the same period in 2019. So far this year, 28,000 single-family permits have been issued in the metroplex.

Chart 6
Single-Family Housing Permits



*Three-month moving average; seasonally adjusted.
SOURCE: Census Bureau.

NOTE: Data may not match previously published numbers due to revisions.

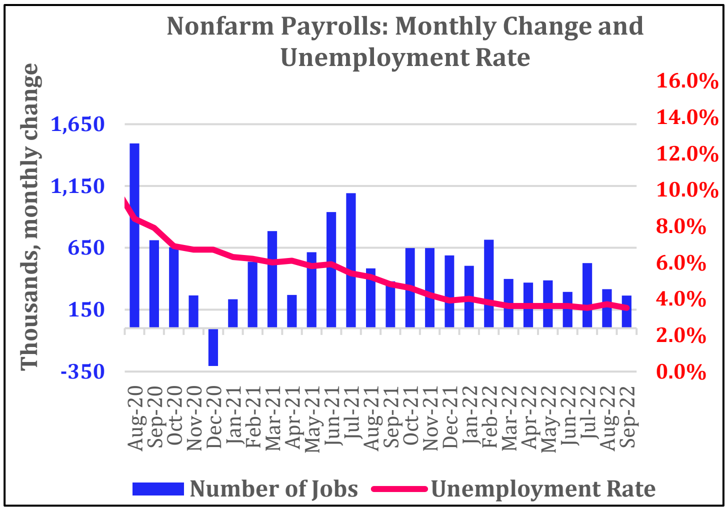
About Dallas–Fort Worth Economic Indicators

Questions can be addressed to Laila Assanie at laila.assanie@dal.frb.org. *Dallas–Fort Worth Economic Indicators* is published every month after state and metro employment data are released.

Market Outlook

October 7, 2022

A strong U.S. labor market continues to apply pressure on the Federal Open Market Committee (FOMC) as they maintain their restrictive measures to rein in inflation. The housing sector remained mixed with potential buyers faced with high prices and mortgage rates at levels not seen since 2006. Drops in gas prices provided some relief throughout September, but recent OPEC production cuts may bring more pain at the pump. This coupled with increasing food prices may ultimately hurt consumers that showed recent signs of returning confidence. The final GDP number confirmed an economic contraction in the second quarter of 2022 where the economy may have entered recession territory. The FOMC met in September and raised the Fed Funds rate another 75 basis-points with Chair Powell emphasizing their need to act as restrictively as possible as soon as possible as justification for another large increase.



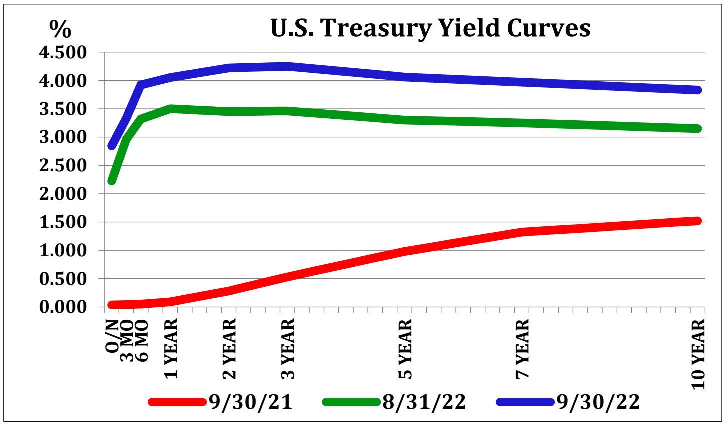
The September Employment report showed that 263,000 jobs were added, higher than the 255,000 jobs expected. The previous two months were adjusted with a net increase of 11,000 jobs. August remained unchanged at +315,000 while July was revised to +537,000 jobs from the previous report of +526,000. The three-month average is now +372,000 per month (the previous three-month average was +378,000 per month). Several sectors saw large improvements, most notably Health/Education (+90,000) and Leisure/Hospitality (+83,000). Others with favorable increases: Professional/Business (+46,000), Manufacturing (+22,000), Construction (+19,000), and Mining (+3,000). Several saw relatively minor reductions: Transportation/Warehousing (-8,000), Retail (-1,000), and Government (-25,000). The September Labor Participation Rate, a measure of the percentage of eligible workers that hold jobs inched downward to 62.3% from 62.4% in August. Pre-pandemic that number was 63.4%. The Unemployment Rate fell to 3.5% from August's rate of 3.7%. The U6 rate (or the under-employed rate – those that are either over-qualified for their job or working fewer hours than they desire) fell to 6.7% from August's 7.0%. Average Hourly Earnings (AHE) rose 0.3% in September after also rising 0.3% in August. Year-over-year AHE dropped 0.2% since last month to +5.0%. While job openings declined in August, there are still over 10.1 million active job openings. Approximately 6.0 million people report that they are currently unemployed and looking for work. Pre-pandemic the number of job seekers averaged 5.7 million people. As of August, there are 1.7 jobs for every unemployed person, down from 2.0 in July.

Existing Home Sales decreased 0.4% in August after falling 5.7% in July continuing the seventh consecutive monthly decline. The median existing-home sales price rose 7.7%, now at $389,500, and recorded the 126th straight month of increases, the longest-running streak on record. Inventories of Existing Homes for sale decreased 1.5% from July. New Home Sales jumped 28.8% in August after a decrease of 8.6% in July. The supply of New Homes for sale is currently at 8.1 months, a decrease from the previous 10.9 months, getting us closer to the normal 6-month supply in a balanced market. The median sales price of new homes was $436,800, up 8% year-over-year. The average 30-year mortgage rate hit its highest level since July 2006, now at 6.75%. That average was 3.1% one year ago. This sizeable difference has weighed on buyers cooling the previously overheated market. The S&P Case Shiller report of home prices in 20 metropolitan areas reported a 0.8% decrease in home values during July and the Federal Housing Finance Agency (FHFA), the entity that analyzes all domestic home prices, showed a 0.6% decrease. Year-over-year Case Shiller is up 16.1% (vs. 18.7% in June) and the FHFA index is up 13.9% (vs. 16.3% in June). Housing Starts increased 12.2% in August while Permits fell 10%. Pending Home Sales dropped 2.0% in August after falling 0.6% in July. Construction Spending dropped 0.7% in August after falling 0.6% in July, the biggest decline since February 2021. In the wake of Hurricane Ian, rebuilding may bring increases in construction spending, but supply chain issues could slow the process and further inflate building material prices nationwide.

With a -0.6% final report for GDP for the second quarter of 2022, the economy may have entered recession territory with two consecutive quarters of negative GDP after falling 1.6% in the first quarter. Production reports were mixed once again, but the trend is moving towards a slowing in activity. Industrial Production decreased 0.2% in August after a 0.6% increase in July. Durable Goods Orders decreased 0.2% after decreasing 0.1% in July, lower than market forecasts and driven largely by drops in transportation orders. Factory Orders were flat after decreasing 1.0% in July. Business inventories rose 0.6% in July after rising 1.4% in June. In a measurement of inflation impacts, the Producer Price Index (PPI) fell 0.1% in August after decreasing 0.4% in July. It is up 8.7% from this time last year. The Consumer Price Index (CPI) was up 0.1% in August after a flat July and is up 8.3% year-over-year. Inflation for food rose 11.4%, the most since May of 1979. Core CPI year-over-year, or the results after food and energy numbers are excluded (due to price volatility), is up 6.3%. Purchasing Managers expectations were slightly higher this period as output and new orders grew. There are still struggles with inflation and labor shortages, but cost pressures softened.

The Consumption reports were positive this month as falling gas prices allowed consumers to spend on other items. Retail Sales increased 0.3% after declining 0.4% in July. Excluding vehicle and gas purchases, sales were up 0.3%, the same as July. Consumers' attitudes as measured by both the Consumer Sentiment report (+0.4 points) and the Consumer Confidence report (+4.4 points) were indicative of a more optimistic consumer compared to this past summer. Personal Consumption Expenditures (PCE) are up 6.2% year-over-year, another slight decrease from July's 6.4%, but still outpacing year-over-year Average Hourly Earnings of 5.0%. The Core PCE Index measuring consumption net of food and energy, and one of the indicators watched closely by the FOMC, crept back up to +4.9% year-over-year in August (from July's 4.7%) and exceeded the FOMC's target inflation rate of 2.0% for the seventeenth consecutive month. Month-over-month the Personal Income component of the PCE series indicated that incomes rose 0.3% in August after rising 0.3% in July, while Personal Spending rose 0.4% in August after falling 0.2% in July.

The FOMC met on September 20th and 21st and announced that the Fed Funds target range would be increased by 75 basis-points, placing the current range at 3.00% to 3.25%. This continues the FOMC's anticipated rate hikes to help tame inflation and bring price stability. Chair Powell noted the labor market remains out of balance; the tight labor market has led to continued wage growth, another contributing factor to inflation. To gauge progress they will look for a normalization of the labor market and clear evidence of inflation moving back toward their goal of 2.0%. He stated that the pace of future rate increases will depend on the data, but at some point will slow. The next FOMC meeting is scheduled for November 1st and 2nd, and the market is currently anticipating another 75 basis-point hike following the higher than expected employment numbers.



Government Security Investment Pool yields continued rising with the highest currently yielding +/-2.94% up from +/-2.22% in August. After closing August at 3.50%, the 1-year Treasury closed September at 4.50%. The 2-year Treasury closed September at 4.22%, 77 basis-points higher than the 3.45% level at the end of August. The yield curve at the end of September remains inverted from three-year and longer with short-term rates higher than longer-term rates. An inverted yield curve is a sign that the market feels the rate environment may have reached its peak and could begin to decline. The current 2-year rate is 4.31%. CD rates improved as bank appetite appears to be picking up with some one-year CD yields exceeding 4.00%.

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

DATE: October 20, 2022

TO: Honorable City Council Members

FROM: Paul Hackleman, Director of Public Works

THROUGH: Joshua Jones, City Manager

SUBJECT: Consider action to authorize the expenditure for Police Department HVAC replacement by Enviromatic Services available through cooperative purchasing

---

BACKGROUND/INFORMATION:

Within the City of Watauga Fiscal Year 2022-23 Budget the Police Department HVAC replacement was approved.

Texas Local Government Code Chapter 252 requires competitive bidding and Council approval of expenditures in excess of $50,000, unless the purchase is through, among other exceptions, an interlocal cooperative purchasing agreement.

A quote from Enviromatic Services has been obtained utilizing the Tarrant County Contract #2022-210 in the amount of $79,938.00. However, if the order is placed after the existing stock of units available are sold, then our order will be placed in a manufacture's order with a lead time of 24 weeks and a price increase of 20%. Therefore, the total price may increase to $95,925.60.

The City of Watauga is in an interlocal agreement with Tarrant County and per authority granted by Local Government Code Section 271.102 and Texas Government Code Chapter 791, government entities may utilize cooperative purchasing between local government entities and cooperative purchasing organizations. The code is designed to allow government entities to utilize contracts for products and services that have already gone through the bid process, thereby meeting all State and Local purchasing laws and requirements. The City as a member, may utilize contracts offered through the interlocal agreement, thus enhancing the purchasing power.

FINANCIAL IMPLICATIONS:

Funding is provided by the 2022 Certificates of Obligation, as approved by Council for the Fiscal Year 2022-23 Budget.

RECOMMENDATION/ACTION DESIRED:

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

Staff respectfully recommends Council take action and approve the Animal Control HVAC replacement by Enviromatic Services for an amount not to exceed $95,925.60.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Quote - PD RTU(s) Replacement
2. Purchase Rider - Enviromatics
3. 1295 Enviromatics (1)

REVIEWED BY:

David Berman, City Attorney	Approved - 10/24/2022
Deby Woodard, Assistant Director of Finance	Approved - 10/25/2022
Robert Parker, Police Chief	Approved - 10/25/2022
Sandra Gibson, Director of Finance	Approved - 10/25/2022
Joshua Jones, City Manager	Approved - 10/25/2022
Linda Proskey, City Secretary	Final Approval - 10/26/2022

Approved as to form for inclusion on Agenda

Building automation specialists
enviromatic
SERVICES

RFB 2022-210

October 3, 2022

City of Watauga
7800 Virgil Anthony Blvd
Watauga, TX 76148

Reference: Police Department- RTU(s) Replacement

We propose to furnish the necessary labor and materials for the above referenced project.
Our quotation includes the following:

- **Provide and install (8) new AcoAire roof top units**
- **Provide and install (4) new curb adapters**
- **Necessary removal/reinstallation of barrier walls around units**
- **Necessary gas lines**
- **Necessary condensate**
- **Necessary crane**
- **Necessary electrical**
- **Necessary permitting**

Project Total Cost	**$79,938.00**

NOTE: Units currently in stock with first come first serve conditions. Lead time for units is 24 weeks otherwise. RTU pricing will be going up 20% at the 1st of the year per manufacture.

We exclude the following: Sales Tax / Overtime Labor
General Conditions: Necessary work outside the proposed will be quoted to the customer for approval.

We appreciate the opportunity to be of service. If you have any questions, please feel free to call (817) 901 8189. The above price is good for 30-days.

Respectfully submitted, Joshua Sutton

ACCEPTED BY: DATE:

GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS

By submitting a response to a solicitation or bid, or by entering into a contract for goods or services and/or by accepting a purchase order, the contractor, consultant or vendor, identified below, agrees that the below terms and conditions shall govern all agreements with the City unless otherwise agreed to by **a specifically executed provision** within the contract or purchase order, provided same is permissible by law. Absent a specifically executed provision, the below terms are BINDING and SUPERSEDE any and all other terms and/or conditions whether oral or written.

Application. This GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS ("Governmental Rider") applies to, is part of, and takes precedence over any conflicting provision in or attachment to the Response to Solicitation or Bid, Contract or Purchase Order, as applicable, ("Contract") (attached hereto) of ______Enviromatics__________________("Vendor"). The Contract involved in this Governmental Rider is described as follows:

____________*Mechanical*______________________________

Payment Provisions. The City's payments under the Contract, including the time of payment and the payment of interest on overdue amounts, are subject to Chapter 2251, Texas Government Code. The City reserves the right to modify any amount due to Vendor presented by invoice to the City if necessary to conform the amount to the terms of the contract.

Multiyear Contracts. If the City's City Council does not appropriate funds to make any payment for a fiscal year after the City's fiscal year in which the contract becomes effective and there are no proceeds available for payment from the sale of bonds or other debt instruments, then the Contract automatically terminates at the beginning of the first day of the successive fiscal year. (Section 5, Article XI, Texas Constitution). It is understood and agreed the City shall have the right to terminate the Contract at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to continue the contract, as determined by the City's budget for the fiscal year in question. The City may execute such termination by giving Vendor a written notice of termination at the end of its then current fiscal year.

Local Preference. The City Council supports the local preference option for purchasing. In accordance with Chapter 271.9051 of the State of Texas Local Government Code, the City Council may choose to award a competitive bid to a bidder whose principal place of business is in the City limits, provided that this bid is within 5% of the lowest bid price received, provided such action is not prohibited by law. The City determines that any such local bidder offers the City the best combination of contract price and additional economic development opportunities.

No Ex-Parte Communications during Competitive Bidding Period. To insure the proper and fair evaluation of a response, the City prohibits ex parte communication initiated by the proposed Vendor to a City official or employee evaluating or considering the responses prior to the time a formal decision has been made. Questions and other communication from vendors will be permissible until 5:00 pm on the day specified as the deadline for questions. Any communication between the proposed Vendor and the City after the deadline for questions will be initiated by the appropriate City official or employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the response. Ex parte communication may be grounds for disqualifying the offending Vendor from consideration or award of the solicitation then in evaluation, or any future solicitation.

Abandonment or Default. A Vendor who abandons or defaults the work on the contract and causes the City to purchase goods, materials or services elsewhere may be charged for any increased cost of goods, materials and/or services related thereto; may be considered disqualified in any re-advertisement of the service; and may not be considered in future bids for the same type of work for a period of three years for the same scope of work, goods, or services.

Disclosure of Litigation. Each prospective Vendor shall include in its proposal a complete disclosure of any civil or criminal litigation or investigation pending which involves the Vendor or which has occurred in the past in which the Vendor has been judged guilty or liable by a competent court regardless of whether the Court Order or Judgment is final or on appeal.

Cancellation. the City reserves the right to cancel the contract without penalty by providing 30 days prior written notice to the Vendor. Termination under this paragraph shall not relieve the Vendor of any obligation or liability that has occurred prior to cancellation. **NOTE: This contract is subject to cancellation, without penalty, at any time the City deems the vendor to be non-compliant with contractual obligations.**

Annual Vendor Performance Review. The City reserves the right to review the Vendor's performance at the end of each twelve-month contract period and to cancel all or part of the Contract (without penalty) or continue the contract through the next period.

Compliance with other laws and certification of eligibility to contract. Any offer to contract with the City shall be considered an executed certification that the Vendor will comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, (as amended during the contracting period) and any orders and decrees of any court, administrative bodies or tribunals in any matter affecting the performance of the Contract, including without limitation, immigration laws, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations.

Compliance with all Codes, Permitting and Licensing Requirements. The successful Vendor shall comply with all national, state, and local laws and regulations as well as those of any other authorities that have jurisdiction pertaining to equipment and materials used and their application. None of the terms or provisions of the specification shall be construed as waiving any rules, regulations, or requirements of these authorities. The successful Vendor shall be responsible for obtaining all necessary permits, certificates and/or licenses to fulfill contractual obligations.

Liability and Indemnity of City. Any provision of the Contract is void and unenforceable if it: (1) limits or releases either party from liability that would exist by law in the absence of the provision; (2) creates liability for either party that would not exist by law in the absence of the provision; or (3) waives or limits either party's rights, defenses, remedies, or immunities that would exist by law in the absence of the provision. (Section 5, Article XI, Texas Constitution)

Indemnity and Independent Vendor Status of Vendor. Vendor shall indemnify, save harmless and defend the City, its officers, agents, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorney's fees and any and all other costs or fees (whether grounded in Constitutional law, Tort, Contract, or Property Law, or raised pursuant to local, state or federal statutory provision), arising out of the performance of the Contract and/or arising out of a willful or negligent act or omission of the Vendor its officers, agents, and employees. It is understood and agreed that the Vendor and any employee or sub-contractor of Vendor shall not be considered an employee of the City. The Vendor shall not be within protection or coverage of the City's workers' compensation insurance, health insurance, liability insurance or any other insurance that the City from time to time may have in force and effect. City specifically reserves the right to reject any and all Vendor's employees, representatives, or sub-contractors and/or their employees for any cause, should the presence of any such person on City property or their interaction with City employees be found not in the best interest of the City or is found to interfere with the effective and efficient operation of the City's workplace.

Liens. Vendor agrees to and shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under the Contract. At the City's request the Vendor shall provide and shall cause all subcontractors to provide a proper release of all liens, or satisfactory evidence of freedom from liens shall be delivered to the City.

Confidentiality. Any provision in the Contract that attempts to prevent the City's disclosure of information that is subject to public disclosure under federal or Texas law is invalid. (Chapter 552, Texas Government Code).

Tax Exemption. The City is not liable to Vendor for any federal, state, or local taxes for which the City is not liable by law, including state and local sales and use taxes (Section 151.309 and Title 3, Texas Tax Code) and federal excise tax (Subtitle D of the Internal Revenue Code). Accordingly, those taxes may not be added to any item. Texas limited sales tax exemption certificates will be furnished upon request. Vendors shall not charge for said taxes. If billed, the City will remit payment less sales tax.

Contractual Limitations Period. Any provision of the Contract that establishes a limitations period that does not run against the City by law or that is shorter than two years is void. (Sections 16.061 and 16.070, Texas Civil Practice and Remedies Code)

Sovereign Immunity. Any provision of the Contract that seeks to waive the City's immunity from suit and/or immunity from liability is void unless agreed to by specific acknowledgement of the provision within the contract.

Governing Law and Venue. Texas law governs this Contract and any lawsuit on this Contract must be filed in a court that has jurisdiction in Tarrant County, Texas.

Right to trial by Jury. Any provision of the Contract that seeks to waive an aggrieved Party's right to trial by jury is void unless agreed to by specific acknowledgement of the provision within the contract.

Certificate of Interested Parties (TEC Form 1295). For contracts that require City Council approval or that is for services that would require a person to register as a lobbyist under Chapter 305 of the Government Code, the City may not accept or enter into a contract until it has received from the Vendor a completed and signed Texas Ethics Commission (TEC) Form 1295 complete with a certificate number assigned by the (TEC), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The Vendor understands that failure to provide said form complete with a certificate number assigned by the TEC may prohibit the City from entering the Contract.

Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, signed and provided to the City. The TEC Form 1295 may accompany the bid or may be submitted separately but must be provided to the City prior to the award of the contract. Neither the City nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any potential Vendor with respect to the proper completion of the TEC Form 1295.

Energy Boycott. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 13), the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The signatory executing the Contract on behalf of Vendor verifies Vendor does not boycott energy companies and will not boycott energy companies during the term of the Contract. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City determines the requirements of Subsection 2274.002(b) are inconsistent with the City's constitutional or statutory duties related to the issuance, incurrence or management of debt obligations or the deposit, custody, management, borrowing or investment of funds.

Firearms. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 19) the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The signatory executing the Contract on behalf of Vendor verifies Vendor does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City contracts with a sole-source provider or if the City does not receive any bids, if applicable, from a company that is able to provide the required verification.

Critical Infrastructure. In accordance with Chapter 2274, Texas Government Code, the City may not enter into a contract or agreement with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more (1) if the company would be granted direct or remote access to or control of critical infrastructure in Texas, excluding access specifically allowed by the City for product warranty and support purposes and (2) if the City knows the company is (A) owned by or the a majority of stock or other ownership interest of the company is held or controlled by (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country or (ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of such countries, or (B) headquartered in such countries. The signatory executing the Contract on behalf of Vendor represents that neither Vendor nor any of its parent companies, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company of which the City may not contract pursuant to Section 2274.0102, Texas Government Code. The foregoing verification is made solely to comply with Section 2274.0102, Texas Government Code.

Anti-Boycott Israel Verification. In accordance with Chapter 2270, Texas Government Code, the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

The signatory executing the Contract on behalf of Vendor verifies that Vendor and its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent the Contract is a contract for goods or services, will not boycott Israel during the term of the Contract. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The signatory understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit. This section does not apply to a Vendor which is a sole proprietorship and/or which has less than 10 full-time employees. This section does not apply to a contract valued at less than $100,000.

Iran, Sudan, and Foreign Terrorist Organizations. The signatory executing the Contract on behalf of Vendor represents that neither Vendor nor any of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the entity and each of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The signatory understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit.

CITY OF WATAUGA, TEXAS

By:____________________________
City Manager

Date:____________________________

Enviromatic Services
Vendor

By: Josh Sutton

Name:

Title: Vice President

Date: 10/18/2022

CERTIFICATE OF INTERESTED PARTIES

FORM **1295**

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2022-946053

Date Filed:
10/19/2022

Date Acknowledged:
10-25-2022

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Enviromatic Systems Services, Inc.
Grand Prairie, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Watauga

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

PD HVAC
Mechanical HVAC Equipment and Installation

4

Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Enviromatic Systems Services	Grand Prairie, TX United States	X	

5 Check only if there is NO Interested Party. ☐

6 UNSWORN DECLARATION

My name is Sid Ellis Jr, and my date of birth is 10-26-1964.

My address is 2337 W. WARRIOR TRAIL (street), GRAND PRAIRIE (city), TX (state), 75052 (zip code), USA (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in TARRANT County, State of TEXAS, on the 19 day of OCTOBER (month), 20 22 (year).

Signature of authorized agent of contracting business entity
(Declarant)

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

DATE: October 24, 2022

TO: Honorable City Council Members

FROM: Paul Hackleman, Director of Public Works

THROUGH: Joshua Jones, City Manager

SUBJECT: Consider action on a Professional Services Agreement between the City of Watauga, Texas and Burgess & Niple, Inc. for design for Hightower Drive Phase 1

BACKGROUND/INFORMATION:

The 2021-2032 Capital Improvement Plan (CIP) for the City of Watauga includes Hightower Drive from Denton Highway (US 377) to Rufe Snow Drive broken into multiple separate CIP Projects to be funded through future Certificates of Obligation.

The 2022 Certificates of Obligation will fund the engineering. Future certificates of obligation are planned for funding the construction cost.

Additionally, the Public Works Department and Burgess and Niple, Inc. submitted an application for an Active Transportation Grant for partial funding of up to 80% of the construction cost as a possible additional funding source. Engineering Fees are not a reimbursable grant expense. Please note, these grants are highly competitive.

The Grant Application includes the following description of the proposed project: Hightower Drive is primarily a two-lane roadway with wide shoulders that runs east-west through the middle of the City of Watauga. West of Whitley Rd, Hightower Dr is a 4-lane roadway. It provides access to multiple residential neighborhoods and serves multiple public facilities along its northwest portion. The deteriorating minor arterial only has 4-foot sidewalks with partial pedestrian access along the north side of the street. The purpose of the project is to create a complete street, including a 10' sidewalk to the north and a 10' shared-use bike trail with buffer space along the south to increase the safety and improve access of pedestrians and cyclists to Watauga's Splash Pad, City Hall, Police Department, Public Library, and Capp Smith Park. The reconfiguration will entail a road diet allowing for the reclaimed travel lanes and wide-shoulder space to be allocated for other uses. This will provide space for families to bicycle safely away from vehicle traffic and will increase mobility for jogging and skateboarding. From US 377 to Lyndale Drive, the typical section will include medians with breaks for access where appropriate. These medians also create pedestrian refuge islands. The intent behind the bike infrastructure is to encourage additional bike riding in the City of Watauga by lowering the level of traffic stress experienced by cyclists. Due to the surrounding land uses attracting people of a wide range of ages, providing a facility that meets the context of the Hightower corridor is important to the City. The project proposes the construction of 3 bike racks north of the existing splash pad parking lot. Additionally, the project will connect to the on-street bike infrastructure along Whitley Road with colored pavement and a bike box at the Whitley Road intersection to allow bike traffic interchanging with the existing on-street bike lanes running along Whitley Road.

If the grant is awarded to the city, the engineering cost will increase and an additional engineering agreement would then be considered by the City Council. If the grant is not approved, the project will be reduced in scope and continue towards construction with no increase in engineering fees.

Staff forwards the attached contract, which allows the City to retain engineering and construction administration services with Burgess and Niple, Inc. There is funding in the approved 2022-23 Budget (2022 Certificates of Obligation) for Hightower Drive Phase 1 Design. The proposed contract is for $1,694,000. The estimated construction cost for Hightower Drive Phase 1 is $11,813,511.10. This agenda item is only for the engineering cost of $1,694,000.

FINANCIAL IMPLICATIONS:

Funding in the 2022-2023 Budget provided by the 2022 Certificates of Obligation

RECOMMENDATION/ACTION DESIRED:

Consider approval of the engineering contract with Burgess & Niple, Inc. for Hightower Drive Phase 1 Capital Improvement Plan Project

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Agreement - Hightower Phase 1 - Letter
2. Schedule - Hightower Phase 1
3. Grant Application Cover Sheet - Hightower
4. Receipt of Grant Application - NCTCOG
5. 1295 Burgess & Niple - Hightower

REVIEWED BY:

Paul Hackleman, Director of Public Works	Approved - 11/2/2022
David Berman, City Attorney	Approved - 11/2/2022
Deby Woodard, Assistant Director of Finance	Approved - 11/3/2022
Sandra Gibson, Director of Finance	Approved - 11/3/2022
Randy Richards, CFM, Assistant Director of Public Works	Approved - 11/4/2022

AGENDA MEMORANDUM

Joshua Jones, City Manager	Approved - 11/4/2022
Linda Proskey, City Secretary	Final Approval - 11/7/2022

Approved as to form for inclusion on Agenda

BURGESS & NIPLE

3950 Fossil Creek Blvd., Suite 210 | Fort Worth, TX 76137 | 817.306.1444

October 28, 2022

Paul Hackleman, P.E.
Public Works Director
City of Watauga, Texas
7800 Virgil Anthony Blvd.
Watauga, Texas 76148

Reference: Hightower Drive: Road Diet & Complete Street – Professional Engineering Services Agreement

Dear Mr. Hackleman:

Burgess & Niple (B&N) is pleased to submit this Agreement for Professional Engineering Services to provide Professional Engineering Services for the design of Hightower Drive: Road Diet & Complete Street. Attached is the Agreement, which is prepared for the City Manager's signature.

Thank you for the opportunity to serve the City of Watauga.

Respectfully submitted,
BURGESS & NIPLE
TBPELS FIRM REGISTRATION NO. F-10834
William D. Wendland
William D. Wendland, P.E.
Associate
Director, Fort Worth Public Sector

Attachment

AGREEMENT BETWEEN
CITY OF WATAUGA, TEXAS
AND
BURGESS & NIPLE, INC.
FOR PROFESSIONAL ENGINEERING SERVICES

THIS IS AN AGREEMENT EFFECTIVE AS OF ________________________ ("Effective Date") between CITY OF WATAUGA, TEXAS ("CLIENT") and Burgess & Niple, Inc. ("ENGINEER"). ENGINEER agrees to provide the services described below to CLIENT for Hightower Drive: Road Diet & Complete Street ("ASSIGNMENT").

Client Legal Name: City of Watauga, Texas

Street Address:7105 Whitley Road

City: Watauga State: Texas Zip Code: 76148

Contact Person: Paul Hackleman, P.E., Public Works Director

Phone: (817) 514-5837 Fax:(817) 514-5854

☐ Corporation
☒ Public Agency
☐ Partnership
☐ Individual
☐ Sole Proprietor
☐ Limited Liability Company (LLC)

The ASSIGNMENT

ENGINEER will provide professional engineering services to design the improvements for Hightower Drive: Road Diet & Complete Street from US377 to Lyndale Drive, approximately 4,190 linear feet. To prepare the design, ENGINEER shall obtain additional data to design the future phases of work from Lyndale Drive to Rufe Snow Drive, approximately an additional 3,300 linear feet. The ENGINEER's approach to this work begins with the following understanding of the project:

PROJECT UNDERSTANDING

- Hightower Drive is primarily a two-lane thoroughfare roadway with wide shoulders that runs east-west through the middle of the City of Watauga. West of Whitley Rd, Hightower Dr is a 4-lane roadway. It provides access to multiple residential neighborhoods and serves multiple public facilities along its northwest portion including Watauga's Splash Pad, City Hall, Police Department, Public Library, and Capp Smith Park.
- Land use, multimodal accessibility and anticipated vehicular traffic needs are the motivating factor behind these street changes.
- On-time delivery of quality bid documents is critical to the success of the project.

The deteriorating minor arterial only has 4-foot sidewalks with partial pedestrian access along the north side of the street. The purpose of the project is to create a complete street, including a 10' sidewalk along the north side and a 10' shared-use bike trail with buffer space along the south side to increase the safety and improve access of pedestrians and cyclists to Watauga's Splash Pad, City Hall, Police Department, Public Library, and Capp Smith Park. The reconfiguration will entail a road diet allowing for the reclaimed travel lanes and wide-shoulder space to be allocated for other uses. This will provide space for families to bicycle safely away from vehicle traffic and will increase mobility for jogging and skateboarding. From US 377 to Lyndale Drive, the typical section will include medians with breaks for access where appropriate. These medians also create pedestrian refuge islands. The intent behind the bike infrastructure is to encourage additional bike riding in the City of Watauga by lowering the level of traffic stress experienced by cyclists. Due to the surrounding land uses, attracting people of a wide range of ages, providing a facility that meets the context of the Hightower corridor is understood to be important to the City of Watauga. The project proposes the construction of 3 bike racks north of the existing splash pad parking lot. Additionally, the project will connect into the on-street bike infrastructure along Whitley Road to allow bike traffic interchanging with the existing and future on-street bike lanes running along Whitley Road. Circulation of vehicles, pedestrians, and cyclists as well as establishing connections to community amenities and surrounding land uses were addressed in the planning schematic layouts. The streetscape corridor "character" was defined. The following is a general description of planned improvements for each of the reaches in the project, subject to change per recommendation of a traffic and safety study.

- Hightower Drive: Entire Project Length (US Hwy 377 to Lyndale Drive)
    - Full-depth concrete road and curb replacement
    - Colored & stamped depressed medians
    - Addition / Replacement of streetlights with solar streetlights
    - Water line replacement or rehabilitation as appropriate
    - Sanitary sewer replacement or rehabilitation as appropriate
    - Storm sewer replacement or rehabilitation as appropriate
    - ADA curb ramps with colored & stamped concrete crosswalks at pedestrian crossings
    - Rectangular Rapid Flashing Beacon (RRFB) signage at uncontrolled crosswalks
- Hightower Drive: US Hwy 377 to Constitution Dr
    - One westbound lane and two eastbound travel lanes
    - Traffic signal at intersection with US Hwy 377 to remain unchanged
- Hightower Drive: Constitution Dr to Whitley Road
    - One westbound lane and two eastbound travel lanes
    - 10'-wide asphalt Shared-Use Path/Trail (SUP) running parallel along the south
    - 10'-wide concrete sidewalk/trail running parallel along the north
    - Bicycle box at the eastbound intersection of Hightower Drive and Whitley Road allowing east-bound bicycle traffic to safely flow from the SUP onto the existing and future (by another contract) on-street bicycle facilities (bike lanes) running north and south along Whitley Road.
    - Colored pavement for bicycle crossings at the intersection of Hightower Drive and Whitley Road allowing bicycle traffic to safely cross east-west across Whitley Road and north-south across Hightower Drive.
    - Traffic signal at intersection with Whitley Road
- Hightower Drive: Whitley Road to Echo Hill Drive
    - One westbound lane and one eastbound travel lane
    - 10'-wide asphalt Shared-Use Path/Trail (SUP) running parallel along the south
    - 10'-wide concrete sidewalk/trail running parallel along the north
- Hightower Drive: Echo Hill Drive to Lyndale Drive
    - One westbound lane and one eastbound travel lane
    - Transition the typical section to match the existing Hightower section east of Lyndale.

See Exhibit A – Assignment Location Map.

The engineering design cost of this ASSIGNMENT is $1,694,000. See Exhibit B – Level of Effort.

The estimated construction cost of this ASSIGNMENT is $11,813,511.10. See Exhibit C – Opinion of Probable Construction Cost.

SCOPE OF SERVICES

DESIGN

Following the notice to proceed, the ENGINEER will subcontract with a Surveyor to locate and document visible and apparent information pertinent to the design and construction of the ASSIGNMENT. A right-of-way strip map from 50' west of US Hwy 377 to 50' east of Rufe Snow Drive will be prepared. The new roadway will be contained with the existing right-of-way.

ENGINEER will subcontract with a Geotechnical Engineer to take up to 19 bores to a depth of 12 feet below existing grades to evaluate subsurface conditions and test for sulfates from US Hwy 377 to Rufe Snow Drive. Utilizing tests of the bores and cores, the Geotechnical Engineer will prepare a geotechnical report for general soil and groundwater conditions, pavement subgrade stabilization, subgrade remediation as appropriate, comments on difficulty of excavation, recommendations for pipe installation, earthwork recommendations, and guidelines for roadway pavement and shared use pavement design.

ENGINEER will subcontract with an Environmental Scientist to identify the potential environmental opportunities and constraints to the ASSIGNMENT relative to the limits of the U.S. Army Corps of Engineers' jurisdiction under Section 404 of the Clean Water Act. The Environmental Scientist will provide an initial review to identify areas that could potentially be considered jurisdictional under Section 404 of the Clean Water Act, a delineation, if needed, and recommendations for an appropriate permitting strategy based on impacts to jurisdictional areas or wetlands including a Preliminary Jurisdictional Determination and a Permit Strategy & Site Plan Review.

ENGINEER will subcontract with a Subsurface Utility Engineer to perform subsurface utility engineering (SUE) investigation services. The SUE Engineer will perform the work required for the ASSIGNMENT in general accordance with the recommended practices and procedures described in the ASCE Publication CI/ASCE 38-02 (Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data). As described in the ASCE publication, four levels have been established to describe the quality of utility location and attribute information used on plans: Quality Levels D, C, B, and A. The scope of the ASSIGNMENT includes Quality Level "A" and "B" SUE. Utilities to be designated include gas, telecommunications, electric, traffic signals, storm, water and sanitary sewer. Designating will be performed within the ROW limits of the ASSIGNMENT. Additionally, the location of up-to twelve (12) QL "A" SUE test holes with 5 pavement cores are to be determined by the ENGINEER following QL "B" designating.

ENGINEER will perform a Traffic Study and collect Traffic Counts, analyze Crash Data Trends, analyze Existing Condition Safety Performance, evaluate Existing Conditions Capacity, perform Signal Warrants, develop Future Volume using NCTCOG's Travel Demand Model, analyze Future Conditions Capacity for future configurations at ASSIGNMENT intersections using Synchro 11 software, analyze Build Condition Safety Performance using IHSDM, and prepare a technical memorandum summarizing the results and recommendations of the Traffic Study.

ENGINEER will prepare plans and specifications of the entire ASSIGNMENT. ENGINEER will design the drainage system for the ASSIGNMENT to contain the 100-year storm within both the underground drainage system and within the right-of-way. ENGINEER will design the replacement of the 12" water main. ENGINEER will design the replacement of the sanitary sewer main. ENGINEER will design ADA curb ramps at street intersections without obtaining corner clips using the standard Watauga detail.

BIDDING
Once the plans are approved for advertisement by the CLIENT, ENGINEER will assist the CLIENT in advertising and bidding of the ASSIGNMENT in one bid package. ENGINEER will assist the CLIENT with awarding the ASSIGNMENT.

CONSTRUCTION ADMINISTRATION
ENGINEER will provide construction administration services on the ASSIGNMENT. Construction Administration is defined as monthly site visits, answering contractor's and CLIENT'S questions during construction, preparing change orders (estimated at eight (8) maximum), reviewing contractor's monthly payment applications, attending monthly construction meetings, assisting in the final walk-through, and preparing record drawings.

DELIVERABLES
ENGINEER will prepare construction plans, specifications, and cost estimates so that the CLIENT can advertise to receive bids for the construction of the ASSIGNMENT. Up to five (5) hard copies of the plans, specifications and cost estimates will be provided to the CLIENT along with an electronic PDF version. One set of Record Drawings will be delivered at the conclusion of the ASSIGNMENT.

EXCLUSIONS
The ASSIGNMENT only includes the Scope of Services listed above. Abstracting services, arborist services, construction staking services, a free right turn onto Hwy 377, easement and right of way acquisition services, or any effort due to CLIENT receiving a grant for this project, are not included.

ASSIGNMENT START

CLIENT shall execute two copies of the Agreement. A signed original of the Agreement returned to the office indicated will consummate our Agreement and serve as authorization for ENGINEER to proceed with the services. The person signing this contract warrants that he or she has the authority to sign as or on behalf of the CLIENT for whom or for whose benefit ENGINEER'S services are rendered. This Agreement may be executed by a facsimile signature that, when so executed, shall be deemed to be an original of the same Agreement.

TIME FOR COMPLETION

Engineer shall complete its obligations within a reasonable time. All services are to be completed by May 31, 2028 and is hereby agreed to be reasonable. If, through no fault of Engineer, such periods of time or dates are changed, or the orderly and continuous progress of Engineer's services is impaired, or Engineer's services are delayed or suspended, then the time for completion of Engineer's services, and the rates and amounts of Engineer's compensation, shall be adjusted equitably. If CLIENT authorizes changes in the scope, extent, or character of the ASSIGNMENT or Engineer's services, then the time for completion of Engineer's services, and the rates and amounts of Engineer's compensation, shall be adjusted equitably. CLIENT shall make decisions and carry out its other responsibilities in a timely manner so as not to delay the Engineer's performance of its services. If Engineer fails, through its own fault, to complete the performance required in this Agreement within the time set forth, as duly adjusted, then CLIENT shall be entitled, as its sole remedy, to the recovery of direct damages, if any, resulting from such failure.

CLIENT and ENGINEER further agree as follows:

1.01 Basic Agreement

A. ENGINEER shall provide, or cause to be provided, the services set forth in this Agreement and CLIENT shall pay ENGINEER for such Services as set forth in Paragraph 10.01.

B. The CLIENT and the ENGINEER understand, acknowledge, and agree that the ENGINEER shall be acting as an independent contractor at all times during the performance of this agreement and no provision or obligation expressed or implied in this agreement shall create an employment, agency, or fiduciary relationship.

2.01 Payment Procedures

A. ENGINEER will prepare a monthly invoice in accordance with ENGINEER'S standard invoicing practices and submit the invoice to CLIENT.

B. CLIENT will pay ENGINEER'S monthly invoices in accordance with Texas Government Code Title 10. General Government; Subtitle F. State and Local Contracts and Fund Management, Chapter 2251. Payment for Goods and Services.

C. If CLIENT does not give ENGINEER written notice disputing an invoice within thirty (30) days of the date thereof, the invoice shall conclusively be deemed correct. All payments made by CLIENT should specify the invoice numbers being paid. If payments are received that do not specify the invoices being paid, ENGINEER may, at its sole discretion, apply payments against outstanding interest or invoices.

D. In the event sales tax is imposed on professional services, CLIENT shall be responsible for this additional cost.

E. ENGINEER shall not be required to release its files or work product to the CLIENT or to any other party until such time as ENGINEER receives full payment for all services rendered, including reimbursable expenses and interest incurred under the Agreement.

3.01 Additional Services

A. If authorized by CLIENT, or if required because of changes in the ASSIGNMENT, ENGINEER shall furnish services in addition to those set forth above.

B. CLIENT shall pay ENGINEER for such additional services an amount equal to the cumulative hours charged to providing the Additional Services under the Assignment by each class of ENGINEER'S employees, times standard hourly rates for each applicable billing class; plus reimbursable expenses and ENGINEER'S Consultants' charges, if any or at established Unit Costs. ENGINEER'S standard hourly rates, reimbursable expenses schedule, and applicable unit cost items are set forth in Exhibit C. Additional Services require written authorization by CLIENT prior to performance of such services.

4.01 Termination

A. The Agreement may be terminated with or without cause by either party on thirty (30) days' written notice, the end of such notice period being the effective date of termination. CLIENT shall pay ENGINEER in accordance with the Agreement for all services performed and reimbursable expenses incurred through the effective date of termination.

5.01 Controlling Law

A. This Agreement is to be governed by the laws of the State of Texas. Each party consents to and submits itself to jurisdiction of the courts of the State of Texas, and to venue in Tarrant County, Texas.

B. For claims, disputes, or other matters in question between the parties to the Agreement arising out of or relating to the Agreement or breach thereof, the parties shall endeavor to settle these matters by mediation in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect, unless the parties mutually agree otherwise. Demand for mediation shall be filed in writing with the other party to the Agreement and with the American Arbitration Association. A demand for mediation shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen.

6.01 Successors, Assigns, and Beneficiaries

A. CLIENT and ENGINEER each is hereby bound and the partners, successors, executors, administrators, and legal representatives of CLIENT and ENGINEER (and to the extent permitted by paragraph 6.01.B the assigns of CLIENT and ENGINEER) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all agreements and obligations of this Agreement.

B. Neither CLIENT nor ENGINEER may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

C. Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or ENGINEER.

7.01 General Considerations

A. The standard of care for all professional engineering and related services performed or furnished by ENGINEER under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. ENGINEER makes no warranties, express or implied, under this Agreement or otherwise, in connection with ENGINEER'S services and all warranties are specifically disclaimed, including warranties of merchantability and fitness for a particular purpose. ENGINEER may employ consultants as ENGINEER deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by the CLIENT. ENGINEER is responsible for the work product of such consultants employed by ENGINEER.

B. Upon payment in full for completed services, original documents, plans, designs, and survey notes developed in connection with services performed hereunder belong to and remain the property of the CLIENT in consideration of which it is mutually agreed that the CLIENT will use them solely in connection with the Assignment, save with the express consent of the ENGINEER. The ENGINEER may retain reproducible copies of such documents.

C. ENGINEER shall not at any time supervise, direct, or have control over any work by CLIENT'S contractors, nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor engaged by the CLIENT, for safety precautions and programs incident to the work progress of a CLIENT'S contractor, nor for any failure of any contractor engaged by CLIENT to comply with laws and regulations applicable to such contractor's work.

D. ENGINEER neither guarantees the performance of any contractor engaged by the CLIENT nor assumes responsibility for any such contractor's failure to furnish and perform its work in accordance with the contract between CLIENT and such contractor.

E. ENGINEER shall not be responsible for the acts or omissions of any CLIENT-engaged contractor, subcontractor, or supplier, or of any CLIENT-engaged contractor's agents or employees or any other persons (except ENGINEER'S own employees) at the ASSIGNMENT site or otherwise furnishing or performing any of construction work; or for any decision made on interpretations or clarifications of the construction contract given by CLIENT.

F. The general conditions for any construction contract documents prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by the ENGINEER'S Joint Contract Documents Committee (No. C-700, 2007 Edition).

G. ENGINEER SHALL INDEMNIFY AND HOLD HARMLESS CLIENT FOR CLAIMS, DAMAGES, LIABILITIES AND LOSSES (INCLUDING ATTORNEY'S FEES AND COSTS) IF AND TO THE EXTENT THAT SUCH CLAIM, DAMAGE, LIABILITY OR LOSS IS CAUSED BY OR RESULTS FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER BY ENGINEER, ENGINEER'S AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH ENGINEER EXERCISES CONTROL; PROVIDED HOWEVER THAT ENGINEER'S LIABILITY SHALL NOT EXCEED THE INSURANCE COVERAGE LIMITS SET FORTH IN SUBSECTION (H) OF THIS SECTION.

H. The Professional shall obtain and maintain, throughout the term of the Agreement, insurance of the types and in the minimum amounts set forth below.

1. Workers' Compensation insurance in accordance with the laws of the State of Texas, or state of hire/location of Services, and Employer's Liability coverage with a limit of not less than $500,000 each employee for Occupational Disease; $500,000 policy limit for Occupational Disease; and Employer's Liability of $500,000 each accident.

2. Business Automobile Liability coverage applying to owned, non-owned and hired automobiles with limits not less than $1,000,000 each occurrence combined single limit for Bodily Injury and Property Damage combined.

3. Professional Liability / Errors and Omissions insurance with limits of not less than:

•	$2,000,000	Annual aggregate and limit per claim;
•	$5,000,000	Excess/Umbrella liability per occurrence with drop down coverage.

I. In the event that ENGINEER undertakes to provide construction cost estimation services, the following shall apply. Evaluation of the CLIENT'S ASSIGNMENT budget, preliminary estimates of construction costs, and detailed estimates of construction costs (if any), or any portion thereof prepared by ENGINEER represent ENGINEER'S judgment, based upon the information provided to ENGINEER at the time of evaluation or preparation, as a design professional familiar with the construction industry. It is recognized, however, that neither ENGINEER nor the CLIENT has control over the cost of labor, materials, or equipment, over a contractor's methods of determining bid prices, or over competitive bidding, market, or negotiating conditions. Accordingly, ENGINEER does not have any responsibility in the event that bids or negotiated prices vary from the CLIENT'S ASSIGNMENT budget or from any estimate or construction cost or evaluation prepared or agreed to by ENGINEER.

J. The parties acknowledge that ENGINEER'S scope of services does not include any services related to a Hazardous Environmental Condition (the presence of asbestos, PCBs, petroleum, hazardous substances or waste, and radioactive materials). If ENGINEER or any other party encounters a Hazardous Environmental Condition, ENGINEER may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the ASSIGNMENT affected thereby until CLIENT: (i) retains appropriate specialist consultants or contractors to identify and, as appropriate, abate, remediate, or remove the Hazardous Environmental Condition; and (ii) warrants that the site is in full compliance with applicable Laws and Regulations.

K. The parties acknowledge that ENGINEER'S scope of services does not include any services specifically not included within ENGINEER'S Scope of Service.

L. The parties acknowledge that ENGINEER'S Scope of Services is based upon the ordinance, criteria and/or policies and procedures currently in effect in the City of Watauga, Texas, as reasonably interpreted. Any revisions to these policies could impact the proposed civil engineering services and therefore necessitate an appropriate adjustment in the above fees.

M. With the execution of this Agreement, ENGINEER and CLIENT shall designate specific individuals to act as ENGINEER'S and CLIENT'S representatives with respect to the Assignment and the responsibilities of the CLIENT under the Agreement. Such an individual shall have the authority to transmit instructions, receive information, and render decisions relative to the Assignment on behalf of the respective party whom the individual represents.

N. ENGINEER verifies that it does not Boycott Israel, and agrees that during the term of this Contract will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended. For purposes of this verification, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

O. ENGINEER represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the entity and each of its parent companies, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The signatory understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit.

P. ENGINEER verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended. This section does not apply if ENGINEER is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) ENGINEER has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement.

Q. ENGINEER verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (ii) will not discriminate during the term of the contract against a firearm entity or firearm trade association. This section only applies if: (i) ENGINEER has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement. However, this prohibition does not apply: (i) if ENGINEER is a sole proprietor, a non-profit entity, or a governmental entity; (ii) to a contract with a sole-source provider; or (iii) to a contract for which none of the bids from a company were able to provide the required certification.

8.01 Total Agreement

A. This Agreement (consisting of pages 1 to 20, inclusive), together with Exhibit A, Exhibit B, Exhibit C, Exhibit D and Exhibit E, constitutes the entire agreement between CLIENT and ENGINEER for the provisions of Hightower Drive: Road Diet & Complete Street and supersedes all prior written or oral understandings for the provision of Hightower Drive: Road Diet & Complete Street. All project-specific contracts between CLIENT and ENGINEER shall remain in full force and effect until terminated as provided therein. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument. No provision in any invoice, statement or billing instrument shall waive or modify any provision of this Agreement if in conflict.

9.01 Severability

A. If any part, term, or provision of the Agreement is held to be illegal or unenforceable, the validity and enforceability of the remaining parts, terms, and provisions of the Agreement shall not be affected, and the rights of the ENGINEER and CLIENT shall be construed and enforced as if the Agreement did not contain the illegal or unenforceable part, term, or provision.

10.01 Payment for Scope of Services (Maximum Sum Basis)

A. Using the procedures set forth in paragraph 2.01, CLIENT shall pay ENGINEER for Scope of Services as follows:

1. A total Maximum Sum amount of **One Million Six Hundred Ninety-Four Thousand Dollars and No Cents ($1,694,000.00)**.

2. The Maximum Sum includes compensation for Engineer’s services and services of Engineer’s Consultants, if any. Appropriate amounts have been incorporated in the Maximum Sum to account for labor costs, overhead, profit, expenses (other than any expressly allowed Reimbursable Expenses), and Consultant charges.

3. The portion of the compensation amount billed monthly for ENGINEER’S services will be based upon ENGINEER’S estimate of the percentage of the Maximum Sum Items and Unit Cost Items actually completed during the billing period. The compensation amount stipulated is conditioned on a period of service ending by May 31, 2028. If such end date is extended, the compensation amount for Engineer's services shall be appropriately adjusted.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

CLIENT: **City of Watauga, Texas**

By:
Joshua Jones

Title: City Manager

Date Signed:

Address for giving notices:

7105 Whitley Road

Watauga, TX 76148

Designated Representative (Paragraph 7.01 M.):

Name: Paul Hackleman, P.E.

Title: Public Works Director

Phone Number: (817) 514-5837

Facsimile Number: (817) 514-5854

Email Address: PHackleman@wataugatx.org

ENGINEER: **Burgess & Niple, Inc.**

By:
Edwin Muccillo

Title: Chairman

Date Signed: October 28, 2022

Address for giving notices:

3950 Fossil Creek Blvd., Suite 210

Fort Worth, Texas 76137

Address for remitting invoices:

Attention: Burgess & Niple, Inc. – Accounting Department

330 Rush Alley, Suite 700

Columbus, Ohio 43215

Designated Representative (Paragraph 7.01 M.):

Name: William Wendland, P.E.

Title: Director, Fort Worth Public Sector

Phone Number: (817) 306-1444, x6105

Facsimile Number: (817) 306-1555

Email Address: billy.wendland@burgessniple.com

EXHIBIT A
ASSIGNMENT LOCATION MAP

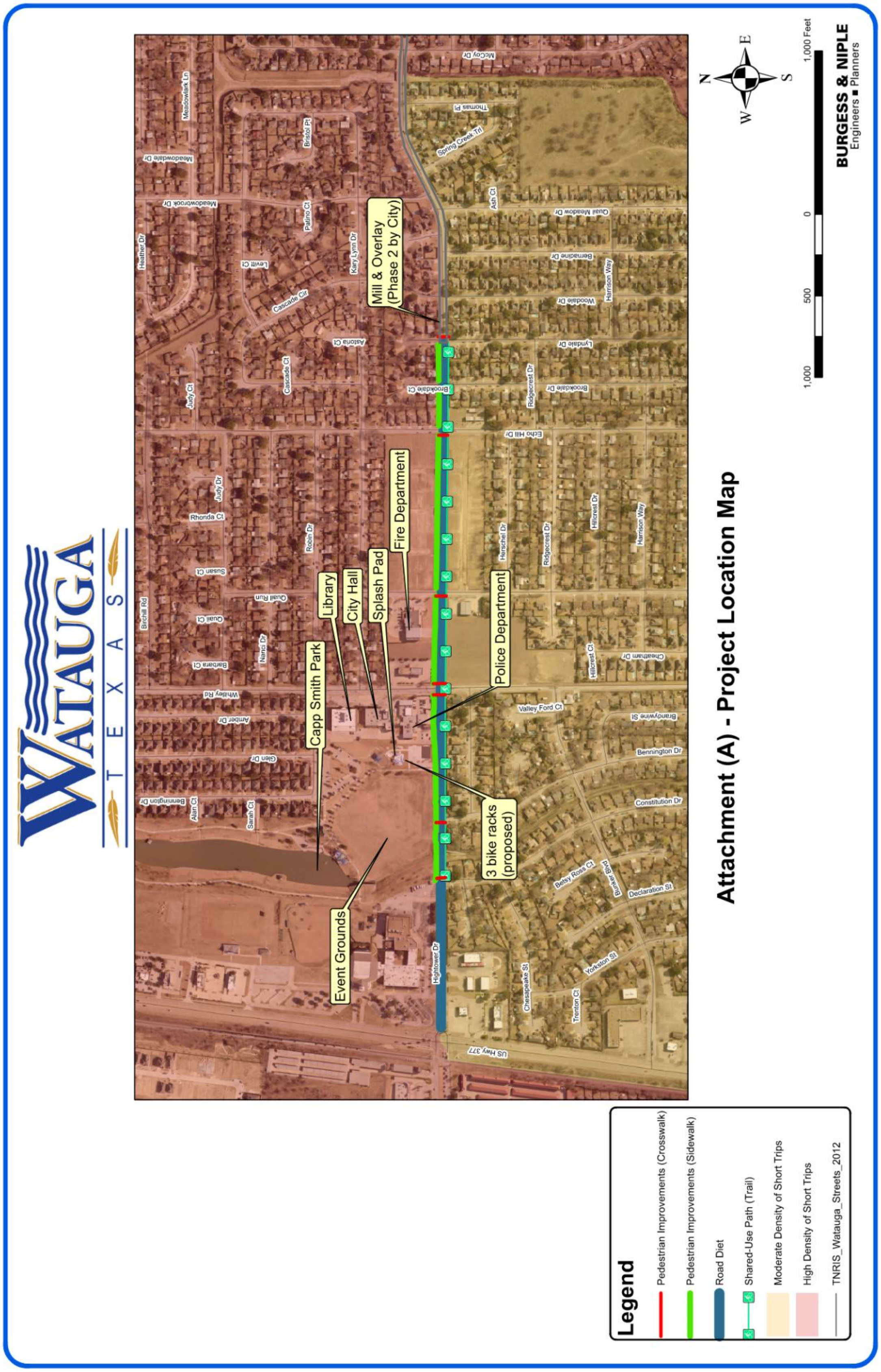
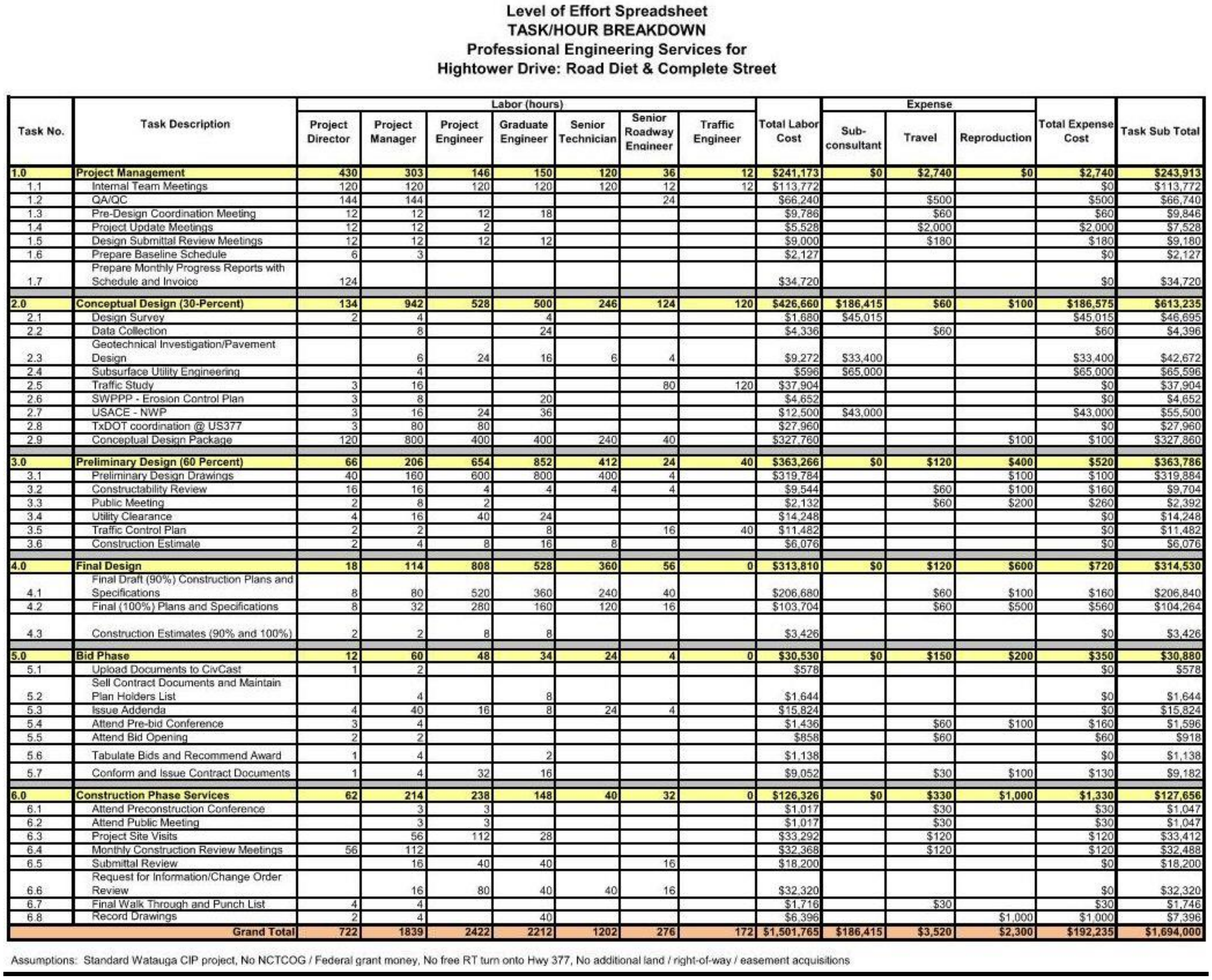


EXHIBIT B
LEVEL OF EFFORT: TASK/HOUR BREAKDOWN

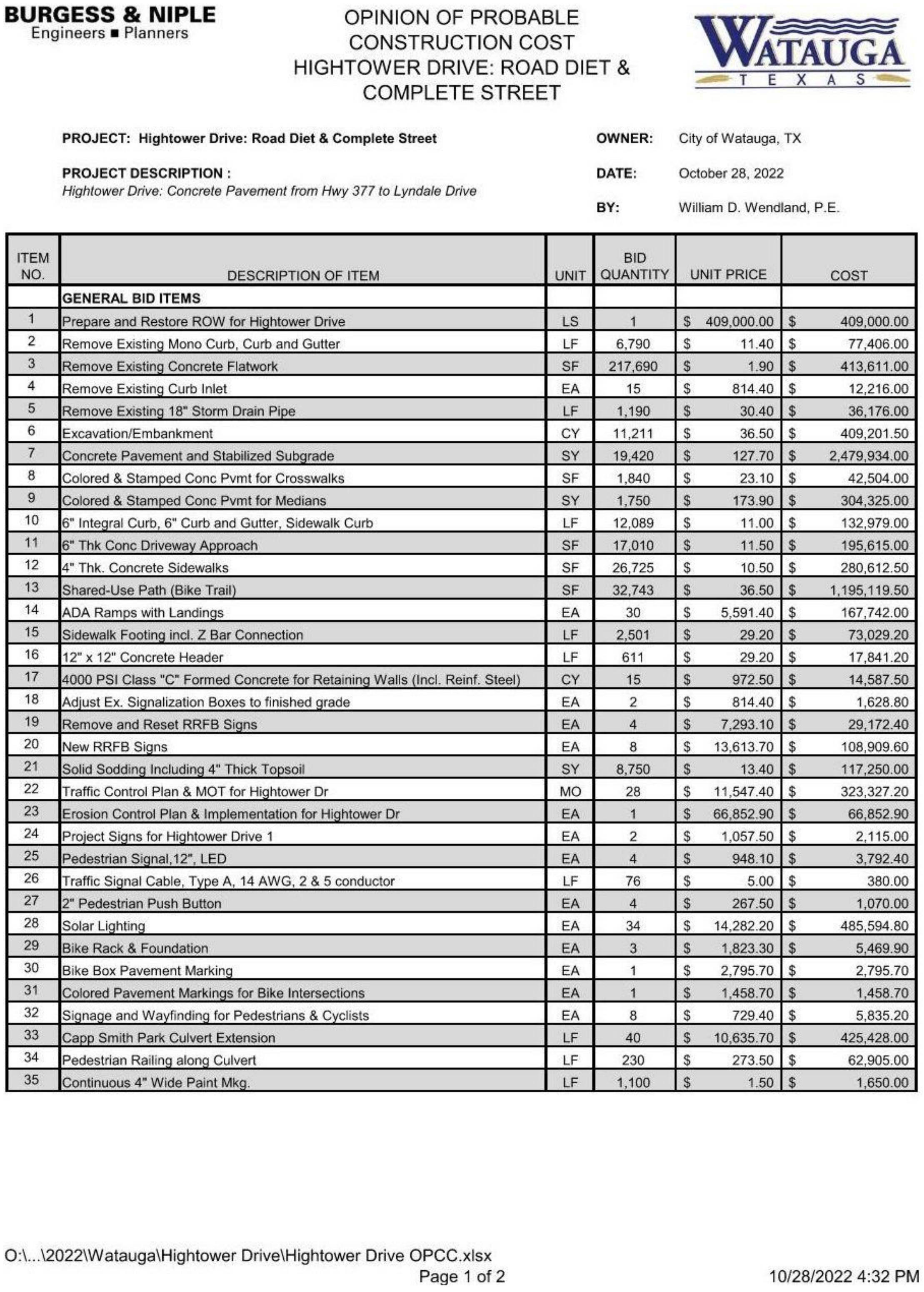


Level of Effort Spreadsheet
TASK/HOUR BREAKDOWN
Professional Engineering Services for
Hightower Drive: Road Diet & Complete Street

Task No.	Task Description	Labor (hours)							Total Labor Cost	Expense			Total Expense Cost	Task Sub Total
		Project Director	Project Manager	Project Engineer	Graduate Engineer	Senior Technician	Senior Roadway Engineer	Traffic Engineer		Sub-consultant	Travel	Reproduction		
1.0	**Project Management**	**430**	**303**	**146**	**150**	**120**	**36**	**12**	**$241,173**	**$0**	**$2,740**	**$0**	**$2,740**	**$243,913**
1.1	Internal Team Meetings	120	120	120	120	120	12	12	$113,772				$0	$113,772
1.2	QA/QC	144	144				24		$66,240		$500		$500	$66,740
1.3	Pre-Design Coordination Meeting	12	12	12	18				$9,786		$60		$60	$9,846
1.4	Project Update Meetings	12	12	2					$5,528		$2,000		$2,000	$7,528
1.5	Design Submittal Review Meetings	12	12	12	12				$9,000		$180		$180	$9,180
1.6	Prepare Baseline Schedule	6	3						$2,127				$0	$2,127
1.7	Prepare Monthly Progress Reports with Schedule and Invoice	124							$34,720				$0	$34,720
2.0	**Conceptual Design (30-Percent)**	**134**	**942**	**528**	**500**	**246**	**124**	**120**	**$426,660**	**$186,415**	**$60**	**$100**	**$186,575**	**$613,235**
2.1	Design Survey	2	4		4				$1,680	$45,015			$45,015	$46,695
2.2	Data Collection		8		24				$4,336		$60		$60	$4,396
2.3	Geotechnical Investigation/Pavement Design		6	24	16	6	4		$9,272	$33,400			$33,400	$42,672
2.4	Subsurface Utility Engineering		4						$596	$65,000			$65,000	$65,596
2.5	Traffic Study	3	16				80	120	$37,904				$0	$37,904
2.6	SWPPP - Erosion Control Plan	3	8		20				$4,652				$0	$4,652
2.7	USACE - NWP	3	16	24	36				$12,500	$43,000			$43,000	$55,500
2.8	TxDOT coordination @ US377	3	80	80					$27,960				$0	$27,960
2.9	Conceptual Design Package	120	800	400	400	240	40		$327,760			$100	$100	$327,860
3.0	**Preliminary Design (60 Percent)**	**66**	**206**	**654**	**852**	**412**	**24**	**40**	**$363,266**	**$0**	**$120**	**$400**	**$520**	**$363,786**
3.1	Preliminary Design Drawings	40	160	600	800	400	4		$319,784			$100	$100	$319,884
3.2	Constructability Review	16	16	4	4	4	4		$9,544		$60	$100	$160	$9,704
3.3	Public Meeting	2	8	2					$2,132		$60	$200	$260	$2,392
3.4	Utility Clearance	4	16	40	24				$14,248				$0	$14,248
3.5	Traffic Control Plan	2	2		8		16	40	$11,482				$0	$11,482
3.6	Construction Estimate	2	4	8	16	8			$6,076				$0	$6,076
4.0	**Final Design**	**18**	**114**	**808**	**528**	**360**	**56**	**0**	**$313,810**	**$0**	**$120**	**$600**	**$720**	**$314,530**
4.1	Final Draft (90%) Construction Plans and Specifications	8	80	520	360	240	40		$206,680		$60	$100	$160	$206,840
4.2	Final (100%) Plans and Specifications	8	32	280	160	120	16		$103,704		$60	$500	$560	$104,264
4.3	Construction Estimates (90% and 100%)	2	2	8	8				$3,426				$0	$3,426
5.0	**Bid Phase**	**12**	**60**	**48**	**34**	**24**	**4**	**0**	**$30,530**	**$0**	**$150**	**$200**	**$350**	**$30,880**
5.1	Upload Documents to CivCast	1	2						$578				$0	$578
5.2	Sell Contract Documents and Maintain Plan Holders List		4		8				$1,644				$0	$1,644
5.3	Issue Addenda	4	40	16	8	24	4		$15,824				$0	$15,824
5.4	Attend Pre-bid Conference	3	4						$1,436		$60	$100	$160	$1,596
5.5	Attend Bid Opening	2	2						$858		$60		$60	$918
5.6	Tabulate Bids and Recommend Award	1	4		2				$1,138				$0	$1,138
5.7	Conform and Issue Contract Documents	1	4	32	16				$9,052		$30	$100	$130	$9,182
6.0	**Construction Phase Services**	**62**	**214**	**238**	**148**	**40**	**32**	**0**	**$126,326**	**$0**	**$330**	**$1,000**	**$1,330**	**$127,656**
6.1	Attend Preconstruction Conference		3	3					$1,017		$30		$30	$1,047
6.2	Attend Public Meeting		3	3					$1,017		$30		$30	$1,047
6.3	Project Site Visits		56	112	28				$33,292		$120		$120	$33,412
6.4	Monthly Construction Review Meetings	56	112						$32,368		$120		$120	$32,488
6.5	Submittal Review		16	40	40		16		$18,200				$0	$18,200
6.6	Request for Information/Change Order Review		16	80	40	40	16		$32,320				$0	$32,320
6.7	Final Walk Through and Punch List	4	4						$1,716		$30		$30	$1,746
6.8	Record Drawings	2	4		40				$6,396			$1,000	$1,000	$7,396
	Grand Total	**722**	**1839**	**2422**	**2212**	**1202**	**276**	**172**	**$1,501,765**	**$186,415**	**$3,520**	**$2,300**	**$192,235**	**$1,694,000**

Assumptions: Standard Watauga CIP project, No NCTCOG / Federal grant money, No free RT turn onto Hwy 377, No additional land / right-of-way / easement acquisitions

EXHIBIT C
OPINION OF PROBABLE CONSTRUCTION COST



BURGESS & NIPLE
Engineers ■ Planners

OPINION OF PROBABLE
CONSTRUCTION COST
HIGHTOWER DRIVE: ROAD DIET &
COMPLETE STREET

WATAUGA
TEXAS

PROJECT: Hightower Drive: Road Diet & Complete Street

OWNER: City of Watauga, TX

PROJECT DESCRIPTION :
Hightower Drive: Concrete Pavement from Hwy 377 to Lyndale Drive

DATE: October 28, 2022

BY: William D. Wendland, P.E.

ITEM NO.	DESCRIPTION OF ITEM	UNIT	BID QUANTITY	UNIT PRICE	COST
	GENERAL BID ITEMS				
1	Prepare and Restore ROW for Hightower Drive	LS	1	$ 409,000.00	$ 409,000.00
2	Remove Existing Mono Curb, Curb and Gutter	LF	6,790	$ 11.40	$ 77,406.00
3	Remove Existing Concrete Flatwork	SF	217,690	$ 1.90	$ 413,611.00
4	Remove Existing Curb Inlet	EA	15	$ 814.40	$ 12,216.00
5	Remove Existing 18" Storm Drain Pipe	LF	1,190	$ 30.40	$ 36,176.00
6	Excavation/Embankment	CY	11,211	$ 36.50	$ 409,201.50
7	Concrete Pavement and Stabilized Subgrade	SY	19,420	$ 127.70	$ 2,479,934.00
8	Colored & Stamped Conc Pvmt for Crosswalks	SF	1,840	$ 23.10	$ 42,504.00
9	Colored & Stamped Conc Pvmt for Medians	SY	1,750	$ 173.90	$ 304,325.00
10	6" Integral Curb, 6" Curb and Gutter, Sidewalk Curb	LF	12,089	$ 11.00	$ 132,979.00
11	6" Thk Conc Driveway Approach	SF	17,010	$ 11.50	$ 195,615.00
12	4" Thk. Concrete Sidewalks	SF	26,725	$ 10.50	$ 280,612.50
13	Shared-Use Path (Bike Trail)	SF	32,743	$ 36.50	$ 1,195,119.50
14	ADA Ramps with Landings	EA	30	$ 5,591.40	$ 167,742.00
15	Sidewalk Footing incl. Z Bar Connection	LF	2,501	$ 29.20	$ 73,029.20
16	12" x 12" Concrete Header	LF	611	$ 29.20	$ 17,841.20
17	4000 PSI Class "C" Formed Concrete for Retaining Walls (Incl. Reinf. Steel)	CY	15	$ 972.50	$ 14,587.50
18	Adjust Ex. Signalization Boxes to finished grade	EA	2	$ 814.40	$ 1,628.80
19	Remove and Reset RRFB Signs	EA	4	$ 7,293.10	$ 29,172.40
20	New RRFB Signs	EA	8	$ 13,613.70	$ 108,909.60
21	Solid Sodding Including 4" Thick Topsoil	SY	8,750	$ 13.40	$ 117,250.00
22	Traffic Control Plan & MOT for Hightower Dr	MO	28	$ 11,547.40	$ 323,327.20
23	Erosion Control Plan & Implementation for Hightower Dr	EA	1	$ 66,852.90	$ 66,852.90
24	Project Signs for Hightower Drive 1	EA	2	$ 1,057.50	$ 2,115.00
25	Pedestrian Signal,12", LED	EA	4	$ 948.10	$ 3,792.40
26	Traffic Signal Cable, Type A, 14 AWG, 2 & 5 conductor	LF	76	$ 5.00	$ 380.00
27	2" Pedestrian Push Button	EA	4	$ 267.50	$ 1,070.00
28	Solar Lighting	EA	34	$ 14,282.20	$ 485,594.80
29	Bike Rack & Foundation	EA	3	$ 1,823.30	$ 5,469.90
30	Bike Box Pavement Marking	EA	1	$ 2,795.70	$ 2,795.70
31	Colored Pavement Markings for Bike Intersections	EA	1	$ 1,458.70	$ 1,458.70
32	Signage and Wayfinding for Pedestrians & Cyclists	EA	8	$ 729.40	$ 5,835.20
33	Capp Smith Park Culvert Extension	LF	40	$ 10,635.70	$ 425,428.00
34	Pedestrian Railing along Culvert	LF	230	$ 273.50	$ 62,905.00
35	Continuous 4" Wide Paint Mkg.	LF	1,100	$ 1.50	$ 1,650.00

O:\...\2022\Watauga\Hightower Drive\Hightower Drive OPCC.xlsx
Page 1 of 2
10/28/2022 4:32 PM

BURGESS & NIPLE
Engineers ■ Planners

OPINION OF PROBABLE CONSTRUCTION COST HIGHTOWER DRIVE: ROAD DIET & COMPLETE STREET

WATAUGA
TEXAS

ITEM NO.	DESCRIPTION OF ITEM	UNIT	BID QUANTITY	UNIT PRICE	COST
36	Continuous 6" Wide Paint Mkg.	LF	1,280	$ 3.00	$ 3,840.00
37	Dashed 4" Wide Paint Mkg.	LF	1,010	$ 2.20	$ 2,222.00
38	Painted Turn Arrows & Words (All)	EA	27	$ 291.80	$ 7,878.60
39	12" Wide White Cross Walk Paint Mkg.	LF	460	$ 5.90	$ 2,714.00
40	24" Wide White Paint Stop Bar	LF	200	$ 11.70	$ 2,340.00
41	8" Wide Channelizing Solid Line	LF	1,790	$ 4.40	$ 7,876.00
42	Utility Adjustments: Water and Sewer Lines	LF	11,796	$ 176.30	$ 2,079,634.80
43	Salvage Existing Fire Hydrant	EA	6	$ 1,057.50	$ 6,345.00
44	Salvage Existing Gate Valve	EA	13	$ 328.20	$ 4,266.60
45	16" Vertical Gate Valve w/o By-pass	EA	10	$ 17,965.20	$ 179,652.00
46	8" Gate Valve & Box	EA	3	$ 2,613.40	$ 7,840.20
47	6" Dia. By-Pass Assembly, Includes 6" GV & Box, DIP Ftgs., 6" PVC Pipe	EA	10	$ 13,066.70	$ 130,667.00
48	Fire Hydrant Assembly	EA	6	$ 8,581.50	$ 51,489.00
49	Ductile Iron Fittings for Water Line	TONS	6	$ 6,539.50	$ 39,237.00
50	2" Combination Air Release Valve & Vault w/Offset	EA	5	$ 10,623.60	$ 53,118.00
51	Temporary 2" Blow Off /Sample point	EA	2	$ 4,084.20	$ 8,168.40
52	Cut and Plug Existing 16" Water Line	EA	6	$ 3,269.80	$ 19,618.80
53	Cut and Plug Existing 8/6" Water Line	EA	7	$ 3,269.80	$ 22,888.60
54	Connect to Existing 16" Water Line	EA	6	$ 6,539.50	$ 39,237.00
55	Connect to Existing 6"/8" Water Line	EA	11	$ 3,269.80	$ 35,967.80
56	Water Service Transfer	EA	3	$ 984.60	$ 2,953.80
57	16" X 4" Tee	EA	1	$ 3,646.60	$ 3,646.60
58	Detector Check Vault	EA	1	$ 14,586.10	$ 14,586.10
59	4" Meter for Splash Pad	EA	1	$ 9,724.10	$ 9,724.10
60	Remove Existing Sanitary Sewer Manhole	EA	16	$ 3,269.80	$ 52,316.80
61	Remove Existing Sanitary Sewer Clean Out	EA	1	$ 814.40	$ 814.40
62	4' Dia. Sanitary Sewer Manhole	EA	16	$ 6,539.50	$ 104,632.00
63	Extra Depth for 4' Dia. Sanitary Sewer Manhole	VLF	15	$ 328.20	$ 4,923.00
64	Sanitary Sewer Service Transfers Incl. Cleanout, Tee & Double Cleanout	EA	3	$ 1,957.00	$ 5,871.00
65	Connect to Existing 6"/8" Sanitary Sewer	EA	4	$ 6,539.50	$ 26,158.00
66	Manhole Vacuum Testing	EA	16	$ 1,227.70	$ 19,643.20
67	21" Dia. ASTM C-76 CL. III RCP	LF	1,190	$ 158.10	$ 188,139.00
68	15' Recessed Curb Inlet	EA	2	$ 9,797.00	$ 19,594.00
69	10' Recessed Curb Inlet	EA	13	$ 7,183.70	$ 93,388.10
70	Connect to Existing 18"/21" RCP	EA	16	$ 3,670.90	$ 58,734.40
71	Adjust Existing Storm Drain Lid to Finished Street Grade	EA	2	$ 2,455.40	$ 4,910.80
72	Temp Pvmt Replacement for Storm Drain Lines	LF	1,190	$ 24.40	$ 29,036.00
73	Drainage Trench Safety	LF	1,190	$ 1.60	$ 1,904.00
74	Miscellaneous Allowance	LS	1	$ 560,000.00	$ 560,000.00
	Total Itemized Construction Costs				**$ 11,813,511.10**

NUMBER OF CONSTRUCTION DAYS: 840 CONSECUTIVE CALENDAR DAYS

Note: This Engineer's Opinion of Probable Construction Cost is made on the basis of the Engineer's experience and best judgment as a design professional. The engineer has no control over the cost of labor material or services to be furnished by others. Based on pricing estimated on October 28, 2022.

EXHIBIT D
PROFESSIONAL ENGINEERING SERVICES
HOURLY FEE SCHEDULE

Description	Hourly Rate* Min. - Max.
Principal/Associate/Project Director	$170 - $300
Senior Project Manager	$130 - $275
Project Manager	$110 - $190
Senior Roadway Engineer	$170 - $225
Roadway Engineer	$150 - $200
Project Engineer	$150 - $200
Senior Traffic Engineer	$170 - $225
Traffic Engineer	$150 - $200
Graduate Engineer	$90 - $150
Senior Technician	$100 - $190
Technician	$70 - $150
Administrative	$70 - $125
Direct Expenses	Cost + 0%
Local Travel (Auto mileage)	Current IRS Allowable Rate + 0%
Subcontract Work	Cost + 0%

*Actual hourly rates are based upon experience level and expertise

EXHIBIT E

GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS

By submitting a response to a solicitation or bid, or by entering into a contract for goods or services and/or by accepting a purchase order, the contractor, consultant or vendor, identified below, agrees that the below terms and conditions shall govern all agreements with the City unless otherwise agreed to by **a specifically executed provision** within the contract or purchase order, provided same is permissible by law. Absent a specifically executed provision, the below terms are BINDING and SUPERSEDE any and all other terms and/or conditions whether oral or written.

Application. This GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS ("Governmental Rider") applies to, is part of, and takes precedence over any conflicting provision in or attachment to the Response to Solicitation or Bid, Contract or Purchase Order, as applicable, ("Contract") (attached hereto) of Burgess & Niple, ("Vendor"). The Contact involved in this Governmental Rider is described as follows:

Hightower Drive: Road Diet & Complete Street

Payment Provisions. The City's payments under the Contract, including the time of payment and the payment of interest on overdue amounts, are subject to Chapter 2251, Texas Government Code. The City reserves the right to modify any amount due to Vendor presented by invoice to the City if necessary to conform the amount to the terms of the contract.

Multiyear Contracts. If the City's City Council does not appropriate funds to make any payment for a fiscal year after the City's fiscal year in which the contract becomes effective and there are no proceeds available for payment from the sale of bonds or other debt instruments, then the Contract automatically terminates at the beginning of the first day of the successive fiscal year. (Section 5, Article XI, Texas Constitution). It is understood and agreed the City shall have the right to terminate the Contract at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to continue the contract, as determined by the City's budget for the fiscal year in question. The City may execute such termination by giving Vendor a written notice of termination at the end of its then current fiscal year.

Local Preference. The City Council supports the local preference option for purchasing. In accordance with Chapter 271.9051 of the State of Texas Local Government Code, the City Council may choose to award a competitive bid to a bidder whose principal place of business is in the City limits, provided that this bid is within 5% of the lowest bid price received, provided such action is not prohibited by law. The City determines that any such local bidder offers the City the best combination of contract price and additional economic development opportunities.

No Ex-Parte Communications during Competitive Bidding Period. To insure the proper and fair evaluation of a response, the City prohibits ex parte communication initiated by the proposed Vendor to a City official or employee evaluating or considering the responses prior to the time a

formal decision has been made. Questions and other communication from vendors will be permissible until 5:00 pm on the day specified as the deadline for questions. Any communication between the proposed Vendor and the City after the deadline for questions will be initiated by the appropriate City official or employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the response. Ex parte communication may be grounds for disqualifying the offending Vendor from consideration or award of the solicitation then in evaluation, or any future solicitation.

Abandonment or Default. A Vendor who abandons or defaults the work on the contract and causes the City to purchase goods, materials or services elsewhere may be charged for any increased cost of goods, materials and/or services related thereto; may be considered disqualified in any re-advertisement of the service; and may not be considered in future bids for the same type of work for a period of three years for the same scope of work, goods, or services.

Disclosure of Litigation. Each prospective Vendor shall include in its proposal a complete disclosure of any civil or criminal litigation or investigation pending which involves the Vendor or which has occurred in the past in which the Vendor has been judged guilty or liable by a competent court regardless of whether the Court Order or Judgment is final or on appeal.

Cancellation. the City reserves the right to cancel the contract without penalty by providing 30 days prior written notice to the Vendor. Termination under this paragraph shall not relieve the Vendor of any obligation or liability that has occurred prior to cancellation. **NOTE: This contract is subject to cancellation, without penalty, at any time the City deems the vendor to be non-compliant with contractual obligations.**

Annual Vendor Performance Review. The City reserves the right to review the Vendor’s performance at the end of each twelve-month contract period and to cancel all or part of the Contract (without penalty) or continue the contract through the next period.

Compliance with other laws and certification of eligibility to contract. Any offer to contract with the City shall be considered an executed certification that the Vendor will comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, (as amended during the contracting period) and any orders and decrees of any court, administrative bodies or tribunals in any matter affecting the performance of the Contract, including without limitation, immigration laws, workers’ compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations.

Compliance with all Codes, Permitting and Licensing Requirements. The successful Vendor shall comply with all national, state, and local laws and regulations as well as those of any other authorities that have jurisdiction pertaining to equipment and materials used and their application. None of the terms or provisions of the specification shall be construed as waiving any rules, regulations, or requirements of these authorities. The successful Vendor shall be responsible for obtaining all necessary permits, certificates and/or licenses to fulfill contractual obligations.

Liability and Indemnity of City. Any provision of the Contract is void and unenforceable if it: (1) limits or releases either party from liability that would exist by law in the absence of the provision; (2) creates liability for either party that would not exist by law in the absence of the

provision; or (3) waives or limits either party's rights, defenses, remedies, or immunities that would exist by law in the absence of the provision. (Section 5, Article XI, Texas Constitution)

Indemnity and Independent Vendor Status of Vendor. Vendor shall indemnify, save harmless and defend the City, its officers, agents, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorney's fees and any and all other costs or fees (whether grounded in Constitutional law, Tort, Contract, or Property Law, or raised pursuant to local, state or federal statutory provision), arising out of the performance of the Contract and/or arising out of a willful or negligent act or omission of the Vendor its officers, agents, and employees. It is understood and agreed that the Vendor and any employee or sub-contractor of Vendor shall not be considered an employee of the City. The Vendor shall not be within protection or coverage of the City's workers' compensation insurance, health insurance, liability insurance or any other insurance that the City from time to time may have in force and effect. City specifically reserves the right to reject any and all Vendor's employees, representatives, or sub-contractors and/or their employees for any cause, should the presence of any such person on City property or their interaction with City employees be found not in the best interest of the City or is found to interfere with the effective and efficient operation of the City's workplace.

Liens. Vendor agrees to and shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under the Contract. At the City's request the Vendor shall provide and shall cause all subcontractors to provide a proper release of all liens, or satisfactory evidence of freedom from liens shall be delivered to the City.

Confidentiality. Any provision in the Contract that attempts to prevent the City's disclosure of information that is subject to public disclosure under federal or Texas law is invalid. (Chapter 552, Texas Government Code).

Tax Exemption. The City is not liable to Vendor for any federal, state, or local taxes for which the City is not liable by law, including state and local sales and use taxes (Section 151.309 and Title 3, Texas Tax Code) and federal excise tax (Subtitle D of the Internal Revenue Code). Accordingly, those taxes may not be added to any item. Texas limited sales tax exemption certificates will be furnished upon request. Vendors shall not charge for said taxes. If billed, the City will remit payment less sales tax.

Contractual Limitations Period. Any provision of the Contract that establishes a limitations period that does not run against the City by law or that is shorter than two years is void. (Sections 16.061 and 16.070, Texas Civil Practice and Remedies Code)

Sovereign Immunity. Any provision of the Contract that seeks to waive the City's immunity from suit and/or immunity from liability is void unless agreed to by specific acknowledgement of the provision within the contract.

Governing Law and Venue. Texas law governs this Contract and any lawsuit on this Contract must be filed in a court that has jurisdiction in Tarrant County, Texas.

Right to trial by Jury. Any provision of the Contract that seeks to waive an aggrieved Party's right to trial by jury is void unless agreed to by specific acknowledgement of the provision within the contract.

Certificate of Interested Parties (TEC Form 1295). For contracts that require City Council approval or that is for services that would require a person to register as a lobbyist under Chapter 305 of the Government Code, the City may not accept or enter into a contract until it has received from the Vendor a completed and signed Texas Ethics Commission (TEC) Form 1295 complete with a certificate number assigned by the (TEC), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The Vendor understands that failure to provide said form complete with a certificate number assigned by the TEC may prohibit the City from entering the Contract.

Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, signed and provided to the City. The TEC Form 1295 may accompany the bid or may be submitted separately but must be provided to the City prior to the award of the contract. Neither the City nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any potential Vendor with respect to the proper completion of the TEC Form 1295.

Energy Boycott. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 13), the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The signatory executing the Contract on behalf of Vendor verifies Vendor does not boycott energy companies and will not boycott energy companies during the term of the Contract. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City determines the requirements of Subsection 2274.002(b) are inconsistent with the City's constitutional or statutory duties related to the issuance, incurrence or management of debt obligations or the deposit, custody, management, borrowing or investment of funds.

Firearms. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 19) the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The signatory executing the Contract on behalf of Vendor verifies Vendor does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City contracts with a sole-source provider or if the City does not receive any bids, if applicable, from a company that is able to provide the required verification.

Critical Infrastructure. In accordance with Chapter 2274, Texas Government Code, the City may not enter into a contract or agreement with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more (1) if the company would be granted direct or remote access to or control of critical infrastructure in Texas, excluding access specifically allowed by the City for product warranty and support purposes and (2) if the City knows the company is (A) owned by or the a majority of stock or other ownership interest of the company is held or controlled by (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country or (ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of such countries, or (B) headquartered in such countries. The signatory executing the Contract on behalf of Vendor represents that neither Vendor nor any of its parent companies, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company of which the City may not contract pursuant to Section 2274.0102, Texas Government Code. The foregoing verification is made solely to comply with Section 2274.0102, Texas Government Code.

Anti-Boycott Israel Verification. *In accordance with Chapter 2270, Texas Government Code, the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.*
The signatory executing the Contract on behalf of Vendor verifies that Vendor and its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent the Contract is a contract for goods or services, will not boycott Israel during the term of the Contract. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The signatory understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit. This section does not apply to a Vendor which is a sole proprietorship and/or which has less than 10 full-time employees. This section does not apply to a contract valued at less than $100,000.

Iran, Sudan, and Foreign Terrorist Organizations. The *signatory executing the Contract on behalf of Vendor* represents that neither Vendor nor any of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the entity and each of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The signatory understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit.

CITY OF WATAUGA, TEXAS

By: ______________________

Name: Joshua Jones

Title: City Manager

Date: ______________________

BURGESS & NIPLE, INC.
Vendor

By: ______________________

Name: Edwin Muccillo

Title: Chairman

Date: October 28, 2022

Transportation Alternatives Set-Aside Project Schedule

PROJECT SPONSOR: *City of Watauga, Texas*
PROJECT NAME: *Hightower Drive: Road Diet and Complete Street*

DIRECTIONS: For TA Set-Aside projects involving construction, enter the number of months in the "Estimated Time" column for the below project development tasks or milestones and color the cells in the project schedule timeline. Add any relevant notes in the text boxes below the schedule to provide background on work completed to date (such as design), or to provide context explaining any unique circumstances impacting the estimated length of time for a particular task or phase.

Work completed prior to STIP approval and execution of an AFA with TxDOT is not eligible for reimbursement.

#	TASK / MILESTONE	Estimated Time (Months)	Responsible Entity	FY 2023									FY 2024											
				DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
	PROJECT INITIATION																							
	Notes : *Local Governments (LG) are responsible for submitting the TIP modification to NCTCOG and contacting TxDOT to execute an agreement.*																							
1	Project Selection (Approval by RTC)	N/A	RTC	1																				
2	Deadline to Add Project to NCTCOG TIP (January 27, 2023)	1	LG		1																			
3	Anticipated STIP Approval (by July 2023)	6	-			1	2	3	4	5	6													
4	Local Government Risk Assessment (Completed after the TIP is approved in July 2023)	3	LG/TxDOT						1	2	3													
5	Project Kick-Off Meeting with TxDOT	1	LG/TxDOT											1										
6	Execute Project Agreement	7	LG/TxDOT						1	2	3	4	5	6	7									
	PRELIMINARY ENGINEERING AND DESIGN																							
	Notes : *TxDOT Districts have different requirements related to reviewing design phase work. Consult with TxDOT staff on District-specific expectations.*																							
7	Submit Schematics (if applicable)	1	LG	1																				
8	Preliminary Engineering	9	LG		1	2	3	4	5	6	7	8	9											
9	Submit 30% Plans for Review	0	LG																					
10	TxDOT Review of 30% Plans	1	TxDOT											1										
11	Prepare then Submit 60% Plans for Review	6	LG												1	2	3	4	5	6				
12	TxDOT Review of 60% Plans	1	TxDOT																		1			
13	Prepare then Submit 95% Plans for Review	4	LG																			1	2	3
14	TxDOT Review of 95% Plans	1	TxDOT																					
15	Prepare then Submit PS&E (100% Plans) and Bid Documents for Approval (Cannot be submitted for review until after executing an AFA with TxDOT)	2	LG																					
16	PS&E Review and Approval	1	TxDOT																					
	ENVIRONMENTAL COMPLIANCE																							
	Notes : *All bicycle/pedestrian projects require some degree of environmental compliance documentation. Environmental compliance phase work can only be completed after Design.*																							
17	Complete TxDOT's Scope Development Tool (Submit at or before Task #9)	3	LG								1	2	3											
18	Resource Agency Review	1	TxDOT											1										
19	Environmental Approval (Submit at least 6 months before desired let date)	6	TxDOT												1	2	3	4	5	6				
	RIGHT OF WAY AND UTILITIES																							
	Notes : *Right of Way and Utilities are not eligible activities for TA Set-Aside funds, but are included in this schedule to identify any necessary phase work.*																							
20	Relocate Incidental Franchise Utilities (if applicable)	12	LG																		1	2	3	4
	CONSTRUCTION																							
	Notes : *To obligate funds for construction, the opening of bids must occur before the end of December 2025).*																							
21	Letter of Authority (FPAA and SLOA)	2	TxDOT																					
22	Project Advertisement (minimum 21 days)	1	LG																					
23	Open Bid	1	LG																					
24	Award Construction Contract (TxDOT Concurrence if LG Let)	1	LG/TxDOT																					
25	Final Inspection & Acceptance of Construction Project	28	LG/TxDOT																					

#	TASK / MILESTONE	FY 2025												FY 2026											
		SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
	PROJECT INITIATION																								
1	Project Selection (Approval by RTC)																								
2	Deadline to Add Project to NCTCOG TIP (January 27, 2023)																								
3	Anticipated STIP Approval (by July 2023)																								
4	Local Government Risk Assessment (Completed after the TIP is approved in July 2023)																								
5	Project Kick-Off Meeting with TxDOT																								
6	Execute Project Agreement																								
	PRELIMINARY ENGINEERING AND DESIGN																								
7	Submit Schematics (if applicable)																								
8	Preliminary Engineering																								
9	Submit 30% Plans for Review																								
10	TxDOT Review of 30% Plans																								
11	Prepare then Submit 60% Plans for Review																								
12	TxDOT Review of 60% Plans																								
13	Prepare then Submit 95% Plans for Review	4																							
14	TxDOT Review of 95% Plans		1																						
15	Prepare then Submit PS&E (100% Plans) and Bid Documents for Approval (Cannot be submitted for review until after executing an AFA with TxDOT)			1	2																				
16	PS&E Review and Approval					1																			
	ENVIRONMENTAL COMPLIANCE																								
17	Complete TxDOT's Scope Development Tool (Submit at or before Task #9)																								
18	Resource Agency Review																								
19	Environmental Approval (Submit at least 6 months before desired let date)																								
	RIGHT OF WAY AND UTILITIES																								
20	Relocate Incidental Franchise Utilities (if applicable)	5	6	7	8	9	10	11	12																
	CONSTRUCTION																								
21	Letter of Authority (FPAA and SLOA)									1	2														
22	Project Advertisement (minimum 21 days)											1													
23	Open Bid												1												
24	Award Construction Contract (TxDOT Concurrence if LG Let)													1											
25	Final Inspection & Acceptance of Construction Project														1	2	3	4	5	6	7	8	9	10	11

#	TASK / MILESTONE	FY 2027												FY 2028											
		SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
	PROJECT INITIATION																								
1	Project Selection (Approval by RTC)																								
2	Deadline to Add Project to NCTCOG TIP (January 27, 2023)																								
3	Anticipated STIP Approval (by July 2023)																								
4	Local Government Risk Assessment (Completed after the TIP is approved in July 2023)																								
5	Project Kick-Off Meeting with TxDOT																								
6	Execute Project Agreement																								
	PRELIMINARY ENGINEERING AND DESIGN																								
7	Submit Schematics (if applicable)																								
8	Preliminary Engineering																								
9	Submit 30% Plans for Review																								
10	TxDOT Review of 30% Plans																								
11	Prepare then Submit 60% Plans for Review																								
12	TxDOT Review of 60% Plans																								
13	Prepare then Submit 95% Plans for Review																								
14	TxDOT Review of 95% Plans																								
15	Prepare then Submit PS&E (100% Plans) and Bid Documents for Approval (Cannot be submitted for review until after executing an AFA with TxDOT)																								
16	PS&E Review and Approval																								
	ENVIRONMENTAL COMPLIANCE																								
17	Complete TxDOT's Scope Development Tool (Submit at or before Task #9)																								
18	Resource Agency Review																								
19	Environmental Approval (Submit at least 6 months before desired let date)																								
	RIGHT OF WAY AND UTILITIES																								
20	Relocate Incidental Franchise Utilities (if applicable)																								
	CONSTRUCTION																								
21	Letter of Authority (FPAA and SLOA)																								
22	Project Advertisement (minimum 21 days)																								
23	Open Bid																								
24	Award Construction Contract (TxDOT Concurrence if LG Let)																								
25	Final Inspection & Acceptance of Construction Project	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28							

DEADLINE FOR PROJECT SPONSORS TO EXECUTE AGREEMENTS WITH TxDOT (DECEMBER 2023)

DEADLINE FOR PROJECT SPONSORS TO OPEN BIDS AND OBLIGATE FUNDS (DECEMBER 2025) (CONSTRUCTION MAY OCCUR IN FY '26)

Notes:

An unrealistic project schedule requiring a TIP modification adds four to five months to the project schedule, potentially causing TA Set-Aside funds to lapse.
Additional project tasks or milestones can be added to the project schedule if necessary.

Additional Project Phase Details:

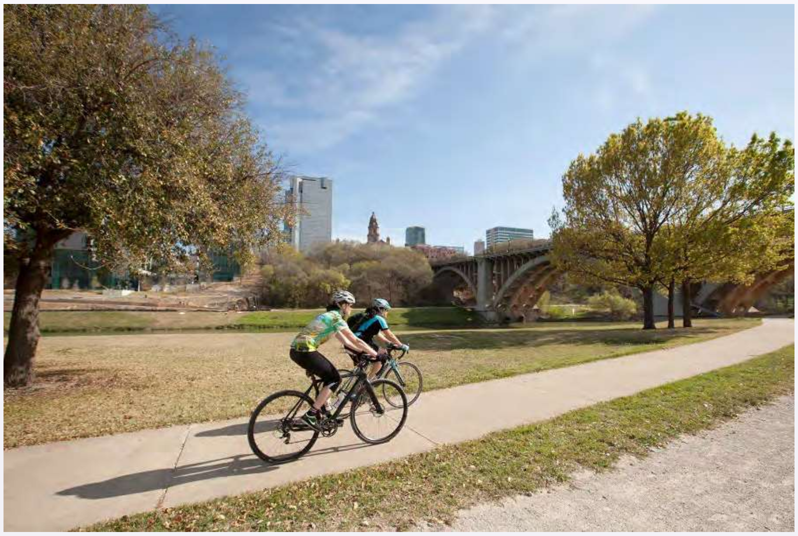
In the boxes below, elaborate on details related to each phase of work completed on the project to date (such as design), or to provide context explaining any unique circumstances impacting the estimated length of time for a particular task or phase. (limited to 500 characters including spaces per box)

PROJECT INITIATION	*PRELIMINARY ENGINEERING AND DESIGN*	*ENVIRONMENTAL COMPLIANCE*	*RIGHT OF WAY AND UTILITIES*	*CONSTRUCTION*
	Consultant selected and schematics prepared, pending final approval.			

North Central Texas
Council of Governments

2022 TRANSPORTATION ALTERNATIVES SET-ASIDE CALL FOR PROJECTS FOR NORTH CENTRAL TEXAS REGION

ACTIVE TRANSPORTATION APPLICATION



Project Sponsor: City of Watauga, Texas

Project Title: Hightower Drive: Road Diet & Complete Street

Applications due: September 9, 2022, by 5:00PM

IMPORTANT: Federal Bipartisan Infrastructure Law (BIL) funds has very specific requirements for grants management along with detailed reporting. If you are unfamiliar with Federal regulations and grant requirements, or have not received federal funds administered by TxDOT in the past, please review the documents associated with this Call for Projects to determine if your agency is willing, and has the institutional capacity, to comply with the required terms and conditions.

North Central Texas Council Of Governments

Acknowledgement of Receipt of Call for Projects

2022 Transportation Alternatives Set-Aside Call for Projects

Received From: City of Watauga
(City/Agency Name)

Date/Time Received: 09-09-22A10:07 RCVD

Received by: Barbara Walsh
Staff Name

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2022-945343

Date Filed:
10/17/2022

Date Acknowledged:
11-3-2022

1 **Name of business entity filing form, and the city, state and country of the business entity's place of business.**

Burgess & Niple, Inc.
Columbus, OH United States

2 **Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

Watauga, TX

3 **Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**

Hightower Drive Concept Design
Professional Engineering Services

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Cook, Joshua	Indianapolis, IN United States	X	
Cameruca, Roberta	Columbus, OH United States	X	
Bernhardt, Mark	Columbus, OH United States	X	
Arnold, Don	Cincinnati, OH United States	X	
Sponaugle, Kenneth	Cincinnati, OH United States	X	
Perfater, Scott	Orlando, FL United States	X	
Pagnard, Jason	Tempe, AZ United States	X	
Muccillo, Edwin	Tempe, AZ United States	X	
Hutson, Mark	Painesville, OH United States	X	

5 **Check only if there is NO Interested Party.** ☐

6 **UNSWORN DECLARATION**

My name is William D. Wendland, and my date of birth is 4/23/1962.

My address is 3950 Fossil Creek Blvd, Suite 210 (street), Fort Worth (city), TX (state), 76137 (zip code), USA (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Tarrant County, State of Texas, on the 17 day of October (month), 2022 (year).

William D. Wendland

Signature of authorized agent of contracting business entity
(Declarant)

WATAUGA
TEXAS
“A GREAT PLACE TO LIVE”

AGENDA MEMORANDUM

DATE: October 24, 2022

TO: Honorable City Council Members

FROM: Paul Hackleman, Director of Public Works

THROUGH: Joshua Jones, City Manager

SUBJECT: Consider action to approve a Professional Services Agreement between the City of Watauga and Burgess & Niple, Inc. for General Engineering Services

---

BACKGROUND/INFORMATION:

The City of Watauga wishes to enter into a General Services Agreement with Burgess & Niple Inc. for professional services to provide general engineering services on an as-needed basis. This includes general municipal engineering tasks such as, but not limited to, development plan reviews, GIS map preparation, traffic studies, ordinance review, standard detail review and preparation.

FINANCIAL IMPLICATIONS:

Funds are budgeted in the FY 2022-23 Council adopted budget.

RECOMMENDATION/ACTION DESIRED:

Respectfully recommend the Council review and take action on the item presented.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Agreement - General Engineering Services FY22-23 - B&N
2. 1295 Burgess & Niple
3. Exhibit B Purchasing Rider

REVIEWED BY:

Paul Hackleman, Director of Public Works	Approved - 10/27/2022
David Berman, City Attorney	Approved - 10/27/2022
Deby Woodard, Assistant Director of Finance	Approved - 10/27/2022
Sandra Gibson, Director of Finance	Approved - 10/28/2022
Joshua Jones, City Manager	Approved - 10/28/2022
Linda Proskey, City Secretary	Final Approval - 10/28/2022

Approved as to form for inclusion on Agenda

BURGESS & NIPLE

3950 Fossil Creek Blvd., Suite 210 | Fort Worth, TX 76137 | 817.306.1444

October 26, 2022

Paul Hackleman, P.E.
Public Works Director
City of Watauga, Texas
7800 Virgil Anthony Blvd.
Watauga, Texas 76148

Reference: General Engineering Services Fiscal Year 2022-2023
Professional Engineering Services Agreement

Dear Mr. Hackleman:

Burgess & Niple (B&N) is pleased to submit this Agreement for Professional Engineering Services to provide General Engineering Services for Fiscal Year 2022-2023. Attached is the Agreement, which is prepared for the City Manager's signature.

Thank you for the opportunity to serve the City of Watauga.

Respectfully submitted,
BURGESS & NIPLE
TBPELS FIRM REGISTRATION NO. F-10834

William D. Wendland

William D. Wendland, P.E.
Associate
Director, Fort Worth Public Sector

Attachment

AGREEMENT BETWEEN
CITY OF WATAUGA, TEXAS
AND
BURGESS & NIPLE, INC.
FOR PROFESSIONAL ENGINEERING SERVICES

THIS IS AN AGREEMENT EFFECTIVE AS OF ________________________ ("Effective Date") between CITY OF WATAUGA, TEXAS ("CLIENT") and Burgess & Niple, Inc. ("ENGINEER"). ENGINEER agrees to provide the services described below to CLIENT for General Engineering Services Fiscal Year 2022-2023 ("ASSIGNMENT").

Client Legal Name: City of Watauga, Texas

Street Address:7105 Whitley Road

City: Watauga State: Texas Zip Code: 76148

Contact Person: Paul Hackleman, P.E., Public Works Director

Phone: (817) 514-5837 Fax:(817) 514-5854

☐ Corporation	☐ Partnership	☐ Sole Proprietor
☒ Public Agency	☐ Individual	☐ Limited Liability Company (LLC)

The ASSIGNMENT

The CLIENT desires the ENGINEER to perform small engineering tasks during the Fiscal Year 2022-2023 The ASSIGNMENT is described as follows:

SCOPE OF SERVICES

ENGINEER will perform, in cooperation with the CLIENT, small engineering tasks at the direction of the Public Works Director on a case-by-case basis. This includes general municipal engineering tasks such as, but not limited to, development plan reviews, GIS map preparation, traffic studies, ordinance review, standard detail review and preparation. ENGINEER shall provide the services to CLIENT described in accordance with the terms and conditions of this Agreement. This Agreement shall include this Agreement form, Exhibit A – Hourly Fee Schedule and Exhibit B – Governmental Contract and Purchasing Rider.

ASSIGNMENT START

CLIENT shall execute two copies of the Agreement. A signed original of the Agreement returned to the office indicated will consummate our Agreement and serve as authorization for ENGINEER to proceed with the services. The person signing this contract warrants that he or she has the authority to sign as or on behalf of the CLIENT for whom or for whose benefit ENGINEER'S services are rendered. This Agreement may be executed by a facsimile signature that, when so executed, shall be deemed to be an original of the same Agreement.

TIME FOR COMPLETION

Engineer shall complete its obligations within a reasonable time. All services are to be completed by September 30, 2023 and is hereby agreed to be reasonable. If, through no fault of Engineer, such periods of time or dates are changed, or the orderly and continuous progress of Engineer's services is impaired, or Engineer's services are delayed or suspended, then the time for completion of Engineer's services, and the rates and amounts of Engineer's compensation, shall be adjusted equitably. If CLIENT authorizes changes in the scope, extent, or character of the ASSIGNMENT or Engineer's services, then the time for completion of Engineer's services, and the rates and amounts of Engineer's compensation, shall be adjusted equitably. CLIENT shall make decisions and carry out its other responsibilities in a timely manner so as not to delay the Engineer's performance of its services. If Engineer fails, through its own fault, to complete the performance required in this Agreement within the time set forth, as duly adjusted, then CLIENT shall be entitled, as its sole remedy, to the recovery of direct damages, if any, resulting from such failure.

CLIENT and ENGINEER further agree as follows:

1.01 Basic Agreement

A. ENGINEER shall provide, or cause to be provided, the services set forth in this Agreement and CLIENT shall pay ENGINEER for such Services as set forth in Paragraph 10.01.

B. The CLIENT and the ENGINEER understand, acknowledge, and agree that the ENGINEER shall be acting as an independent contractor at all times during the performance of this agreement and no provision or obligation expressed or implied in this agreement shall create an employment, agency, or fiduciary relationship.

2.01 Payment Procedures

A. ENGINEER will prepare a monthly invoice in accordance with ENGINEER'S standard invoicing practices and submit the invoice to CLIENT.

B. CLIENT will pay ENGINEER'S monthly invoices in accordance with Texas Government Code Title 10. General Government; Subtitle F. State and Local Contracts and Fund Management, Chapter 2251. Payment for Goods and Services.

C. If CLIENT does not give ENGINEER written notice disputing an invoice within thirty (30) days of the date thereof, the invoice shall conclusively be deemed correct. All payments made by CLIENT should specify the invoice numbers being paid. If payments are received that do not specify the invoices being paid, ENGINEER may, at its sole discretion, apply payments against outstanding interest or invoices.

D. In the event sales tax is imposed on professional services, CLIENT shall be responsible for this additional cost.

E. ENGINEER shall not be required to release its files or work product to the CLIENT or to any other party until such time as ENGINEER receives full payment for all services rendered, including reimbursable expenses and interest incurred under the Agreement.

3.01 Additional Services

A. If authorized by CLIENT, or if required because of changes in the ASSIGNMENT, ENGINEER shall furnish services in addition to those set forth above.

B. CLIENT shall pay ENGINEER for such additional services an amount equal to the cumulative hours charged to providing the Additional Services under the Assignment by each class of ENGINEER'S employees, times standard hourly rates for each applicable billing class; plus reimbursable expenses and ENGINEER'S Consultants' charges, if any or at established Unit Costs. ENGINEER'S standard hourly rates, reimbursable expenses schedule, and applicable unit cost items are set forth in Exhibit A. Additional Services require written authorization by CLIENT prior to performance of such services.

4.01 Termination

A. The Agreement may be terminated with or without cause by either party on thirty (30) days' written notice, the end of such notice period being the effective date of termination. CLIENT shall pay ENGINEER in accordance with the Agreement for all services performed and reimbursable expenses incurred through the effective date of termination.

5.01 Controlling Law

A. This Agreement is to be governed by the laws of the State of Texas. Each party consents to and submits itself to jurisdiction of the courts of the State of Texas, and to venue in Tarrant County, Texas.

B. For claims, disputes, or other matters in question between the parties to the Agreement arising out of or relating to the Agreement or breach thereof, the parties shall endeavor to settle these matters by mediation in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect, unless the parties mutually agree otherwise. Demand for mediation shall be filed in writing with the other party to the Agreement and with the American Arbitration Association. A demand for mediation shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen.

6.01 Successors, Assigns, and Beneficiaries

A. CLIENT and ENGINEER each is hereby bound and the partners, successors, executors, administrators, and legal representatives of CLIENT and ENGINEER (and to the extent permitted by paragraph 6.01.B the assigns of CLIENT and ENGINEER) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all agreements and obligations of this Agreement.

B. Neither CLIENT nor ENGINEER may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

C. Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or ENGINEER.

7.01 General Considerations

A. The standard of care for all professional engineering and related services performed or furnished by ENGINEER under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. ENGINEER makes no warranties, express or implied, under this Agreement or otherwise, in connection with ENGINEER'S services and all warranties are specifically disclaimed, including warranties of merchantability and fitness for a particular purpose. ENGINEER may employ consultants as ENGINEER deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by the CLIENT. ENGINEER is responsible for the work product of such consultants employed by ENGINEER.

B. Upon payment in full for completed services, original documents, plans, designs, and survey notes developed in connection with services performed hereunder belong to and remain the property of the CLIENT in consideration of which it is mutually agreed that the CLIENT will use them solely in connection with the Assignment, save with the express consent of the ENGINEER. The ENGINEER may retain reproducible copies of such documents.

C. ENGINEER shall not at any time supervise, direct, or have control over any work by CLIENT'S contractors, nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor engaged by the CLIENT, for safety precautions and programs incident to the work progress of a CLIENT'S contractor, nor for any failure of any contractor engaged by CLIENT to comply with laws and regulations applicable to such contractor's work.

D. ENGINEER neither guarantees the performance of any contractor engaged by the CLIENT nor assumes responsibility for any such contractor's failure to furnish and perform its work in accordance with the contract between CLIENT and such contractor.

E. ENGINEER shall not be responsible for the acts or omissions of any CLIENT-engaged contractor, subcontractor, or supplier, or of any CLIENT-engaged contractor's agents or employees or any other persons (except ENGINEER'S own employees) at the ASSIGNMENT site or otherwise furnishing or performing any of construction work; or for any decision made on interpretations or clarifications of the construction contract given by CLIENT.

F. The general conditions for any construction contract documents prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by the ENGINEER'S Joint Contract Documents Committee (No. C-700, 2007 Edition).

G. ENGINEER SHALL INDEMNIFY AND HOLD HARMLESS CLIENT FOR CLAIMS, DAMAGES, LIABILITIES AND LOSSES (INCLUDING ATTORNEY'S FEES AND COSTS) IF AND TO THE EXTENT THAT SUCH CLAIM, DAMAGE, LIABILITY OR LOSS IS CAUSED BY OR RESULTS FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER BY ENGINEER, ENGINEER'S AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH ENGINEER EXERCISES CONTROL; PROVIDED HOWEVER THAT ENGINEER'S LIABILITY SHALL NOT EXCEED THE INSURANCE COVERAGE LIMITS SET FORTH IN SUBSECTION (H) OF THIS SECTION.

H. The Professional shall obtain and maintain, throughout the term of the Agreement, insurance of the types and in the minimum amounts set forth below.

1. Workers' Compensation insurance in accordance with the laws of the State of Texas, or state of hire/location of Services, and Employer's Liability coverage with a limit of not less than $500,000 each employee for Occupational Disease; $500,000 policy limit for Occupational Disease; and Employer's Liability of $500,000 each accident.

2. Business Automobile Liability coverage applying to owned, non-owned and hired automobiles with limits not less than $1,000,000 each occurrence combined single limit for Bodily Injury and Property Damage combined.

3. Professional Liability / Errors and Omissions insurance with limits of not less than:

• $2,000,000	Annual aggregate and limit per claim;
• $5,000,000	Excess/Umbrella liability per occurrence with drop down coverage.

I. In the event that ENGINEER undertakes to provide construction cost estimation services, the following shall apply. Evaluation of the CLIENT'S ASSIGNMENT budget, preliminary estimates of construction costs, and detailed estimates of construction costs (if any), or any portion thereof prepared by ENGINEER represent ENGINEER'S judgment, based upon the information provided to ENGINEER at the time of evaluation or preparation, as a design professional familiar with the construction industry. It is recognized, however, that neither ENGINEER nor the CLIENT has control over the cost of labor, materials, or equipment, over a contractor's methods of determining bid prices, or over competitive bidding, market, or negotiating conditions. Accordingly, ENGINEER does not have any responsibility in the event that bids or negotiated prices vary from the CLIENT'S ASSIGNMENT budget or from any estimate or construction cost or evaluation prepared or agreed to by ENGINEER.

J. The parties acknowledge that ENGINEER'S scope of services does not include any services related to a Hazardous Environmental Condition (the presence of asbestos, PCBs, petroleum, hazardous substances or waste, and radioactive materials). If ENGINEER or any other party encounters a Hazardous Environmental Condition, ENGINEER may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the ASSIGNMENT affected thereby until CLIENT: (i) retains appropriate specialist consultants or contractors to identify and, as appropriate, abate, remediate, or remove the Hazardous Environmental Condition; and (ii) warrants that the site is in full compliance with applicable Laws and Regulations.

K. The parties acknowledge that ENGINEER'S scope of services does not include any services specifically not included within ENGINEER'S Scope of Service

L. The parties acknowledge that ENGINEER'S Scope of Services is based upon the ordinance, criteria and/or policies and procedures currently in effect in the City of Watauga, Texas, as reasonably interpreted. Any revisions to these policies could impact the proposed civil engineering services and therefore necessitate an appropriate adjustment in the above fees.

M. With the execution of this Agreement, ENGINEER and CLIENT shall designate specific individuals to act as ENGINEER'S and CLIENT'S representatives with respect to the Assignment and the responsibilities of the CLIENT under the Agreement. Such an individual shall have the authority to transmit instructions, receive information, and render decisions relative to the Assignment on behalf of the respective party whom the individual represents.

N. ENGINEER verifies that it does not Boycott Israel, and agrees that during the term of this Contract will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended. For purposes of this verification, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

O. ENGINEER represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the entity and each of its parent companies, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The signatory understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit.

P. ENGINEER verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended. This section does not apply if ENGINEER is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) ENGINEER has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement.

Q. ENGINEER verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (ii) will not discriminate during the term of the contract against a firearm entity or firearm trade association. This section only applies if: (i) ENGINEER has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement. However, this prohibition does not apply: (i) if ENGINEER is a sole proprietor, a non-profit entity, or a governmental entity; (ii) to a contract with a sole-source provider; or (iii) to a contract for which none of the bids from a company were able to provide the required certification.

8.01 Total Agreement

A. This Agreement (consisting of pages 1 to 14, inclusive), together with Exhibit A and Exhibit B, constitutes the entire agreement between CLIENT and ENGINEER for the provisions of General Engineering Services Fiscal Year 2022-2023 and supersedes all prior written or oral understandings for the provision of General Engineering Services Fiscal Year 2022-2023. All project-specific contracts between CLIENT and ENGINEER shall remain in full force and effect until terminated as provided therein. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument. No provision in any invoice, statement or billing instrument shall waive or modify any provision of this Agreement if in conflict.

9.01 Severability

A. If any part, term, or provision of the Agreement is held to be illegal or unenforceable, the validity and enforceability of the remaining parts, terms, and provisions of the Agreement shall not be affected, and the rights of the ENGINEER and CLIENT shall be construed and enforced as if the Agreement did not contain the illegal or unenforceable part, term, or provision.

10.01 Payment for Scope of Services (Maximum Sum Basis)

A. Using the procedures set forth in paragraph 2.01, CLIENT shall pay ENGINEER for Scope of Services as follows:

1. An amount equal to the cumulative hours charged to the ASSIGNMENT by each class of ENGINEER'S employees times standard hourly rates for each applicable billing class for all services performed on the ASSIGNMENT, plus reimbursable expenses and ENGINEER'S consultants' charges, if any.

2. ENGINEER'S Standard Hourly rates are attached as Exhibit A.

3. The total compensation for services and reimbursable expenses is estimated to not exceed Thirty Thousand Dollars and No Cents ($30,000.00).

4. The Maximum Sum includes compensation for Engineer's services and services of Engineer's Consultants, if any. Appropriate amounts have been incorporated in the Maximum Sum to account for labor costs, overhead, profit, expenses (other than any expressly allowed Reimbursable Expenses), and Consultant charges.

5. The portion of the compensation amount billed monthly for ENGINEER'S services will be based upon ENGINEER'S estimate of the percentage of the Maximum Sum Items and Unit Cost Items actually completed during the billing period. The compensation amount stipulated is conditioned on a period of service ending by September 30, 2023. If such end date is extended, the compensation amount for Engineer's services shall be appropriately adjusted.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

CLIENT: **City of Watauga, Texas**

By:
Joshua Jones

Title: City Manager

Date Signed:

Address for giving notices:

7105 Whitley Road

Watauga, TX 76148

Designated Representative (Paragraph 7.01 M.):

Name: Paul Hackleman, P.E.

Title: Public Works Director

Phone Number: (817) 514-5837

Facsimile Number: (817) 514-5854

Email Address: PHackleman@wataugatx.org

ENGINEER: **Burgess & Niple, Inc.**

By: William D. Wendland
William D. Wendland, P.E.

Title: Vice President

Date Signed: October 26, 2022

Address for giving notices:

3950 Fossil Creek Blvd., Suite 210

Fort Worth, Texas 76137

Address for remitting invoices:

Attention: Burgess & Niple, Inc. – Accounting Department

330 Rush Alley, Suite 700

Columbus, Ohio 43215

Designated Representative (Paragraph 7.01 M.):

Name: William Wendland, P.E.

Title: Director, Fort Worth Public Sector

Phone Number: (817) 306-1444, x6105

Facsimile Number: (817) 306-1555

Email Address: billy.wendland@burgessniple.com

EXHIBIT A
PROFESSIONAL ENGINEERING SERVICES
HOURLY FEE SCHEDULE

Description	Hourly Rate* Min. - Max.
Principal/Associate	$170 - $300
Senior Project Manager	$130 - $275
Project Manager	$130 - $230
Project Engineer	$100 - $200
Graduate Engineer	$90 - $150
Senior Technician	$100 - $190
Technician	$70 - $150
Administrative	$70 - $125
Direct Expenses	Cost + 0%
Local Travel (Auto mileage)	Current IRS Allowable Rate + 0%
Subcontract Work	Cost + 0%

*Actual hourly rates are based upon experience level and expertise

EXHIBIT B

GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS

By submitting a response to a solicitation or bid, or by entering into a contract for goods or services and/or by accepting a purchase order, the contractor, consultant or vendor, identified below, agrees that the below terms and conditions shall govern all agreements with the City unless otherwise agreed to by **a specifically executed provision** within the contract or purchase order, provided same is permissible by law. Absent a specifically executed provision, the below terms are BINDING and SUPERSEDE any and all other terms and/or conditions whether oral or written.

Application. This GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS ("Governmental Rider") applies to, is part of, and takes precedence over any conflicting provision in or attachment to the Response to Solicitation or Bid, Contract or Purchase Order, as applicable, ("Contract") (attached hereto) of Burgess & Niple, ("Vendor"). The Contact involved in this Governmental Rider is described as follows:

General Engineering Services Fiscal Year 2022-2023

Payment Provisions. The City's payments under the Contract, including the time of payment and the payment of interest on overdue amounts, are subject to Chapter 2251, Texas Government Code. The City reserves the right to modify any amount due to Vendor presented by invoice to the City if necessary to conform the amount to the terms of the contract.

Multiyear Contracts. If the City's City Council does not appropriate funds to make any payment for a fiscal year after the City's fiscal year in which the contract becomes effective and there are no proceeds available for payment from the sale of bonds or other debt instruments, then the Contract automatically terminates at the beginning of the first day of the successive fiscal year. (Section 5, Article XI, Texas Constitution). It is understood and agreed the City shall have the right to terminate the Contract at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to continue the contract, as determined by the City's budget for the fiscal year in question. The City may execute such termination by giving Vendor a written notice of termination at the end of its then current fiscal year.

Local Preference. The City Council supports the local preference option for purchasing. In accordance with Chapter 271.9051 of the State of Texas Local Government Code, the City Council may choose to award a competitive bid to a bidder whose principal place of business is in the City limits, provided that this bid is within 5% of the lowest bid price received, provided such action is not prohibited by law. The City determines that any such local bidder offers the City the best combination of contract price and additional economic development opportunities.

No Ex-Parte Communications during Competitive Bidding Period. To insure the proper and fair evaluation of a response, the City prohibits ex parte communication initiated by the proposed Vendor to a City official or employee evaluating or considering the responses prior to the time a

formal decision has been made. Questions and other communication from vendors will be permissible until 5:00 pm on the day specified as the deadline for questions. Any communication between the proposed Vendor and the City after the deadline for questions will be initiated by the appropriate City official or employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the response. Ex parte communication may be grounds for disqualifying the offending Vendor from consideration or award of the solicitation then in evaluation, or any future solicitation.

Abandonment or Default. A Vendor who abandons or defaults the work on the contract and causes the City to purchase goods, materials or services elsewhere may be charged for any increased cost of goods, materials and/or services related thereto; may be considered disqualified in any re-advertisement of the service; and may not be considered in future bids for the same type of work for a period of three years for the same scope of work, goods, or services.

Disclosure of Litigation. Each prospective Vendor shall include in its proposal a complete disclosure of any civil or criminal litigation or investigation pending which involves the Vendor or which has occurred in the past in which the Vendor has been judged guilty or liable by a competent court regardless of whether the Court Order or Judgment is final or on appeal.

Cancellation. the City reserves the right to cancel the contract without penalty by providing 30 days prior written notice to the Vendor. Termination under this paragraph shall not relieve the Vendor of any obligation or liability that has occurred prior to cancellation. **NOTE: This contract is subject to cancellation, without penalty, at any time the City deems the vendor to be non-compliant with contractual obligations.**

Annual Vendor Performance Review. The City reserves the right to review the Vendor’s performance at the end of each twelve-month contract period and to cancel all or part of the Contract (without penalty) or continue the contract through the next period.

Compliance with other laws and certification of eligibility to contract. Any offer to contract with the City shall be considered an executed certification that the Vendor will comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, (as amended during the contracting period) and any orders and decrees of any court, administrative bodies or tribunals in any matter affecting the performance of the Contract, including without limitation, immigration laws, workers’ compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations.

Compliance with all Codes, Permitting and Licensing Requirements. The successful Vendor shall comply with all national, state, and local laws and regulations as well as those of any other authorities that have jurisdiction pertaining to equipment and materials used and their application. None of the terms or provisions of the specification shall be construed as waiving any rules, regulations, or requirements of these authorities. The successful Vendor shall be responsible for obtaining all necessary permits, certificates and/or licenses to fulfill contractual obligations.

Liability and Indemnity of City. Any provision of the Contract is void and unenforceable if it: (1) limits or releases either party from liability that would exist by law in the absence of the provision; (2) creates liability for either party that would not exist by law in the absence of the

provision; or (3) waives or limits either party's rights, defenses, remedies, or immunities that would exist by law in the absence of the provision. (Section 5, Article XI, Texas Constitution)

Indemnity and Independent Vendor Status of Vendor. Vendor shall indemnify, save harmless and defend the City, its officers, agents, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorney's fees and any and all other costs or fees (whether grounded in Constitutional law, Tort, Contract, or Property Law, or raised pursuant to local, state or federal statutory provision), arising out of the performance of the Contract and/or arising out of a willful or negligent act or omission of the Vendor its officers, agents, and employees. It is understood and agreed that the Vendor and any employee or sub-contractor of Vendor shall not be considered an employee of the City. The Vendor shall not be within protection or coverage of the City's workers' compensation insurance, health insurance, liability insurance or any other insurance that the City from time to time may have in force and effect. City specifically reserves the right to reject any and all Vendor's employees, representatives, or sub-contractors and/or their employees for any cause, should the presence of any such person on City property or their interaction with City employees be found not in the best interest of the City or is found to interfere with the effective and efficient operation of the City's workplace.

Liens. Vendor agrees to and shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under the Contract. At the City's request the Vendor shall provide and shall cause all subcontractors to provide a proper release of all liens, or satisfactory evidence of freedom from liens shall be delivered to the City.

Confidentiality. Any provision in the Contract that attempts to prevent the City's disclosure of information that is subject to public disclosure under federal or Texas law is invalid. (Chapter 552, Texas Government Code).

Tax Exemption. The City is not liable to Vendor for any federal, state, or local taxes for which the City is not liable by law, including state and local sales and use taxes (Section 151.309 and Title 3, Texas Tax Code) and federal excise tax (Subtitle D of the Internal Revenue Code). Accordingly, those taxes may not be added to any item. Texas limited sales tax exemption certificates will be furnished upon request. Vendors shall not charge for said taxes. If billed, the City will remit payment less sales tax.

Contractual Limitations Period. Any provision of the Contract that establishes a limitations period that does not run against the City by law or that is shorter than two years is void. (Sections 16.061 and 16.070, Texas Civil Practice and Remedies Code)

Sovereign Immunity. Any provision of the Contract that seeks to waive the City's immunity from suit and/or immunity from liability is void unless agreed to by specific acknowledgement of the provision within the contract.

Governing Law and Venue. Texas law governs this Contract and any lawsuit on this Contract must be filed in a court that has jurisdiction in Tarrant County, Texas.

Right to trial by Jury. Any provision of the Contract that seeks to waive an aggrieved Party's right to trial by jury is void unless agreed to by specific acknowledgement of the provision within the contract.

Certificate of Interested Parties (TEC Form 1295). For contracts that require City Council approval or that is for services that would require a person to register as a lobbyist under Chapter 305 of the Government Code, the City may not accept or enter into a contract until it has received from the Vendor a completed and signed Texas Ethics Commission (TEC) Form 1295 complete with a certificate number assigned by the (TEC), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The Vendor understands that failure to provide said form complete with a certificate number assigned by the TEC may prohibit the City from entering the Contract.

Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, signed and provided to the City. The TEC Form 1295 may accompany the bid or may be submitted separately but must be provided to the City prior to the award of the contract. Neither the City nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any potential Vendor with respect to the proper completion of the TEC Form 1295.

Energy Boycott. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 13), the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The signatory executing the Contract on behalf of Vendor verifies Vendor does not boycott energy companies and will not boycott energy companies during the term of the Contract. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City determines the requirements of Subsection 2274.002(b) are inconsistent with the City's constitutional or statutory duties related to the issuance, incurrence or management of debt obligations or the deposit, custody, management, borrowing or investment of funds.

Firearms. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 19) the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The signatory executing the Contract on behalf of Vendor verifies Vendor does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City contracts with a sole-source provider or if the City does not receive any bids, if applicable, from a company that is able to provide the required verification.

Critical Infrastructure. In accordance with Chapter 2274, Texas Government Code, the City may not enter into a contract or agreement with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more (1) if the company would be granted direct or remote access to or control of critical infrastructure in Texas, excluding access specifically allowed by the City for product warranty and support purposes and (2) if the City knows the company is (A) owned by or the a majority of stock or other ownership interest of the company is held or controlled by (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country or (ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of such countries, or (B) headquartered in such countries. The signatory executing the Contract on behalf of Vendor represents that neither Vendor nor any of its parent companies, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company of which the City may not contract pursuant to Section 2274.0102, Texas Government Code. The foregoing verification is made solely to comply with Section 2274.0102, Texas Government Code.

Anti-Boycott Israel Verification. *In accordance with Chapter 2270, Texas Government Code, the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.*
The signatory executing the Contract on behalf of Vendor verifies that Vendor and its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent the Contract is a contract for goods or services, will not boycott Israel during the term of the Contract. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The signatory understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit. This section does not apply to a Vendor which is a sole proprietorship and/or which has less than 10 full-time employees. This section does not apply to a contract valued at less than $100,000.

Iran, Sudan, and Foreign Terrorist Organizations. The *signatory executing the Contract on behalf of Vendor* represents that neither Vendor nor any of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the entity and each of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The signatory understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit.

CITY OF WATAUGA, TEXAS	BURGESS & NIPLE, INC. Vendor
By: ______________________	By: William D. Wendland
Name: Joshua Jones	Name: William D. Wendland, P.E.
Title: City Manager	Title: Vice President
Date: ______________________	Date: October 26, 2022

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2022-947976

Date Filed:
10/24/2022

Date Acknowledged:
10-24-22

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Burgess & Niple, Inc.
Columbus, OH United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Watauga, TX

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

Gen. Engrg Svcs FY 2022-2023
Professional Engineering Services

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Sponaugle, Kenneth	Cincinnati, OH United States	X	
Perfater, Scott	Orlando, FL United States	X	
Pagnard, Jason	Tempe, AZ United States	X	
Muccillo, Edwin	Tempe, AZ United States	X	
Hutson, Mark	Painesville, OH United States	X	
Cook, Joshua	Indianapolis, IN United States	X	
Cameruca, Roberta	Columbus, OH United States	X	
Bernhardt, Mark	Columbus, OH United States	X	
Arnold, Don	Cincinnati, OH United States	X	

5 Check only if there is NO Interested Party. ☐

6 UNSWORN DECLARATION

My name is William D. Wendland, and my date of birth is 4/23/1962.

My address is 3950 Fossil Creek Blvd, Suite 210, Fort Worth, TX, 76137, USA.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Tarrant County, State of Texas, on the 24 day of October, 2022.
(month) (year)

William D. Wendland

Signature of authorized agent of contracting business entity
(Declarant)

EXHIBIT B

GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS

By submitting a response to a solicitation or bid, or by entering into a contract for goods or services and/or by accepting a purchase order, the contractor, consultant or vendor, identified below, agrees that the below terms and conditions shall govern all agreements with the City unless otherwise agreed to by **a specifically executed provision** within the contract or purchase order, provided same is permissible by law. Absent a specifically executed provision, the below terms are BINDING and SUPERSEDE any and all other terms and/or conditions whether oral or written.

Application. This GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF WATAUGA, TEXAS ("Governmental Rider") applies to, is part of, and takes precedence over any conflicting provision in or attachment to the Response to Solicitation or Bid, Contract or Purchase Order, as applicable, ("Contract") (attached hereto) of Burgess & Niple, ("Vendor"). The Contact involved in this Governmental Rider is described as follows:

General Engineering Services Fiscal Year 2022-2023

Payment Provisions. The City's payments under the Contract, including the time of payment and the payment of interest on overdue amounts, are subject to Chapter 2251, Texas Government Code. The City reserves the right to modify any amount due to Vendor presented by invoice to the City if necessary to conform the amount to the terms of the contract.

Multiyear Contracts. If the City's City Council does not appropriate funds to make any payment for a fiscal year after the City's fiscal year in which the contract becomes effective and there are no proceeds available for payment from the sale of bonds or other debt instruments, then the Contract automatically terminates at the beginning of the first day of the successive fiscal year. (Section 5, Article XI, Texas Constitution). It is understood and agreed the City shall have the right to terminate the Contract at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to continue the contract, as determined by the City's budget for the fiscal year in question. The City may execute such termination by giving Vendor a written notice of termination at the end of its then current fiscal year.

Local Preference. The City Council supports the local preference option for purchasing. In accordance with Chapter 271.9051 of the State of Texas Local Government Code, the City Council may choose to award a competitive bid to a bidder whose principal place of business is in the City limits, provided that this bid is within 5% of the lowest bid price received, provided such action is not prohibited by law. The City determines that any such local bidder offers the City the best combination of contract price and additional economic development opportunities.

No Ex-Parte Communications during Competitive Bidding Period. To insure the proper and fair evaluation of a response, the City prohibits ex parte communication initiated by the proposed Vendor to a City official or employee evaluating or considering the responses prior to the time a

formal decision has been made. Questions and other communication from vendors will be permissible until 5:00 pm on the day specified as the deadline for questions. Any communication between the proposed Vendor and the City after the deadline for questions will be initiated by the appropriate City official or employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the response. Ex parte communication may be grounds for disqualifying the offending Vendor from consideration or award of the solicitation then in evaluation, or any future solicitation.

Abandonment or Default. A Vendor who abandons or defaults the work on the contract and causes the City to purchase goods, materials or services elsewhere may be charged for any increased cost of goods, materials and/or services related thereto; may be considered disqualified in any re-advertisement of the service; and may not be considered in future bids for the same type of work for a period of three years for the same scope of work, goods, or services.

Disclosure of Litigation. Each prospective Vendor shall include in its proposal a complete disclosure of any civil or criminal litigation or investigation pending which involves the Vendor or which has occurred in the past in which the Vendor has been judged guilty or liable by a competent court regardless of whether the Court Order or Judgment is final or on appeal.

Cancellation. the City reserves the right to cancel the contract without penalty by providing 30 days prior written notice to the Vendor. Termination under this paragraph shall not relieve the Vendor of any obligation or liability that has occurred prior to cancellation. **NOTE: This contract is subject to cancellation, without penalty, at any time the City deems the vendor to be non-compliant with contractual obligations.**

Annual Vendor Performance Review. The City reserves the right to review the Vendor's performance at the end of each twelve-month contract period and to cancel all or part of the Contract (without penalty) or continue the contract through the next period.

Compliance with other laws and certification of eligibility to contract. Any offer to contract with the City shall be considered an executed certification that the Vendor will comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, (as amended during the contracting period) and any orders and decrees of any court, administrative bodies or tribunals in any matter affecting the performance of the Contract, including without limitation, immigration laws, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations.

Compliance with all Codes, Permitting and Licensing Requirements. The successful Vendor shall comply with all national, state, and local laws and regulations as well as those of any other authorities that have jurisdiction pertaining to equipment and materials used and their application. None of the terms or provisions of the specification shall be construed as waiving any rules, regulations, or requirements of these authorities. The successful Vendor shall be responsible for obtaining all necessary permits, certificates and/or licenses to fulfill contractual obligations.

Liability and Indemnity of City. Any provision of the Contract is void and unenforceable if it: (1) limits or releases either party from liability that would exist by law in the absence of the provision; (2) creates liability for either party that would not exist by law in the absence of the

provision; or (3) waives or limits either party's rights, defenses, remedies, or immunities that would exist by law in the absence of the provision. (Section 5, Article XI, Texas Constitution)

Indemnity and Independent Vendor Status of Vendor. Vendor shall indemnify, save harmless and defend the City, its officers, agents, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorney's fees and any and all other costs or fees (whether grounded in Constitutional law, Tort, Contract, or Property Law, or raised pursuant to local, state or federal statutory provision), arising out of the performance of the Contract and/or arising out of a willful or negligent act or omission of the Vendor its officers, agents, and employees. It is understood and agreed that the Vendor and any employee or sub-contractor of Vendor shall not be considered an employee of the City. The Vendor shall not be within protection or coverage of the City's workers' compensation insurance, health insurance, liability insurance or any other insurance that the City from time to time may have in force and effect. City specifically reserves the right to reject any and all Vendor's employees, representatives, or sub-contractors and/or their employees for any cause, should the presence of any such person on City property or their interaction with City employees be found not in the best interest of the City or is found to interfere with the effective and efficient operation of the City's workplace.

Liens. Vendor agrees to and shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under the Contract. At the City's request the Vendor shall provide and shall cause all subcontractors to provide a proper release of all liens, or satisfactory evidence of freedom from liens shall be delivered to the City.

Confidentiality. Any provision in the Contract that attempts to prevent the City's disclosure of information that is subject to public disclosure under federal or Texas law is invalid. (Chapter 552, Texas Government Code).

Tax Exemption. The City is not liable to Vendor for any federal, state, or local taxes for which the City is not liable by law, including state and local sales and use taxes (Section 151.309 and Title 3, Texas Tax Code) and federal excise tax (Subtitle D of the Internal Revenue Code). Accordingly, those taxes may not be added to any item. Texas limited sales tax exemption certificates will be furnished upon request. Vendors shall not charge for said taxes. If billed, the City will remit payment less sales tax.

Contractual Limitations Period. Any provision of the Contract that establishes a limitations period that does not run against the City by law or that is shorter than two years is void. (Sections 16.061 and 16.070, Texas Civil Practice and Remedies Code)

Sovereign Immunity. Any provision of the Contract that seeks to waive the City's immunity from suit and/or immunity from liability is void unless agreed to by specific acknowledgement of the provision within the contract.

Governing Law and Venue. Texas law governs this Contract and any lawsuit on this Contract must be filed in a court that has jurisdiction in Tarrant County, Texas.

Right to trial by Jury. Any provision of the Contract that seeks to waive an aggrieved Party's right to trial by jury is void unless agreed to by specific acknowledgement of the provision within the contract.

Certificate of Interested Parties (TEC Form 1295). For contracts that require City Council approval or that is for services that would require a person to register as a lobbyist under Chapter 305 of the Government Code, the City may not accept or enter into a contract until it has received from the Vendor a completed and signed Texas Ethics Commission (TEC) Form 1295 complete with a certificate number assigned by the (TEC), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The Vendor understands that failure to provide said form complete with a certificate number assigned by the TEC may prohibit the City from entering the Contract.

Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, signed and provided to the City. The TEC Form 1295 may accompany the bid or may be submitted separately but must be provided to the City prior to the award of the contract. Neither the City nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any potential Vendor with respect to the proper completion of the TEC Form 1295.

Energy Boycott. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 13), the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The signatory executing the Contract on behalf of Vendor verifies Vendor does not boycott energy companies and will not boycott energy companies during the term of the Contract. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City determines the requirements of Subsection 2274.002(b) are inconsistent with the City's constitutional or statutory duties related to the issuance, incurrence or management of debt obligations or the deposit, custody, management, borrowing or investment of funds.

Firearms. In accordance with Chapter 2274, Texas Government Code (Acts 2021, 87th Leg., S.B. 19) the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that the company: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The signatory executing the Contract on behalf of Vendor verifies Vendor does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and does not apply if the City contracts with a sole-source provider or if the City does not receive any bids, if applicable, from a company that is able to provide the required verification.

Critical Infrastructure. In accordance with Chapter 2274, Texas Government Code, the City may not enter into a contract or agreement with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more (1) if the company would be granted direct or remote access to or control of critical infrastructure in Texas, excluding access specifically allowed by the City for product warranty and support purposes and (2) if the City knows the company is (A) owned by or the a majority of stock or other ownership interest of the company is held or controlled by (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country or (ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of such countries, or (B) headquartered in such countries. The signatory executing the Contract on behalf of Vendor represents that neither Vendor nor any of its parent companies, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company of which the City may not contract pursuant to Section 2274.0102, Texas Government Code. The foregoing verification is made solely to comply with Section 2274.0102, Texas Government Code.

Anti-Boycott Israel Verification. *In accordance with Chapter 2270, Texas Government Code, the City may not enter into a contract with a company, excluding a sole proprietorship, with 10 or more full-time employees for goods or services valued at $100,000 or more unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.*
The signatory executing the Contract on behalf of Vendor verifies that Vendor and its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent the Contract is a contract for goods or services, will not boycott Israel during the term of the Contract. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The signatory understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit. This section does not apply to a Vendor which is a sole proprietorship and/or which has less than 10 full-time employees. This section does not apply to a contract valued at less than $100,000.

Iran, Sudan, and Foreign Terrorist Organizations. The *signatory executing the Contract on behalf of Vendor* represents that neither Vendor nor any of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the entity and each of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The signatory understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit.

CITY OF WATAUGA, TEXAS	BURGESS & NIPLE, INC. Vendor
By: ______________________	By: William D. Wendland
Name: Joshua Jones	Name: William D. Wendland, P.E.
Title: City Manager	Title: Vice President
Date: ______________________	Date: October 26, 2022

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

DATE:	October 25, 2022
TO:	Honorable City Council Members
FROM:	Sandra Gibson, Director of Finance
THROUGH:	Joshua Jones, City Manager
SUBJECT:	Consideration and action to approve the Monthly Financial Report for the period ending September 30, 2022 (Pre-audit)

BACKGROUND/INFORMATION:

The Monthly Financial Report for the period ending September 30, 2022 is attached for Council review. This report is pre-audit and should be considered a preliminary report since not all revenue and expense accruals are included at the time of this report. The final report through September 30, 2022 will be provided after audit is completed.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

Respectfully recommend the Council review and approve the Monthly Financial Report for the period ending September 30, 2022.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Council Report - September 2022 to Council November14, 2022 Revised

REVIEWED BY:

Sandra Gibson, Director of Finance	Approved - 11/7/2022
Joshua Jones, City Manager	Approved - 11/7/2022
Linda Proskey, City Secretary	Final Approval - 11/8/2022

Approved as to form for inclusion on Agenda

Monthly Financial Report Fiscal 2021-2022
For the period ending September 30, 2022

Sales Tax

Sales tax receipts from the State Comptroller received in the month of October 2022 (reflecting August 2022 sales receipts) increased in total to 32% compared to the same time last year in part due to the Comptroller substantial prior period collections adjustments on August 2021 receipts for CCD and the quarter cent increase in sales tax for the General Fund approved by voters in May 2021. The quarter cent sales tax was previously dedicated to street maintenance until abolished in November 2020 (effective January 1, 2021).

Sales Tax Receipts	Aug-22	Aug-21	% change
City 1%	$ 294,976	$ 262,376	12.4%
City 1/4% *effective 10/1/2021**	$ 73,744	$ -	100.0%
Street Maint 1/4%**	$ -	$ -	0.0%
CCD 1/2%	$ 146,971	$ 118,441	24.1%
EDC 1/4%	$ 73,744	$ 65,594	12.4%
Totals	$ 589,435	$ 446,411	32.0%

**approved by voters May, 2021 for effective date of 10/1/2021*

***abolished January, 2021*

A comparison of August 2022 sales tax receipts for Watauga's and surrounding cities are shown below: These figures do not include Special District sales tax receipts.

SALES TAX RECEIPTS COMPARISONS AUGUST 2021 vs. AUGUST 2022
RECEIVED FROM COMPTROLLER - OCTOBER
FISCAL YEAR 2021-2022

	Sales Tax Receipts for the Month:			
City	AUGUST 2022 Sales	AUGUST 2021 Sales	$ Change	% Change
Richland Hills	**$ 750,493.22**	**$ 495,590.29**	**$ 254,902.93**	**51.43%**
Watauga	**$ 442,464.52**	**$ 327,970.21**	**$ 114,494.31**	**34.91%**
Roanoke	**$ 2,110,975.90**	**$ 1,637,521.60**	**$ 473,454.30**	**28.91%**
Fort Worth	**$ 18,816,372.51**	**$ 15,521,986.63**	**$ 3,294,385.88**	**21.22%**
Haltom City	**$ 1,478,788.61**	**$ 1,264,198.90**	**$ 214,589.71**	**16.97%**
Saginaw	**$ 656,407.40**	**$ 564,169.40**	**$ 92,238.00**	**16.35%**
Southlake	**$ 3,130,454.57**	**$ 2,693,444.21**	**$ 437,010.36**	**16.22%**
Colleyville	**$ 629,512.84**	**$ 541,744.01**	**$ 87,768.83**	**16.20%**
Bedford	**$ 1,271,073.97**	**$ 1,103,851.63**	**$ 167,222.34**	**15.15%**
N. Richland Hills	**$ 1,571,445.97**	**$ 1,408,976.78**	**$ 162,469.19**	**11.53%**
Euless	**$ 2,047,936.58**	**$ 1,838,447.72**	**$ 209,488.86**	**11.39%**
Hurst	**$ 1,525,782.64**	**$ 1,370,082.57**	**$ 155,700.07**	**11.36%**
Keller	**$ 1,265,965.97**	**$ 1,168,714.35**	**$ 97,251.62**	**8.32%**
Grapevine	**$ 2,328,521.64**	**$ 3,896,161.48**	**$ (1,567,639.84)**	**-40.24%**

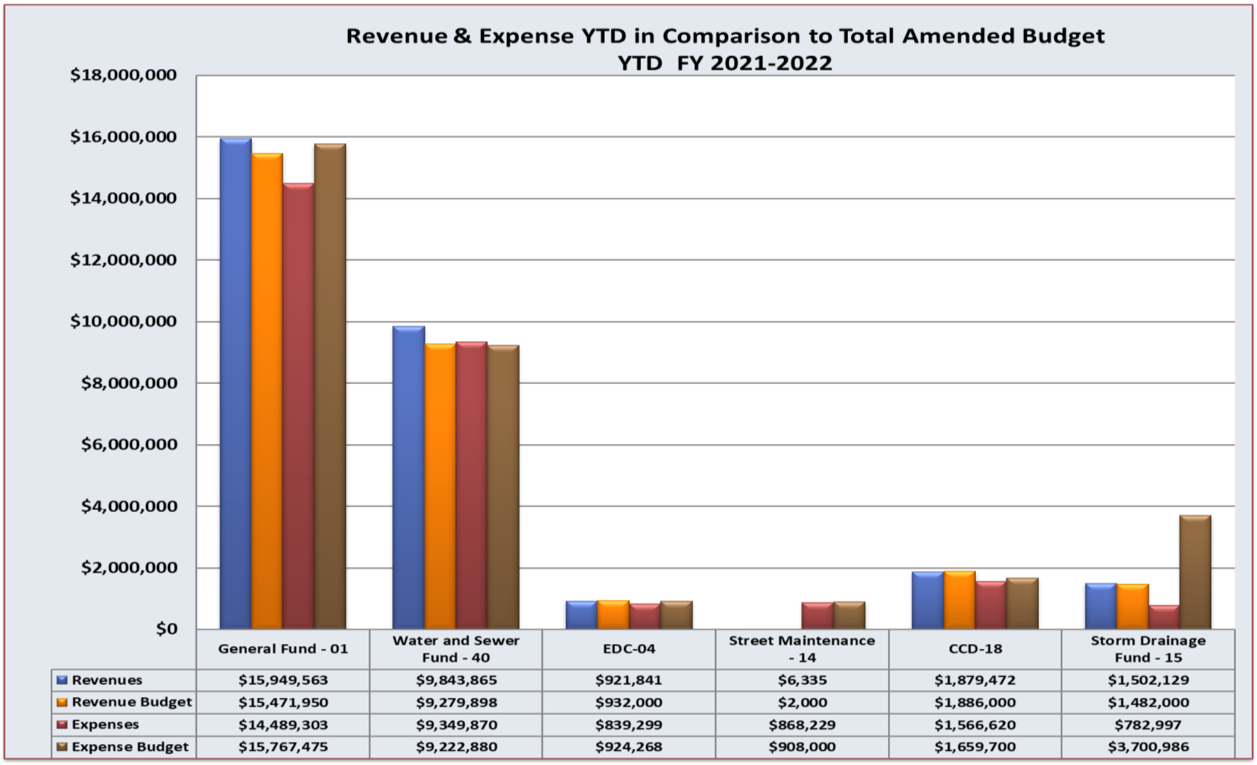
Source: State Comptroller

City Collections only - not Special Purpose Districts or Transit

The City will receive the distribution for September 2022 sales tax receipts on November 14, 2022. Sales tax revenues have been estimated for the September reporting period.

Financial Highlights

The City is 100% through the fiscal year 2021-2022. This report is preliminary and pre-audit. It will be modified as the year-end process of recording all revenues and expenditures for the year continues. Accrual estimates have been made to reflect revenues and expenditures that are anticipated, but not yet received or invoiced. Revenue and expenses are reflected with budget amendments in the chart below and details of each fund's revenues and expenditures are attached.



	General Fund - 01	Water and Sewer Fund - 40	EDC-04	Street Maintenance - 14	CCD-18	Storm Drainage Fund - 15
🟦 Revenues	$15,949,563	$9,843,865	$921,841	$6,335	$1,879,472	$1,502,129
🟧 Revenue Budget	$15,471,950	$9,279,898	$932,000	$2,000	$1,886,000	$1,482,000
🟥 Expenses	$14,489,303	$9,349,870	$839,299	$868,229	$1,566,620	$782,997
🟫 Expense Budget	$15,767,475	$9,222,880	$924,268	$908,000	$1,659,700	$3,700,986

General Fund

Revenues – Annual revenues represent 103% of amended budget collected, or $15,949,563. The increase is largely due to sales tax, ambulance fee, and permit fee increases this fiscal year. A budget amendment was approved at the September Council Meeting to adjust sales tax revenues and ambulance revenues to year-end estimates.

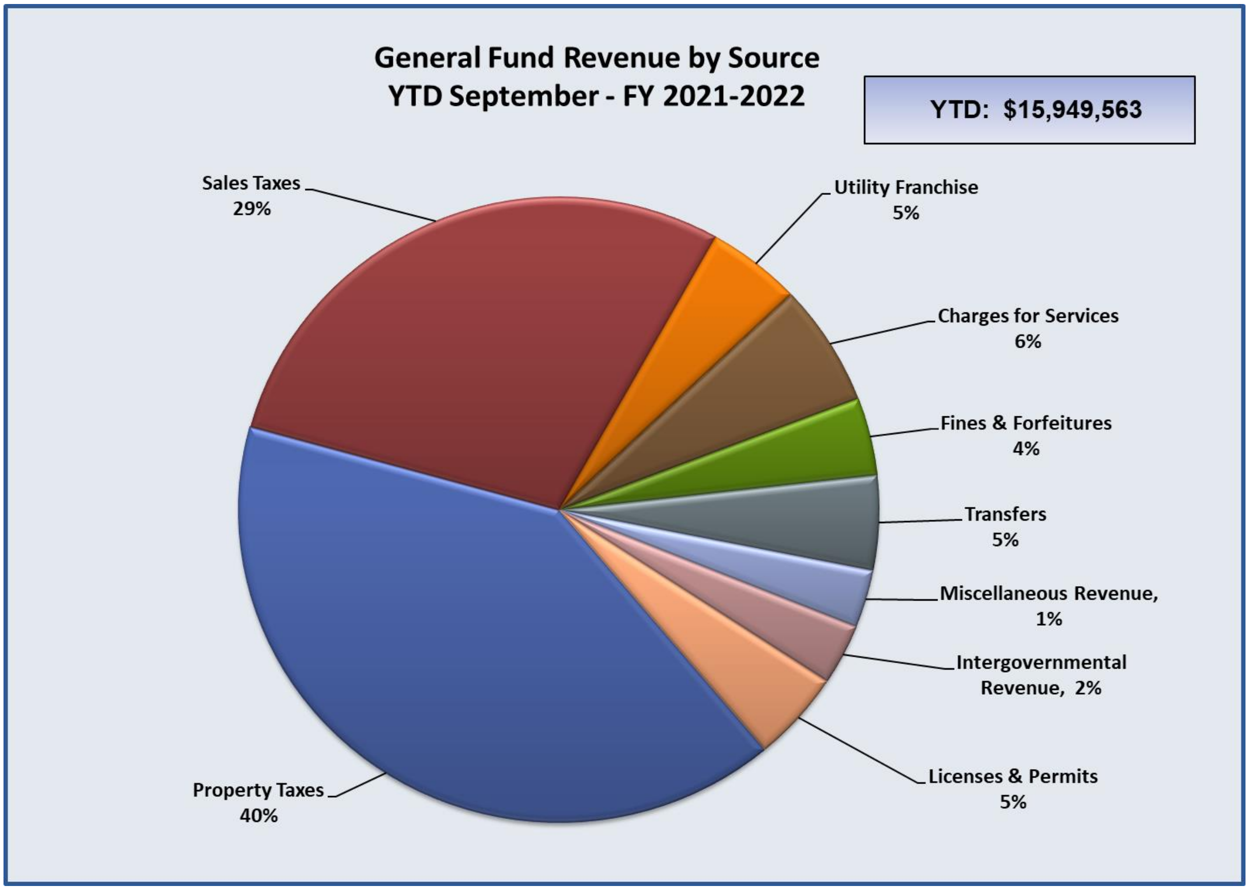
Property Tax – At the end of the fiscal year, 2021-2022, the City has received 101.5% of budgeted property taxes. The majority of property tax revenues are received in December and January.

Sales Tax – Sales tax receipts for the General Fund are in line with amended budget expectations and are estimated at 99.7% of amended budget through September 2022.

Sales tax receipts have increased 30.8% over last period year-to-date due to the increase of a quarter cent to the General Fund in October 2021 that was approved by voters in May 2021, and an increase in sales tax receipts for both local businesses and remote sales in the City.

Utility Franchise Revenue - The majority of franchise receipts are received on a quarterly basis. The City has received $763,013, or 95.7% in budgeted franchise fee revenues through September 2021. Fourth quarter receipts will be received in November, and it is anticipated that we will be closer to the target budget once received.

Licenses and Permits - License and permit fees are at 130.3% of budget collected with revenue received at $741,344. Revenues in this category are over budget expectations due to September permit receipts relating to the construction of the Bursey Road Townhomes.



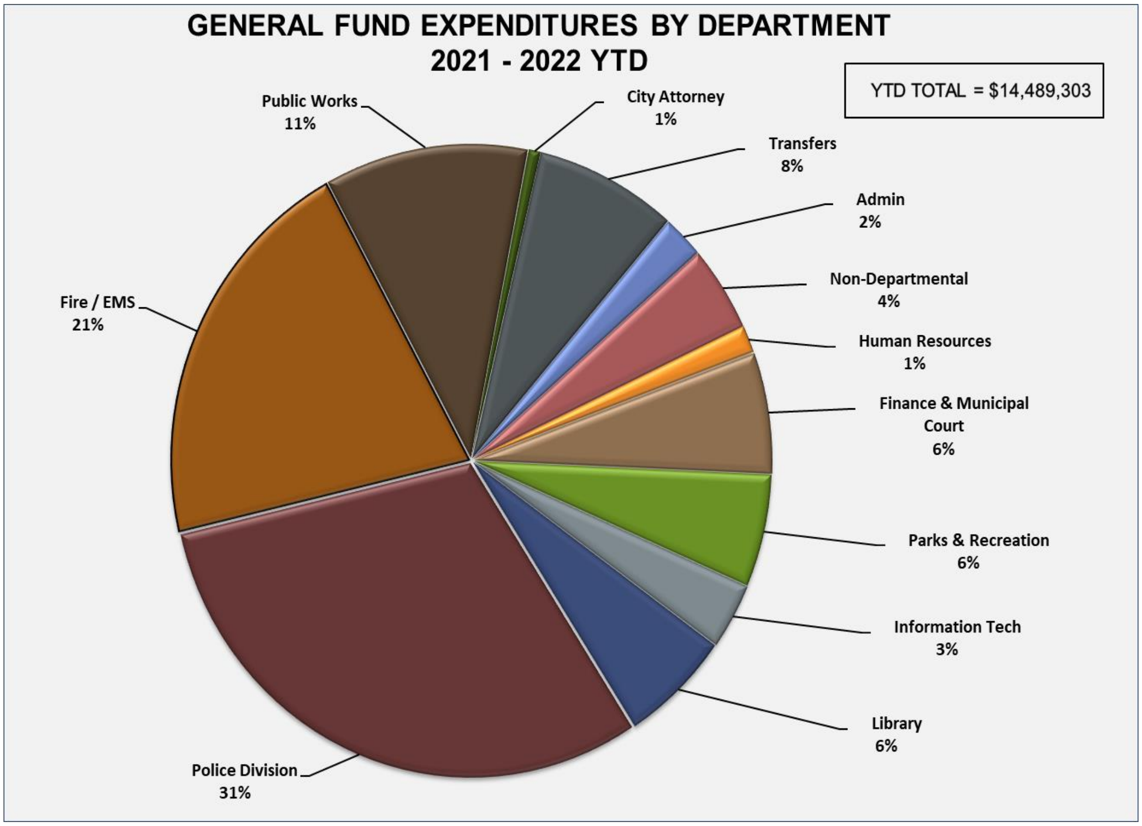
Charges for Services - Charges for Services revenues are at 103.7% of amended budget collected. Charges for services include recreation fees, ambulance services, garbage collection fees and animal adoption fees. For the month of September, this revenue category is up $168,319 or 20.2% in comparison to the period last year-to-date.

Fines and Forfeitures - Fines and Forfeitures are at 113.1% of amended budget which is $70,111, or 12.3% higher than last year's collections.

Miscellaneous Revenue - Miscellaneous revenues include interest earnings, rental of recreational facilities, bingo, and other revenue. These receipts total $476,644 which is 158% of budgeted revenues. Interest income at the end the year is higher than budget expectations due to the increase in interest yield in the City's investment and money market accounts.

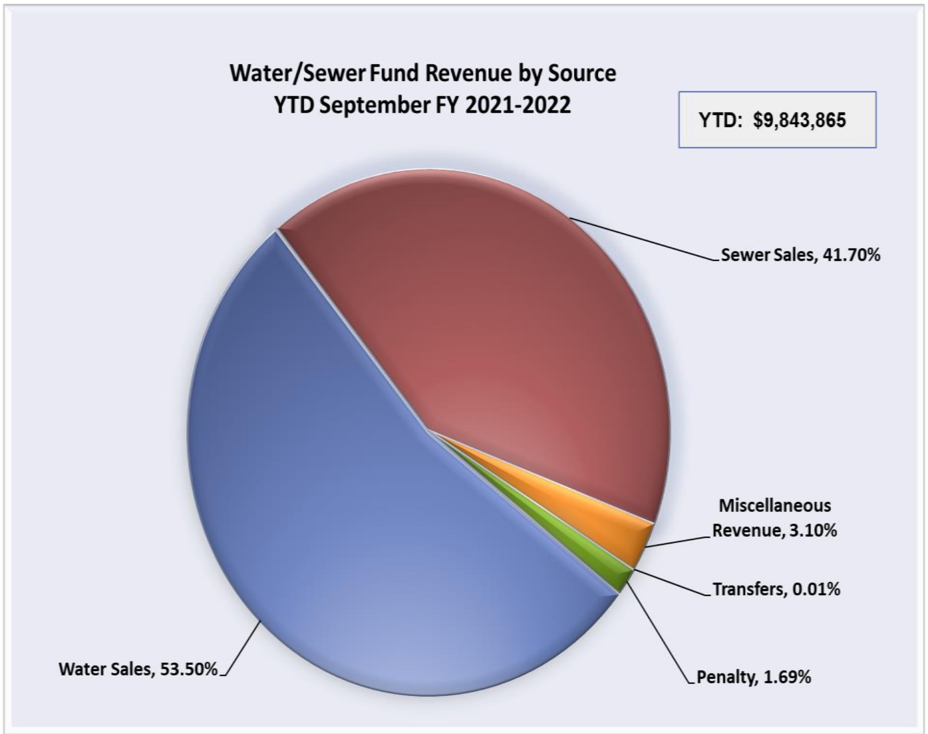
Intergovernmental Revenue and Transfers - Intergovernmental Revenue include transfers from other funds for services the general fund provides and payments in lieu of taxes from the enterprise funds. Currently these revenues are on target with Intergovernmental at 100% of budget and Transfers at 98.9% of budget.

Expenses – General fund expenses are at 91.9% of amended budget expended and total $14,489,303 for the year. Expenses are 15.6% higher than expenditures last year. This is due to the movement of personnel from the Traffic Safety Fund to the General fund and the restoration of some positions. Many departmental expenditures are under budget expectations through September due to vacant positions throughout the budget year.



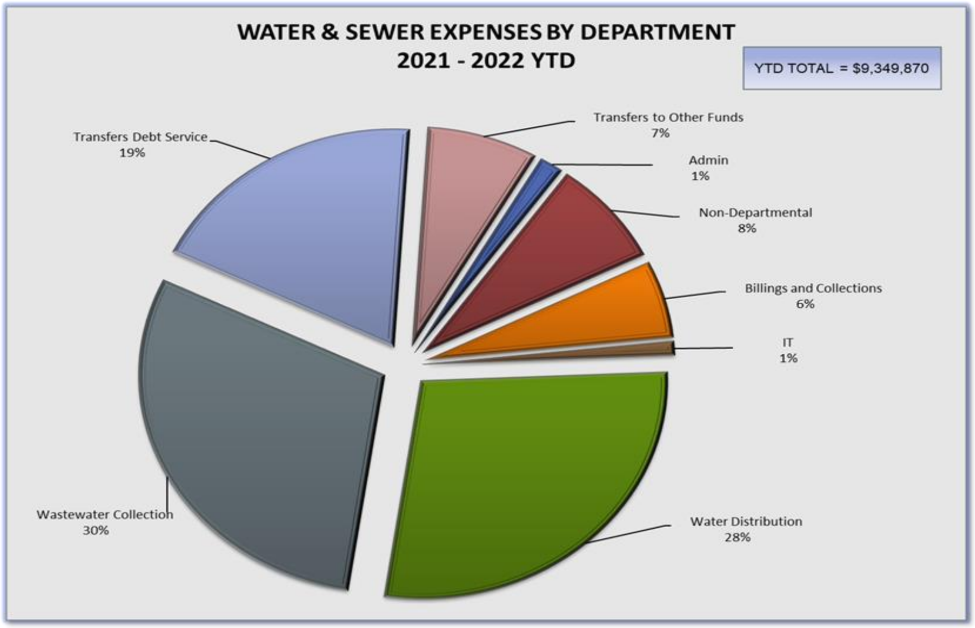
Water and Sewer Fund

The preliminary and pre-audit adjustment total water and sewer revenues are above budget and are currently at 106.08% of budgeted revenues through the end of the fiscal year. Water sales are at 108.3% of budgeted revenues and Sewer revenues are at 103.3% of budget. Water consumption varies due to seasonal fluctuations. Revenues for water are $587,610 or 12.56% higher than prior year through September 2022. Wastewater collection revenues are up $276.531, or 7.22% compared to prior year.



Miscellaneous Sales and Penalties- Miscellaneous sales include penalty revenue, EPA revenue, service charges, returned check fees, and damaged/tampering fees. This category of revenue is at 109% of budget collected.

Expenses – Year-to-date preliminary and pre-audit expenses in the Water/Sewer fund are at 101.4% of budget. Water purchases were up $402,754 from prior year primarily due to an increase in water consumption compared to last year. Wastewater expenditures are up $697,964, or 33.42% from last



year due to more wastewater treated and higher wastewater costs from the City of Ft. Worth.

Storm Drain Fund – Revenues represent 101.4% of budget collected. Expenses are at 21.2% of budget in this fund through September 2022. Capital projects budgeted in FY2021-2022 include Whitley Road and other storm drain improvements. Whitley Road 4 was budgeted this fiscal year but will not be bid until Fiscal Year 2022-2023.

Special Revenue Funds

- **Street Maintenance Fund** revenue collected is 316.7% of budget due to the increase in interest revenues. Street Maintenance Fund expenses are at 95.6% of budget. Projects are being funded using reserves. Various street projects from the 2020-2021 Tarrant County Overlay were completed in 2021-2022 and are reflected in this year’s expenditures.
- **Crime Control and Prevention District** revenues collected are at 99.7% of amended budget and expenditures are at 96.4% of budget.
- **Economic Development Corporation Fund** has collected 98.9% of sales tax revenues and expenditures are at 90.8% of budget expended through September 2022.

General Debt Service Fund - Revenues represent 101.6% of budget collected. Expenses are at 100% of budget in this fund through September 2022. All debt service requirements for the fiscal year were met in August 2022.

QUARTERLY REPORTS

Certificates of Obligation Expenditures

Attached is an expenditure and project listing for debt proceeds that have not been fully expended as of 9/30/2022. Below is a summary of the Certificates of Obligation issuances and their designated use.

- ❖ The **2016** Certificates of Obligation proceeds were received in September, 2016 in the amount of $6.0 million and are 90% expended. Expenditures to date include the engineering design and construction expenditures for Bursey Road, Phase II, the Whitley Road Phase One - Three engineering and construction, the community center parking lot, partial funding for the Splashpad, and the Pavestone Wall Repair at Capp Smith Park. Multi-year projects that are continuing this year include Whitley Road Phase Four which will be bid and constructed in FY2022-2023.

- ❖ The $7.5 million **2017** Certificates of Obligation proceeds were received in June, 2017 and are 80% expended. These proceeds are used to fund water and wastewater infrastructure improvements as identified in the 5-year Capital Improvement Plan. These include Whitley Road Phase One-Four water and sewer projects, Starnes Road Water Main, and Meadowlark East and the Sanitary Sewer Evaluation. Whitley Four is the final project and will be bid and constructed in FY2022-2023.

- The $7.0 million **2018** Certificates of Obligation proceeds were received in September, 2018 and are 70% expended. Various vehicles and equipment were funded by the proceeds that are completed or in progress (see attached listing for details). Projects include partial funding for the Splashpad Project (EDC funded), the Whites Branch Creek Trail, Branding Signs (EDC funded), Whitley Road Four, and various parks projects such as the lighting replacement at Capp Smith. Whitley Road 4, street overlays, and park projects are partially expended and will continue through 2022-2023.

- The $8.850 million **2019** Certificates of Obligation proceeds were received in September, 2019. These funds are reserved for water and wastewater projects, parks projects, and capital outlay to include vehicles and equipment for various departments. A listing of funded items is attached that include completed and in progress projects and equipment. The water and wastewater projects will be bid in FY2022-2023.

- The $3.0 million **2020** Certificates of Obligation proceeds were received in September, 2020. These funds are reserved for the Whitley Road 4 street project, the Capp Smith Food Business Park (funded by the Watauga Economic Development Corporation), library and parks building improvements, and vehicles and equipment.

- The $4.70 million **2021** Certificates of Obligation proceeds were received in September, 2021 and placed in the construction Money Market account. These funds are reserved for Street projects and Capital Outlay equipment, vehicles, and technology identified in the 5-year plans.

- The $5.00 million **2022** Certificates of Obligation proceeds were received in September, 2022 and placed in the construction Money Market account. These funds are reserved for Hightower, Phase I street project engineering, the fleet building expansion, foster village park, playground equipment at various parks, and vehicles and technology identified in the 5-year plans.

Quarterly Investment Report (4th Quarter 2022)

The City is required to comply with Chapter 2256 of the Government Code, otherwise known as the Public Funds Investment Act. Provisions of that act require at a minimum quarterly reporting. The accompanying Quarterly Investment Report lists, in summary form and in detail, the investment position of the City of Watauga's investment portfolios as of September 30, 2022. The overall strategy of running the City's investment portfolios is governed by the City's Investment Policy and overseen by the City's investment committee. All investments are governed by state law and the City's Investment Policy which dictates the following investment objectives, in order of priority: safety of principal; liquidity; and return on investments.

As of September 30, 2022, the City held money market accounts and investments with a combined book value of $44,070,366. Of this amount, 70% is restricted for funding for capital improvement projects and equipment. The City received $5 million in the construction money market account from the 2022 Certificate of Obligation proceeds.

The City's portfolio consists of operating funds, construction funds, and debt service funds. The City's portfolio has averaged a yield of 2.61% for the 4th quarter with investment earnings at $221,223. Investment yields are up compared to last year due to the FOMC raising the fed funds rate in the 3rd and 4th quarter of the current fiscal year. The City Portfolio distribution is 14% in Certificates of Deposit, 76% in money market accounts, and 10% in pooled investment accounts.

The Quarterly Report is included as an attachment to this Financial Report.

Fund Detail Report

SEPTEMBER 2022

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2022
For the period ending: September 30, 2022 (4th FY Qtr.)

**** Preliminary & Pre-Audit ****

GENERAL FUND - 01

REVENUE:	ORIGINAL BUDGET	AMENDED BUDGET	9/30/2022 YTD ACTUAL	% USED	% AMD USED	% REMAINING	% AMD REMAINING	9/30/2021 YTD ACTUAL	$ CHG 22 vs 21	% CHG 22 vs 21
TAXES										
AD VALOREM	6,292,000	6,292,000	6,383,897	101.46%	101.46%	-1.46%	-1.46%	6,132,972	250,925	4.09%
Delinquent	35,000	35,000	26,309	75.17%	75.17%	24.83%	24.83%	36,136	(9,828)	-27.20%
Penalty & Interest	37,500	37,500	32,135	85.69%	85.69%	14.31%	14.31%	32,736	(601)	-1.84%
SALES TAX	4,118,000	4,618,000	4,603,931	111.80%	99.70%	-11.80%	0.30%	3,518,672	1,085,259	30.84%
UTILITY FRANCHISE	797,000	797,000	763,013	95.74%	95.74%	4.26%	4.26%	758,849	4,164	0.55%
LICENSES & PERMITS	569,000	569,000	741,344	130.29%	130.29%	-30.29%	-30.29%	776,461	(35,117)	-4.52%
INTERGOVERNMENTAL REVENUE	502,600	502,600	502,600	100.00%	100.00%	0.00%	0.00%	503,500	(900)	-0.18%
CHARGES FOR SERVICES	776,000	966,000	1,001,485	129.06%	103.67%	-29.06%	-3.67%	833,166	168,319	20.20%
FINES & FORFEITURES	564,900	564,900	638,906	113.10%	113.10%	-13.10%	-13.10%	568,795	70,111	12.33%
MISCELLANEOUS INCOME	301,650	301,650	476,644	158.01%	158.01%	-58.01%	-58.01%	282,213	194,430	68.89%
OPERATING TRANSFERS IN	788,300	788,300	779,300	98.86%	98.86%	1.14%	1.14%	755,781	23,519	3.11%
TOTAL REVENUE	**$14,781,950**	**$15,471,950**	**$15,949,563**	**107.90%**	**103.09%**	**-7.90%**	**-3.09%**	**$14,199,281**	**$1,750,282**	**12.33%**
ADMINISTRATION	422,625	437,625	323,104	76.45%	73.83%	23.55%	26.17%	526,131	(203,027)	-38.59%
HUMAN RESOURCES	222,980	222,980	203,521	91.27%	91.27%	8.73%	8.73%	174,207	29,315	16.83%
BUILDINGS - PW	834,540	834,540	798,541	95.69%	95.69%	4.31%	4.31%	819,210	(20,669)	-2.52%
FINANCE	552,420	552,420	532,986	96.48%	96.48%	3.52%	3.52%	484,177	48,809	10.08%
MUNICIPAL COURT - FIN	399,255	399,255	369,577	92.57%	92.57%	7.43%	7.43%	401,371	(31,794)	-7.92%
DEVELOPMENTAL SERVICES - PW	200,120	200,120	167,409	83.65%	83.65%	16.35%	16.35%	322,334	(154,925)	-48.06%
LIBRARY	946,500	946,500	863,403	91.22%	91.22%	8.78%	8.78%	811,551	51,852	6.39%
PARKS AND RECREATION	1,055,060	1,055,060	841,673	79.77%	79.77%	20.23%	20.23%	705,498	136,175	19.30%
POLICE	4,629,780	4,629,780	4,417,770	95.42%	95.42%	4.58%	4.58%	3,859,753	558,016	14.46%
FIRE/EMS	3,138,330	3,223,330	2,998,648	95.55%	93.03%	4.45%	6.97%	2,420,738	577,910	23.87%
PUBLIC WORKS - STREETS	534,590	534,590	427,090	79.89%	79.89%	20.11%	20.11%	394,857	32,233	8.16%
FLEET MANAGEMENT - PW	224,070	224,070	203,199	90.69%	90.69%	9.31%	9.31%	193,306	9,893	5.12%
NON-DEPARTMENTAL	733,615	733,615	641,581	87.45%	87.45%	12.55%	12.55%	944,625	(303,043)	-32.08%
INFORMATION TECHNOLOGY	548,590	548,590	493,906	90.03%	90.03%	9.97%	9.97%	371,960	121,945	32.78%
ECONOMIC DEVELOPMENT	-	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%
CITY ATTORNEY	250,000	110,000	91,895	36.76%	83.54%	63.24%	16.46%	-	91,895	0.00%
TRANSFERS TO OTHER FUNDS	215,000	1,115,000	1,115,000	518.60%	100.00%	-418.60%	0.00%	100,000	1,015,000	1015.00%
TOTAL EXPENDITURES	**$14,907,475**	**$15,767,475**	**$14,489,303**	**97.19%**	**91.89%**	**2.81%**	**8.11%**	**$12,529,717**	**$1,959,586**	**15.64%**
EXCESS REVENUE OVER (UNDER) EXPENDITURES	**($125,525)**	**($295,525)**	**$1,460,259**					**$1,669,564**	**($209,304)**	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2022
For the period ending: September 30, 2022 (4th FY Qtr.)

****** Preliminary & Pre-Audit ******

DEBT SERVICE FUND - 03

REVENUE:	**CURRENT BUDGET**	**9/30/2022 YTD ACTUAL**	**% USED**	**% REMAINING**	**9/30/2021 YTD ACTUAL**	**$ CHG 22 vs 21**	**% CHG 22 vs 21**
TAXES							
AD VALOREM	2,946,000	2,987,004	101.39%	-1.39%	2,750,574	$236,429	8.60%
Delinquent	11,000	11,818	107.44%	-7.44%	15,546	($3,728)	-23.98%
Penalty & Interest	10,000	13,410	134.10%	-34.10%	13,221	$189	1.43%
INTEREST EARNINGS	1,000	5,113	511.27%	-411.27%	1,262	$3,851	305.24%
OTHER FINANCING SOURCES	-	0	-	-	575,000	($575,000)	-
OPERATING TRANSFERS IN	147,078	147,078	100.00%	0.00%	157,503	($10,426)	-6.62%
TOTAL REVENUE	**$3,115,078**	**$3,164,421**	**101.58%**	**-1.58%**	**$3,513,106**	**($348,685)**	**-9.93%**
Contractual & Sundry	3,143,658	**3,144,653**	100.03%	-0.03%	**3,519,486**	($374,833)	-10.65%
TOTAL EXPENDITURES	**$3,143,658**	**$3,144,653**	**100.03%**	**-0.03%**	**3,519,486**	**($374,833)**	**-10.65%**
EXCESS REVENUE OVER (UNDER) EXPENDITURES	**($28,580)**	**$19,768**			**($6,380)**	**$26,148**	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2022
For the period ending: September 30, 2022 (4th FY Qtr.)
**** Preliminary & Pre-Audit ****

WATER & SEWER - 40

REVENUE:	**CURRENT BUDGET**	**9/30/2022 YTD ACTUAL**	**% USED**	**% REMAINING**	**9/30/2021 YTD ACTUAL**	**$ CHG 22 vs 21**	**% CHG 22 vs 21**
WATER SALES	4,864,898	5,266,767	108.26%	-8.26%	4,679,157	587,610	12.56%
SEWER SALES	3,975,000	4,105,336	103.28%	-3.28%	3,828,805	276,531	7.22%
MISCELLANEOUS	260,000	283,395	109.00%	-9.00%	288,508	(5,114)	-1.77%
PENALTY	175,000	166,332	95.05%	4.95%	140,849	25,483	18.09%
INTEREST	5,000	18,850	377.01%	-277.01%	4,587	14,264	310.98%
TRANSFERS	-	611	0.00%	0.00%	10,701	(10,090)	-94.29%
TAP FEES	-	2,575	-	-	3,600	(1,025)	-28.47%
SALE OF ASSETS	-	-	-	-	-	-	-
TOTAL REVENUE	**$9,279,898**	**$9,843,865**	**106.08%**	**-6.08%**	**$8,956,206**	**$887,659**	**9.91%**
ADMINISTRATIVE	157,800	144,958	91.86%	8.14%	152,960	(8,002)	-5.23%
NON-DEPARTMENTAL	702,180	726,279	103.43%	-3.43%	644,034	82,246	12.77%
BILLING & COLLECTIONS	535,160	534,874	99.95%	0.05%	491,846	43,029	8.75%
MGT. INFO SYSTEMS	106,190	92,636	87.24%	12.76%	92,068	569	0.62%
WATER DISTRIBUTION	2,812,415	2,620,484	93.18%	6.82%	2,217,721	402,764	18.16%
WASTEWATER COLLECTION	2,439,135	2,786,489	114.24%	-14.24%	2,088,525	697,964	33.42%
TRANSFERS	2,470,000	2,444,148	98.95%	1.05%	2,151,473	292,675	13.60%
TOTAL EXPENDITURES	**9,222,880**	**9,349,870**	**101.38%**	**-1.38%**	**7,838,626**	**$1,511,244**	**19.28%**
EXCESS REVENUE OVER (UNDER) EXPENDITURES	**$57,018**	**$493,996**			**$1,117,580**	**($623,585)**	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2022
For the period ending: September 30, 2022 (4th FY Qtr.)
*** *Preliminary & Pre-Audit* ***

STORM DRAIN FUND - 15

REVENUE:	**CURRENT BUDGET**	**9/30/2022 YTD ACTUAL**	**% USED**	**% REMAINING**	**9/30/2021 YTD ACTUAL**	**$ CHG 22 vs 21**	**% CHG 22 vs 21**
USERS FEE	1,480,000	1,479,826	99.99%	0.01%	1,475,731	4,095	0.28%
OTHER REVENUE	-	-	-	-	-	-	-
INTEREST INCOME	2,000	22,304	1115.18%	-1015.18%	7,324	14,980	204.54%
TOTAL REVENUE	**$1,482,000**	**$1,502,129**	**101.36%**	**-1.36%**	**$1,483,055**	**$19,075**	**1.29%**
PERSONNEL	444,300	334,404	75.27%	24.73%	$403,404	(69,001)	-17.10%
SUPPLIES	30,200	18,188	60.22%	39.78%	$18,570	(382)	-2.06%
MAINTENANCE	36,500	10,284	28.18%	71.82%	$8,964	1,320	14.73%
CONTRACTUAL & SUNDRY	179,375	135,582	75.59%	24.41%	$109,078	26,504	24.30%
CAPITAL	2,937,111	211,038	7.19%	92.81%	$694,124	(483,085)	-69.60%
TRANSFERS TO OTHER FUNDS	73,500	73,500	100.00%	0.00%	$73,500	0	0.00%
TOTAL EXPENDITURES	**$3,700,986**	**$782,997**	**21.16%**	**78.84%**	**$1,307,641**	**($524,644)**	**-40.12%**
EXCESS REVENUE OVER (UNDER) EXPENDITURES	**($2,218,986)**	**$719,132**			**$175,414**	**$543,718**	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2022
For the period ending: September 30, 2022 (4th FY Qtr.)

****** Preliminary & Pre-Audit ******

CRIME CONTROL DISTRICT - 18

REVENUE:	**ORIGINAL BUDGET**	**AMENDED BUDGET**	**9/30/2022 YTD ACTUAL**	**% USED**	**% AMD USED**	**% REMAINING**	**% AMD REMAINING**	**9/30/2021 YTD ACTUAL**	**$ CHG 22 vs 21**	**% CHG 22 vs 21**
SALES TAX	1,610,000	1,820,000	1,805,843	112.16%	99.22%	-12.16%	0.78%	1,701,405	104,438	6.14%
INTEREST EARNING/OTHER	66,000	66,000	73,629	111.56%	111.56%	-11.56%	-11.56%	49,865	23,765	47.66%
TRANSFERS	-	-	-	-	-	-		-	-	-
TOTAL REVENUE	**$1,676,000**	**$1,886,000**	**$1,879,472**	**112.14%**	**99.65%**	**-12.14%**	**0.35%**	**$1,751,270**	**$128,202**	**7.32%**
PERSONNEL SERVICES	1,029,000	1,040,000	1,050,708	102.11%	101.03%	-2.11%	-1.03%	$987,813	62,895	6.37%
SUPPLIES	143,500	161,700	155,332	108.25%	96.06%	-8.25%	3.94%	$113,826	41,506	36.46%
MAINTENANCE	225,500	212,500	150,410	66.70%	70.78%	33.30%	29.22%	$231,151	(80,741)	-34.93%
CONTRACTUAL & SUNDRY	192,000	215,500	180,170	93.84%	83.61%	6.16%	16.39%	$137,149	43,021	31.37%
TRANSFERS	30,000	30,000	30,000	100.00%	100.00%	0.00%	0.00%	$30,000	0	0.00%
CAPITAL OUTLAY	-	-	-	0.00%	0.00%	0.00%	0.00%	$10,388	(10,388)	-100.00%
TOTAL EXPENDITURES	**1,620,000**	**1,659,700**	**1,566,620**	**96.70%**	**94.39%**	**3.30%**	**5.61%**	**$1,510,327**	**$56,293**	**3.73%**
EXCESS REVENUE OVER (UNDER) EXPENDITURES	**$56,000**	**$226,300**	**$312,853**					**$240,943**	**$71,910**	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2022

For the period ending September 30, 2022 (4th FY Qtr.)

****** Preliminary & Pre-Audit ******

STREET MAINTENANCE FUND - 14

REVENUE:	**ORIGINAL BUDGET**	**AMENDED BUDGET**	**9/30/2022 YTD ACTUAL**	**% USED**	**% AMD USED**	**% REMAINING**	**% AMD REMAINING**	**9/30/2021 YTD ACTUAL**	**$ CHG 22 vs 21**	**% CHG 22 vs 21**
SALES TAX	-	-	-	0.00%	0.00%	100.00%	100.00%	220,958	(220,958)	-100.00%
INTEREST EARNINGS	2,000	2,000	6,335	316.73%	0.00%	-216.73%	100.00%	2,026	4,308	212.63%
INTEREST/ESCROW	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS/OTHER	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	**$2,000**	**$ 2,000**	**$6,335**	**316.73%**	**0.00%**	**-116.73%**	**200.00%**	**222,984**	**($216,649)**	**-97.16%**
MAINTENANCE	100,000	100,000	63,294	63.29%	63.29%	36.71%	36.71%	85,360	(22,066)	-25.85%
CONTRACTUAL & SUNDRY	8,000	8,000	6,205	77.56%	77.56%	22.44%	22.44%	2,665	3,540	132.83%
CAPITAL OUTLAY	800,000	800,000	798,730	99.84%	99.84%	0.16%	0.16%	408,709	-	0.00%
TOTAL EXPENDITURES	**$908,000**	**$908,000**	**$868,229**	**95.62%**	**95.62%**	**4.38%**	**4.38%**	**$496,735**	**$371,495**	**74.79%**
EXCESS REVENUE OVER (UNDER) EXPENDITURES	**($906,000)**	**($906,000)**	**($861,895)**					**-$273,751**	**($588,144)**	

CITY OF WATAUGA
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2022
For the period ending: September 30, 2022 (4th FY Qtr.)

****** Preliminary & Pre-Audit ******

WATAUGA ECONOMIC DEVELOPMENT CORP - 04

REVENUE:	CURRENT BUDGET	9/30/2022 YTD ACTUAL	% USED	% REMAINING	9/30/2021 YTD ACTUAL	$ CHG 22 vs 21	% CHG 22 vs 21
SALES TAX	925,000	910,965	98.48%	1.52%	865,622	45,343	5.24%
INTEREST EARNINGS	2,000	10,626	531.31%	-431.31%	1,207	9,419	780.42%
INTEREST/ESCROW	-	-	-	-	-	-	-
CONTRIBUTIONS/OTHER	5,000	250	-	-	-	250.00	-
TOTAL REVENUE	**$932,000**	**$921,841**	**98.91%**	**1.09%**	**$866,829**	**$55,012**	**6.35%**
PERSONNEL SERVICES	-	-	0.00%	0.00%	-	-	0.00%
NON-DEPARTMENTAL	-	-	0.00%	0.00%	-	-	0.00%
SUPPLIES	1,100	(13)	-1.14%	101.14%	1,051	(1,063)	-101.19%
MAINTENANCE	900	-	0.00%	0.00%	-	-	0.00%
CONTRACTUAL & SUNDRY	141,690	71,434	50.42%	49.58%	97,922	(26,488)	-27.05%
TRANSFERS	776,878	767,878	98.84%	1.16%	379,784	388,094	102.19%
CAPITAL OUTLAY	3,700	-	0.00%	100.00%	-	-	0.00%
TOTAL EXPENDITURES	**$924,268**	**$839,299**	**90.81%**	**9.19%**	**$478,757**	**$360,542**	**75.31%**
EXCESS REVENUE OVER (UNDER) EXPENDITURES	**$7,733**	**$82,542**			**$388,073**	**($305,531)**	

DEPARTMENTAL CONSOLIDATED REPORT

SEPTEMBER 2022

Group Summary

Department	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Encumbrances	Variance Favorable (Unfavorable)	Percent Remaining
010 - CITY SECRETARY OFFICE	333505.00	348,505.00	42,454.32	318,381.08	-3,026.24	33,150.16	9.51 %
011 - HUMAN RESOURCES	222980.00	222,980.00	25,822.20	203,521.47	0.00	19,458.53	8.73 %
013 - DEVELOPMENT SERVICES DIVISION	200120.00	200,120.00	22,124.27	167,409.16	0.00	32,710.84	16.35 %
015 - CITY MANAGER	246920.00	246,920.00	26,315.44	149,681.22	0.00	97,238.78	39.38 %
016 - BUSINESS RETENTION/EDC	21610.00	21,610.00	450.00	3,518.05	0.00	18,091.95	83.72 %
017 - BUSINESS ATTRACTION/EDC	36750.00	36,750.00	0.00	25,650.00	0.00	11,100.00	30.20 %
018 - GENERAL ADMINISTRATION/EDC	89030.00	89,030.00	6,133.75	42,253.33	0.00	46,776.67	52.54 %
020 - NON-DEPARTMENTAL	1558400.00	1,558,400.00	69,737.55	1,437,438.78	0.00	120,961.22	7.76 %
021 - CITY ATTORNEY	250000.00	110,000.00	10,055.85	91,894.64	0.00	18,105.36	16.46 %
030 - MUNICIPAL COURT DIVISION	399255.00	399,255.00	49,994.85	369,577.01	-204.09	29,882.08	7.48 %
040 - FINANCE	603000.00	603,000.00	64,911.77	575,278.34	0.00	27,721.66	4.60 %
045 - BILLING & COLLECTIONS	535160.00	535,160.00	69,098.56	534,874.23	0.00	285.77	0.05 %
050 - INFORMATION TECHNOLOGY	654780.00	654,780.00	72,823.24	586,542.10	0.00	68,237.90	10.42 %
060 - LIBRARY	957200.00	957,200.00	131,232.28	872,191.95	0.00	85,008.05	8.88 %
070 - RECREATION	431890.00	431,890.00	54,928.20	276,536.41	0.00	155,353.59	35.97 %
075 - PARKS DEPARTMENT	623170.00	623,170.00	115,878.88	565,136.35	0.00	58,033.65	9.31 %
080 - POLICE	6219780.00	6,259,480.00	615,769.54	5,955,592.84	-9,836.19	313,723.35	5.01 %
085 - FIRE/MIS	3409330.00	3,494,330.00	486,215.91	3,411,077.91	-452.52	83,704.61	2.40 %
090 - PUBLIC WORKS	1111485.00	1,111,485.00	107,380.67	846,423.52	0.00	265,061.48	23.85 %
093 - WATER DISTRIBUTION	2812415.00	2,812,415.00	118,336.99	2,620,484.28	0.00	191,930.72	6.82 %
094 - WASTEWATER COLLECTION	2439135.00	2,439,135.00	298,097.71	2,786,489.19	0.00	-347,354.19	-14.24 %
097 - FLEET MAINTENANCE	224070.00	224,070.00	31,333.94	203,199.12	-871.02	21,741.90	9.70 %
098 - BUILDING MAINTENANCE	834540.00	834,540.00	165,240.63	798,541.29	-972.07	36,970.78	4.43 %
Report Total:	**24,214,525.00**	**24,214,225.00**	**2,584,336.55**	**22,841,692.27**	**-15,362.13**	**1,387,894.86**	**5.73 %**

QUARTERLY REPORTS

4TH QUARTER
SEPTEMBER, 2022

CERTIFICATES OF OBLIGATION FUNDS 2016 07-562-86120

$6,000,000 PROCEEDS

As of September 2022

PROJECT	**FINAL COST OR ESTIMATE**	**EXPENDED**	**REMAINING**
COMPLETED:			
Bursey Road Two (Willis Lane - Rufe Snow)	*$2,117,400.00*	*$2,117,400.00*	
Community Center Parking Lot Expansion	*$105,984.00*	*$105,984.00*	
Whitley Road One (Starnes - Oakhill)	*$704,171.53*	*$704,171.53*	
Splashpad	*$302,260.54*	*$302,260.54*	
Whitley Road Three (Chapman - Hightower)	*$1,992,293.40*	*$1,992,293.40*	
Pavestone Wall - Capp Smith Park	*$121,822.01*	*$121,822.01*	
IN PROGRESS:			
Whitley Road Four (Hightower - Oakhill) - construction	$656,068.52	$0.00	$656,068.52
PROJECTS TOTAL	**$6,000,000.00**	**$5,343,931.48**	**$656,068.52**
TOTAL FUNDS REMAINING	**$0.00**		

CERTIFICATES OF OBLIGATION FUNDS 2017 45-020-86122

$7,500,000 PROCEEDS

As of September 2022

PROJECT	**FINAL COST OR ESTIMATE**	**EXPENDED**	**REMAINING**
COMPLETED:			
Whitley Road One (Starnes - Oakhill)	*$101,954.21*	*$101,954.21*	
Whitley Road Two (Watauga Rd - Chapman)	*$2,450,478.50*	*$2,450,478.50*	
Sanitary Sewer Evaluation 2019	*$224,687.80*	*$224,687.80*	
Whitley Road Three (Chapman - Hightower)	*$390,175.77*	*$390,175.77*	
Meadowlark Lane East (Water/Sewer)	*$1,655,384.73*	*$1,655,384.73*	
Starnes Rd Water Main (Indian Springs - Rufe Snow)	*$971,309.98*	*$971,309.98*	
IN PROGRESS:			
Whitley Road Four - Water Portion (Hightower to Oakhill)	$1,706,009.01	$151,480.53	$1,554,528.48
PROJECTS TOTAL	**$7,500,000.00**	**$5,945,471.52**	**$1,554,528.48**
TOTAL FUNDS REMAINING	**$0.00**		

CERTIFICATES OF OBLIGATION FUNDS 2018 VARIOUS
$7,000,000 PROCEEDS
As of September 2022

PROJECT	**FINAL COST OR ESTIMATE**	**EXPENDED**	**REMAINING**
COMPLETED			
Patrol Vehicles (5 units) & K-9 Vehicle	*$319,108.43*	*$319,108.43*	
Fire Marshal Vehicle	*$55,128.90*	*$55,128.90*	
Dedicated COVID Response Vehicle	*$11,373.58*	*$11,373.58*	
Public Works Fleet Shop Bay Doors	*$32,250.00*	*$32,250.00*	
Water Tower Fire Alarm Replacement	*$34,850.00*	*$34,850.00*	
Fire Engine	*$589,000.00*	*$589,000.00*	
Community Center Sign	*$80,812.30*	*$80,812.30*	
Public Works - Streets Division Ford F150 Truck	*$30,454.90*	*$30,454.90*	
Public Works - Building Maintenance Ford F150 Truck	*$31,841.00*	*$31,841.00*	
Foster Village Bridge & Sidewalk Improvements	*$48,042.00*	*$48,042.00*	
Needs Assessments - Library and Police	*$103,738.30*	*$103,738.30*	
Capp Smith Weir	*$27,150.00*	*$27,150.00*	
Branding Signs	*$237,574.97*	*$237,574.97*	
Sidewalks	*$141,716.84*	*$141,716.84*	
Bowie Street	*$410,626.77*	*$410,626.77*	
Splashpad Shade Structures, Etc	*$99,977.00*	*$99,977.00*	
Splashpad	*$987,970.78*	*$987,970.78*	
Parks Trailer (partial funding - remaining in 2021 CO)	*$3,826.94*	*$3,826.94*	
Police Motorcycle (partial funding - remaining in 2021 CO)	*$11,352.78*	*$11,352.78*	
Lighting Replacement (Capp Smith Park)	*$635,450.00*	*$635,450.00*	
Capp Smith Park Amenities	*$49,477.00*	*$49,477.00*	
IN PROGRESS:			
Whites Branch Creek Trail @ Park Vista (Arcadia)	$283,347.00	$33,347.00	$250,000.00
Other Park Projects/City Wide Trail Systems/Park Vista Phase One	$400,000.00	$22,715.00	$377,285.00
Whitley Road Four (Hightower to Oakhill)	$1,410,500.00	$432,611.79	$977,888.21
Site Amenities (various parks)	$20,000.00	$0.00	$20,000.00
Parks Building Repairs	$40,000.00	$16,850.00	$23,150.00
Street Overlays/Sidewalks	$850,000.00	$384,882.89	$465,117.11
PROJECTS TOTAL	**$6,945,569.49**	**$4,832,129.17**	**$2,113,440.32**
TOTAL FUNDS REMAINING	**$54,430.51**		

CERTIFICATES OF OBLIGATION FUNDS 2019 07-563-86220

$8,850,000 PROCEEDS 45-563-86220

As of September 2022

PROJECT	**FINAL COST OR ESTIMATE**	**EXPENDED**	**REMAINING**
COMPLETED			
Public Works - Manlift	*$22,111.98*	*$22,111.98*	
Parks Shade Structures - Hillview	*$16,577.00*	*$16,577.00*	
Public Works - Concrete Saw	*$30,797.50*	*$30,797.50*	
Information Technology - Cargo Van	*$31,475.00*	*$31,475.00*	
Parks Shade Structures - Virgil Anthony	*$26,977.00*	*$26,977.00*	
Flatbed (Dump Bed) Truck	*$44,426.74*	*$44,426.74*	
Police - Tahoes	*$121,989.71*	*$121,989.71*	
Police - ATV	*$19,932.52*	*$19,932.52*	
Police - ACO Unit	*$55,200.69*	*$55,200.69*	
Library - RFID	*$49,497.79*	*$49,497.79*	
Public Works Dump Truck	*$61,216.24*	*$61,216.24*	
2021 Silverado (replaces unit 158)	*$19,476.65*	*$19,476.65*	
Backhoe Loader	*$166,797.83*	*$166,797.83*	
IN PROGRESS:			
Site Amenities (various parks locations)	$33,523.35	$0.00	$33,523.35
Generator (Water Tower) - possible ARPA funding	$150,000.00	$0.00	$150,000.00
Water / Wastewater Projects:	$8,000,000.00	$950,500.00	$7,049,500.00
Group 1: Wastewater Rehabilitations (S2, S3, S4, S5, S9, S10 & MH)			
Group 2: Wastewater Rehabilitations (S6, S7 & S8)			
Group 3: Summertime Lane from Carousel Drive to Rufe Snow Drive			
Group 4: Water Rehabilitation (W1, W7, W8 & F18)			
Group 5: 2020 SSES (south of Chapman Road and east of HWY 377)			
PROJECTS TOTAL	**$8,850,000.00**	**$1,616,976.65**	**$7,233,023.35**
TOTAL FUNDS REMAINING	**$0.00**		

CERTIFICATES OF OBLIGATION 2020 07-575-85342
$3,000,000 PROCEEDS
As of September 2022

PROJECT	**FINAL COST OR ESTIMATE**	**EXPENDED**	**REMAINING**
COMPLETED			
Technology - Computers	*$216,000.00*	*$216,000.00*	
Fire Station Renovation Construction	*$893,148.28*	*$893,148.28*	
Police - ACO Truck	*$39,540.35*	*$39,540.35*	
Library Roof Replacement	*$69,525.00*	*$69,525.00*	
PW - Streets Heavy Equipment Drum Roller	*$38,057.00*	*$38,057.00*	
IN PROGRESS:			
Whitley Road Four (Hightower to Oakhill)	$983,000.00	$0.00	$983,000.00
Whitley Road Five (Starnes to North Tarrant)	$68,281.35	$0.00	$68,281.35
Food Business Park - Capp Smith Park Location	$500,000.00	$43,550.00	$456,450.00
Site Amenities (various parks)	$21,476.65	$0.00	$21,476.65
Parks - Pole Barn Equipment Storage	$150,000.00	$0.00	$150,000.00
PROJECTS TOTAL	**$2,979,028.63**	**$1,299,820.63**	**$1,679,208.00**
TOTAL FUNDS REMAINING	**$20,971.37**		

CERTIFICATES OF OBLIGATION 2021 07-560-85640

$4,700,000 PROCEEDS

As of September 2022

PROJECT	**FINAL COST OR ESTIMATE**	**EXPENDED**	**REMAINING**
COMPLETED			
Motorcycle (replacing unit 68)	*$30,000.00*	*$30,000.00*	
Weapons System	*$83,563.92*	*$83,563.92*	
HVAC/Alarms Replacement	*$120,053.01*	*$120,053.01*	
Parks Trailer (partial funding - remaining in 2018 CO)	*$9,152.66*	*$9,152.66*	
Narcotic Testing System	*$26,302.65*	*$26,302.65*	
IN PROGRESS:			
Police Emergency Car (replacing unit 157)	$60,000.00	$0.00	$60,000.00
Code Vehicle (replacing unit 205)	$35,000.00	$33,838.00	$1,162.00
Drone	$25,000.00	$0.00	$25,000.00
Ballistic Vests	$80,000.00	$0.00	$80,000.00
Fleet Truck F150 Unit # 214 (replacing unit 701)	$55,000.00	$51,332.93	$3,667.07
Fleet Truck F450 (replacing unit 709)	$80,000.00	$0.00	$80,000.00
Servers/Switches	$348,000.00	$282,642.97	$65,357.03
Parks F250 (replacing unit 620)	$40,847.34	$0.00	$40,847.34
Parks ATV (replacing unit 628)	$17,500.00	$16,235.82	$1,264.18
Whitley Road 5 - Engineering	$783,000.00	$274,050.00	$508,950.00
Whitley Road 5 - Construction	$2,906,580.42	$0.00	$2,906,580.42
PROJECTS TOTAL	**$4,700,000.00**	**$927,171.96**	**$3,772,828.04**
TOTAL FUNDS REMAINING	**$0.00**		

CERTIFICATES OF OBLIGATION 2022 07-563-86120
$5,000,000 PROCEEDS 45-401-85140
As of September 2022

PROJECT	**FINAL COST OR ESTIMATE**	**EXPENDED**	**REMAINING**
COMPLETED			
IN PROGRESS:			
IT Hardware	$85,000.00	$0.00	$85,000.00
Replacement Radios (police & fire)	$700,000.00	$0.00	$700,000.00
Fire Marshal Vehicle	$60,000.00	$0.00	$60,000.00
Parks Vehicles (2)	$120,000.00	$0.00	$120,000.00
Police Code Vehicles (2)	$80,000.00	$0.00	$80,000.00
Public Works Vehicle	$55,000.00	$0.00	$55,000.00
Vehicles Upfitting	$10,000.00	$0.00	$10,000.00
HVAC Replacement	$81,000.00	$0.00	$81,000.00
Furniture & Fixtures - Library	$66,000.00	$0.00	$66,000.00
Police Motorcycle	$44,000.00	$0.00	$44,000.00
Hightower Road (Phase 1-5)	$1,700,000.00	$0.00	$1,700,000.00
Jet Vac	$550,000.00	$0.00	$550,000.00
Fleet Building Expansion	$900,000.00	$0.00	$900,000.00
Foster Village Park	$200,000.00	$0.00	$200,000.00
Playground Equipment	$240,000.00	$0.00	$240,000.00
Contingency	$109,000.00	$0.00	$109,000.00
PROJECTS TOTAL	**$5,000,000.00**	**$0.00**	**$5,000,000.00**
TOTAL FUNDS REMAINING	**$0.00**		

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2022

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Watauga is in compliance with the Public Funds Investment Act and the City of Watauga Investment Policy

City Manager

Sandra Gibson

Director of Finance

Debra Woodard

Assistant Director of Finance

Disclaimer: These reports were compiled using information provided by the City of Watauga. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment adviser fees.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

	September 30, 2021			September 30, 2022		
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Ave. Yield**	**Book Value**	**Market Value**
DDA/MMA/NOW	0.18%	$ 28,259,424	$ 28,259,424	2.54%	$ 33,548,684	$ 33,548,684
Pools	0.03%	8,350,732	8,350,732	2.48%	4,488,737	4,488,737
CD/Security	1.13%	2,541,210	2,541,210	3.12%	6,032,945	6,032,945
Totals		**$ 39,151,366**	**$ 39,151,366**		**$ 44,070,366**	**$ 44,070,366**
Fourth Quarter-End Yield	**0.21%**			**2.61%**		

Average Quarter-End Yields ***(1):***

	2021 Fiscal Year	**2022 Fiscal Year**
Watauga	0.26%	0.67%
Rolling Three Month Treasury	0.06%	1.06%
Rolling Six Month Treasury	0.08%	1.01%
TexPool	0.04%	0.90%
Fiscal YTD Interest Earnings	$ 114,335 (Approximate)	$ 332,782 (Approximate)

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

Summary

Quarter End Results by Investment Category:

	June 30, 2022		September 30, 2022		
Asset Type	**Book Value**	**Market Value**	**Book Value**	**Market Value**	**Ave. Yield**
DDA/MMA/NOW	$ 27,686,178	$ 27,686,178	$ 33,548,684	$ 33,548,684	2.54%
Pools	11,638,155	11,638,155	4,488,737	4,488,737	2.48%
CD/Security	1,518,477	1,518,477	6,032,945	6,032,945	3.12%
Totals	**$ 40,842,811**	**$ 40,842,811**	**$ 44,070,366**	**$ 44,070,366**	2.61%

Current Quarter Portfolio Performance *(1)*	
Average Quarterly Yield	2.61%
Rolling Three Month Treasury	2.76%
Rolling Six Month Treasury	2.46%
TexPool	2.41%

Fiscal Year-to-Date Portfolio Performance *(2)*	
Average Quarter End Yield	0.67%
Rolling Three Month Treasury	1.06%
Rolling Six Month Treasury	1.01%
TexPool	0.90%

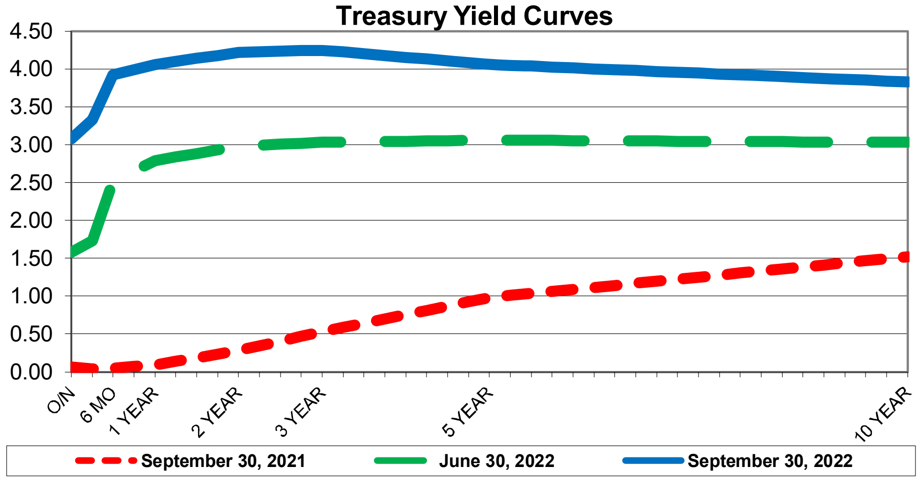
Interest Earnings (Approximate)	
Quarterly Interest Earnings	$ 221,293
Fiscal YTD Interest Earnings	$ 332,782

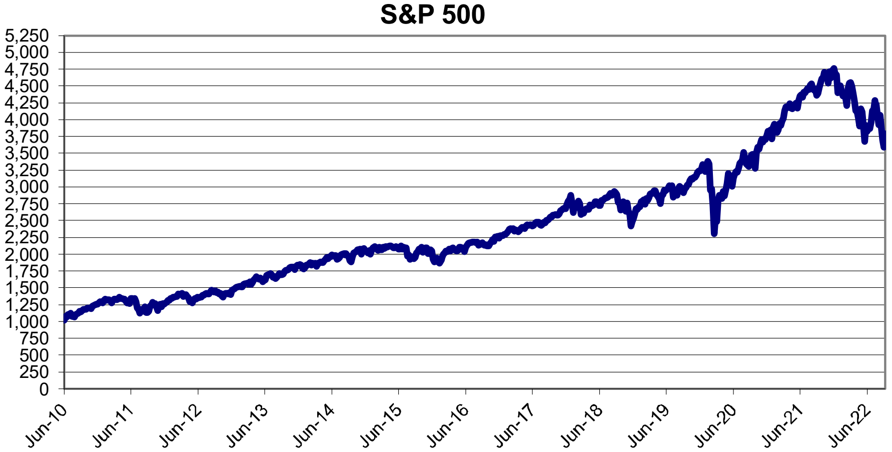
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.
(2) **Fiscal Year-to-Date Average Yields -** calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

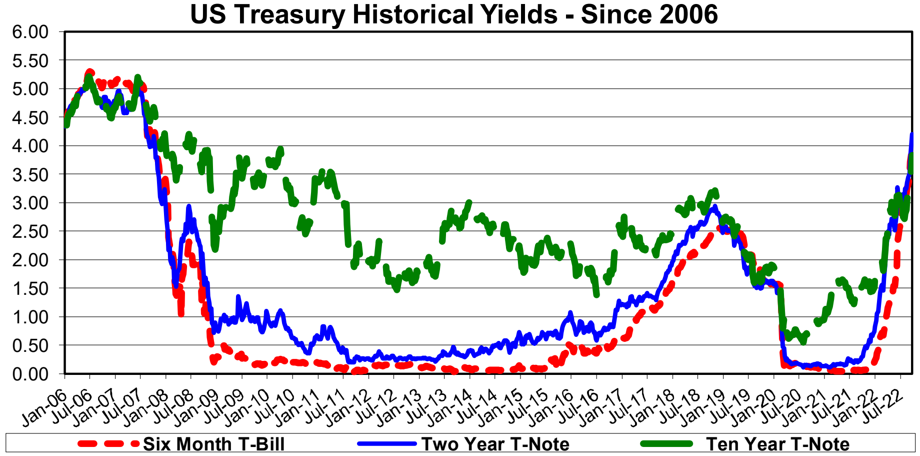
Economic Overview

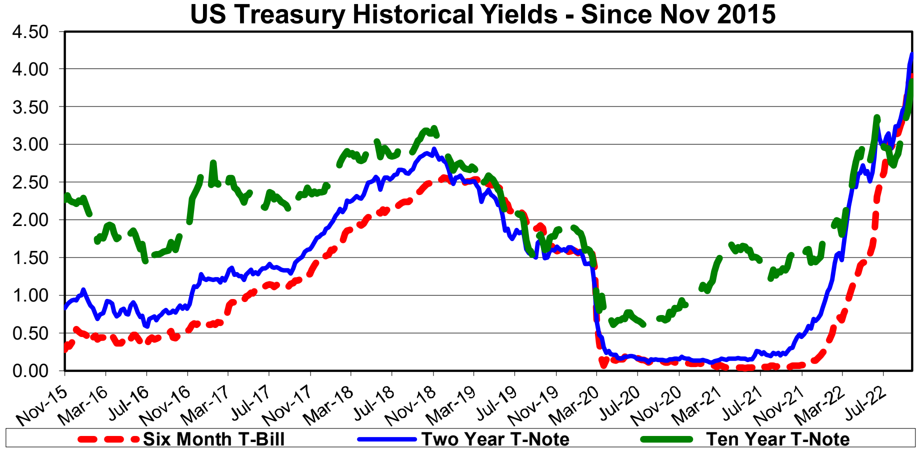
9/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 3.00% - 3.25% September 21st (Effective Fed Funds are trading +/-3.10%). The FOMC continued actively reducing their balance sheet. An additional 0.50% - 0.75% increase is currently anticipated November 2nd. Second Quarter GDP was confirmed at -0.6%. Domestic and international economies are slowing. September Non-Farm Payroll added 263k new jobs with a Three Month Average of 372k. Crude oil fell below $80 per barrel, but OPEC+ announced a target production reduction of 2 million barrels/day. The Stock Markets continued bouncing down and are +/-20% below the 2021 peak. The negatively sloped yield curve (6 months to 10 years, with peak yield at 3 years) may indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-4.9% and CPI exceeding 8%).


Treasury Yield Curves


S&P 500


US Treasury Historical Yields - Since 2006


US Treasury Historical Yields - Since Nov 2015

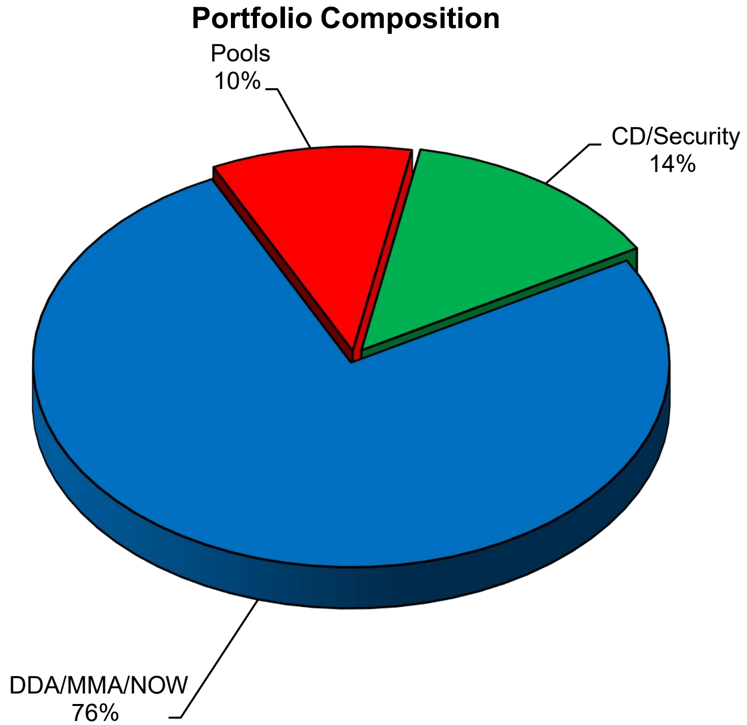
Investment Holdings

September 30, 2022

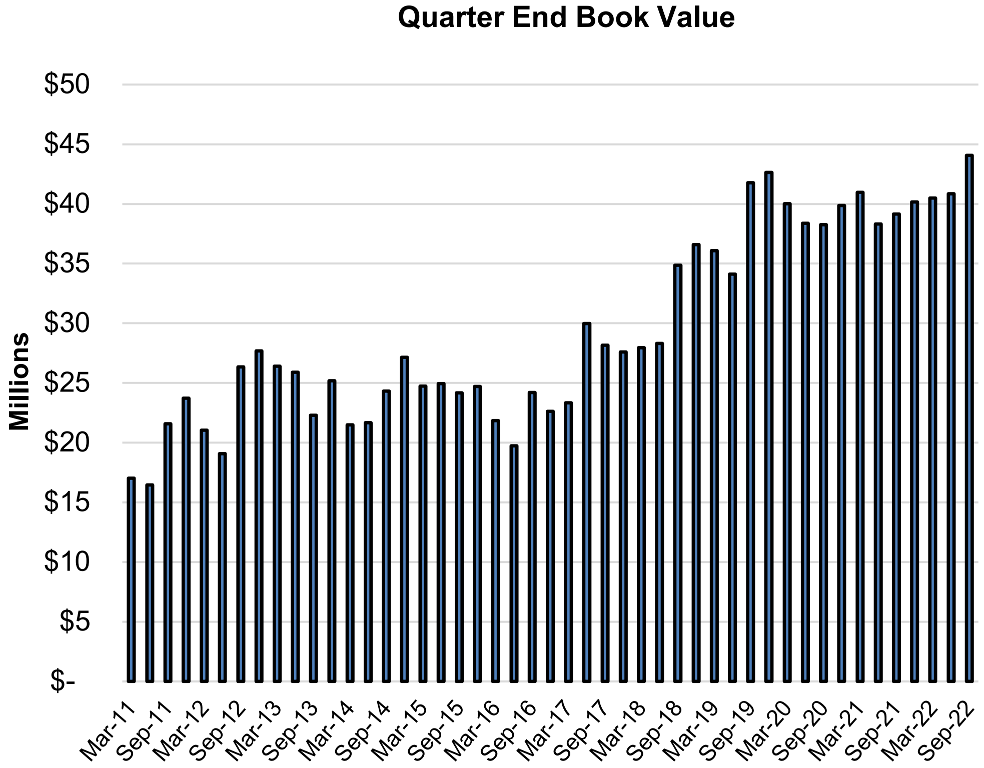
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
Southside Bank MMA		2.54%	10/01/22	09/30/22	$ 33,548,684	$ 33,548,684	1.00	$ 33,548,684	1	2.54%
TexasDAILY	AAAm	2.43%	10/01/22	09/30/22	475,007	475,007	1.00	475,007	1	2.43%
LOGIC	AAAm	2.48%	10/01/22	09/30/22	311,523	311,523	1.00	311,523	1	2.48%
TexPool	AAAm	2.41%	10/01/22	09/30/22	2,447,604	2,447,604	1.00	2,447,604	1	2.41%
TexPool Prime	AAAm	2.61%	10/01/22	09/30/22	1,254,603	1,254,603	1.00	1,254,603	1	2.61%
East West Bank CD		2.97%	01/24/23	07/28/22	2,000,000	2,010,606	100.00	2,010,606	116	3.01%
East West Bank CD		3.06%	04/28/23	07/28/22	1,000,000	1,005,464	100.00	1,005,464	210	3.11%
East West Bank CD		3.15%	07/28/23	07/28/22	3,000,000	3,016,875	100.00	3,016,875	301	3.20%
					$ 44,037,422	**$ 44,070,366**		**$ 44,070,366**	**32**	**2.61%**
									(1)	**(2)**

(1) Weighted average life - Pools, Money Market Funds, and Bank Deposits are assumed to have a one day maturity.

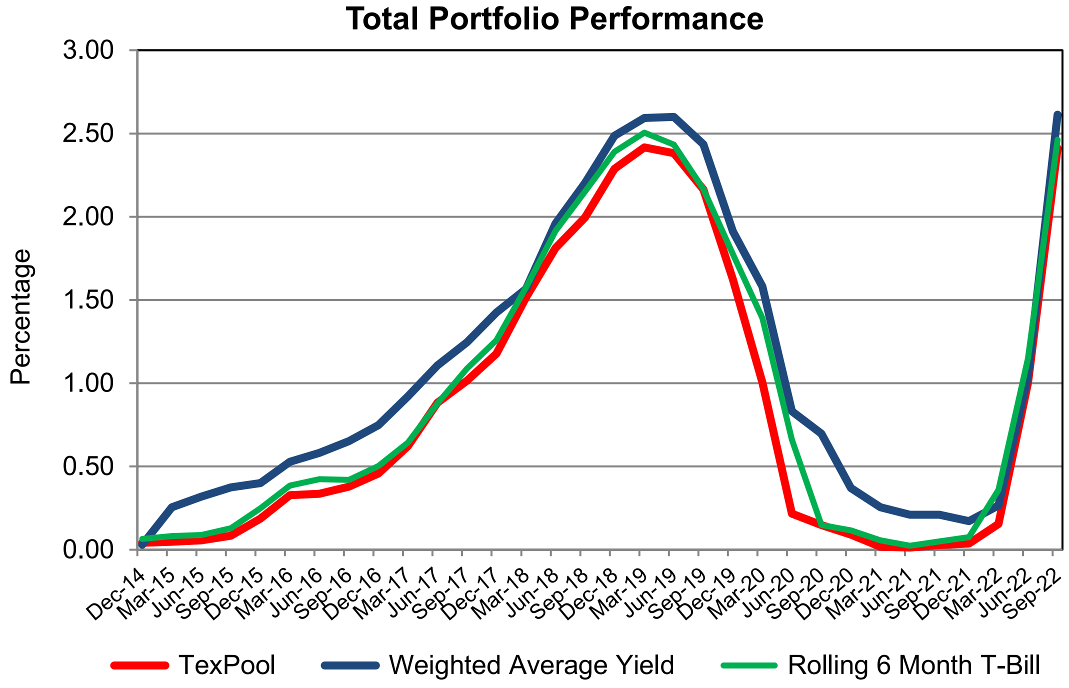
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on Adjusted Book Value, adviser fees and realized and unrealized gains/losses are not considered. The pool and mutual fund yields are the average for the last month of the quarter. Bank deposit yields are estimated from the monthly allocated earnings.



Portfolio Composition



Quarter End Book Value



Total Portfolio Performance

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/22	Increases	Decreases	Book Value 09/30/22	Market Value 06/30/22	Change in Market Value	Market Value 09/30/22
Southside Bank MMA	2.54%	10/01/22	$ 27,686,178	$ 5,862,506	$ –	$ 33,548,684	$ 27,686,178	$ 5,862,506	$ 33,548,684
TexasDAILY	2.43%	10/01/22	472,614	2,393	–	475,007	472,614	2,393	475,007
LOGIC	2.48%	10/01/22	309,886	1,638	–	311,523	309,886	1,638	311,523
TexPool	2.41%	10/01/22	9,607,957	–	(7,160,353)	2,447,604	9,607,957	(7,160,353)	2,447,604
TexPool Prime	2.61%	10/01/22	1,247,699	6,904	–	1,254,603	1,247,699	6,904	1,254,603
Prosperity Bank CD	0.70%	07/25/22	1,518,477	–	(1,518,477)	–	1,518,477	(1,518,477)	–
East West Bank CD	2.97%	01/24/23	–	2,010,606	–	2,010,606	–	2,010,606	2,010,606
East West Bank CD	3.06%	04/28/23	–	1,005,464	–	1,005,464	–	1,005,464	1,005,464
East West Bank CD	3.15%	07/28/23	–	3,016,875	–	3,016,875	–	3,016,875	3,016,875
TOTAL / AVERAGE	**2.61%**		**$ 40,842,811**	**$ 11,906,386**	**$ (8,678,830)**	**$ 44,070,366**	**$ 40,842,811**	**$ 3,227,556**	**$ 44,070,366**

Allocation
September 30, 2022
Book & Market Value

	Total	Consolidated Cash	Construction	Crime Control District
Southside Bank MMA	$ 33,548,684	$ 8,732,964	$ 24,815,721	$ –
TexasDAILY	475,007	475,007	–	–
LOGIC	311,523	311,523	–	–
TexPool	2,447,604	2,423,817	–	23,787
TexPool Prime	1,254,603	1,254,603	–	–
01/24/23–East West Bank CD	2,010,606	–	2,010,606	–
04/28/23–East West Bank CD	1,005,464	–	1,005,464	–
07/28/23–East West Bank CD	3,016,875	–	3,016,875	–
Totals	**$ 44,070,366**	**$ 13,197,914**	**$ 30,848,666**	**$ 23,787**

Allocation
June 30, 2022
Book & Market Value

	Total	Consolidated Cash	Construction	Crime Control District
Southside Bank MMA	$ 27,686,178	$ 9,182,625	$ 18,503,553	$ –
Texas Term Daily	472,614	472,614	–	–
LOGIC	309,886	309,886	–	–
TexPool	9,607,957	9,584,291	–	23,666
TexPool Prime	1,247,699	1,247,699	–	–
07/25/22–Prosperity Bank CD	1,518,477	–	1,518,477	–
Totals	**$ 40,842,811**	**$ 20,797,115**	**$ 20,022,030**	**$ 23,666**

Dallas–Fort Worth Economic Indicators

Federal Reserve Bank of Dallas

September 28, 2022

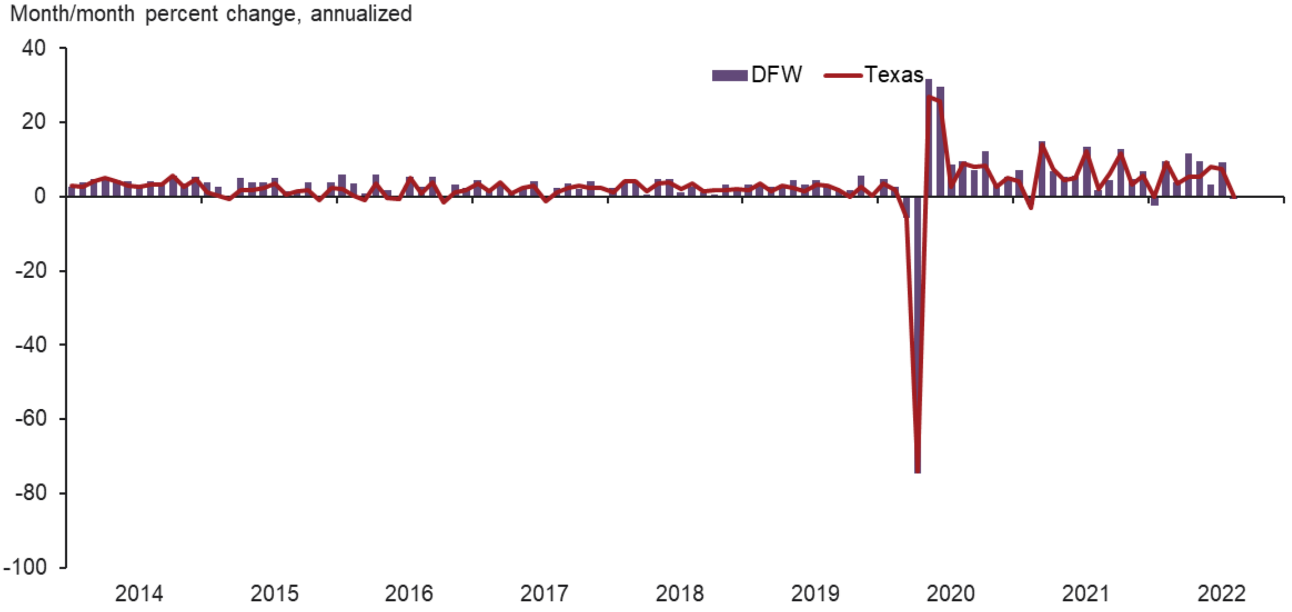
Dallas–Fort Worth's rapid economic growth slowed in August. Payrolls contracted, unemployment was unchanged and growth in the business-cycle indexes slowed. Demand for apartments was sluggish in August, though multifamily permit issuance climbed. Single-family permits fell further but remained highly elevated.

Labor Market

Payrolls Contract in August

DFW employment fell an annualized 0.6 percent (-1,950 jobs) in August, marking the first month of job losses since January 2022 (*Chart 1*). Payrolls in Dallas dipped an annualized 0.7 percent (-1,800), and employment in Fort Worth was little changed (-150). Texas' payrolls held steady in August after growing 7.6 percent in the prior month. Unemployment rates were unchanged at 3.5 percent in Dallas and 3.6 percent in Fort Worth; both remain below Texas' jobless rate of 4.1 percent.

Chart 1
Employment Growth

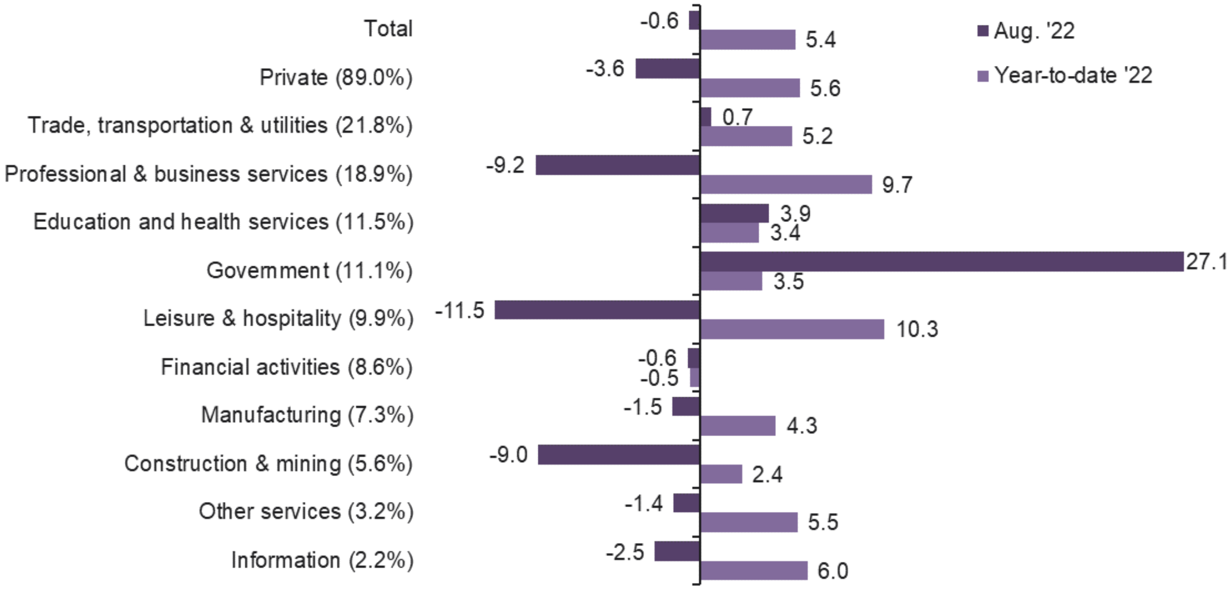


SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

Employment Growth Mixed

The August deterioration in payrolls was generally broad based across major employment sectors (*Chart 2*). Declines were led by leisure and hospitality, down an annualized 11.5 percent, or -4,160 jobs, followed closely by professional and business services (9.2 percent, or -6,200 jobs). Government (9,130), education and health services (1,510) and trade, transportation and utilities (500) were the only sectors that added jobs in August. Through August, DFW payrolls have increased a robust 5.4 percent on an annualized basis, with nearly all major sectors posting employment gains.

Chart 2
Employment Growth by Sector

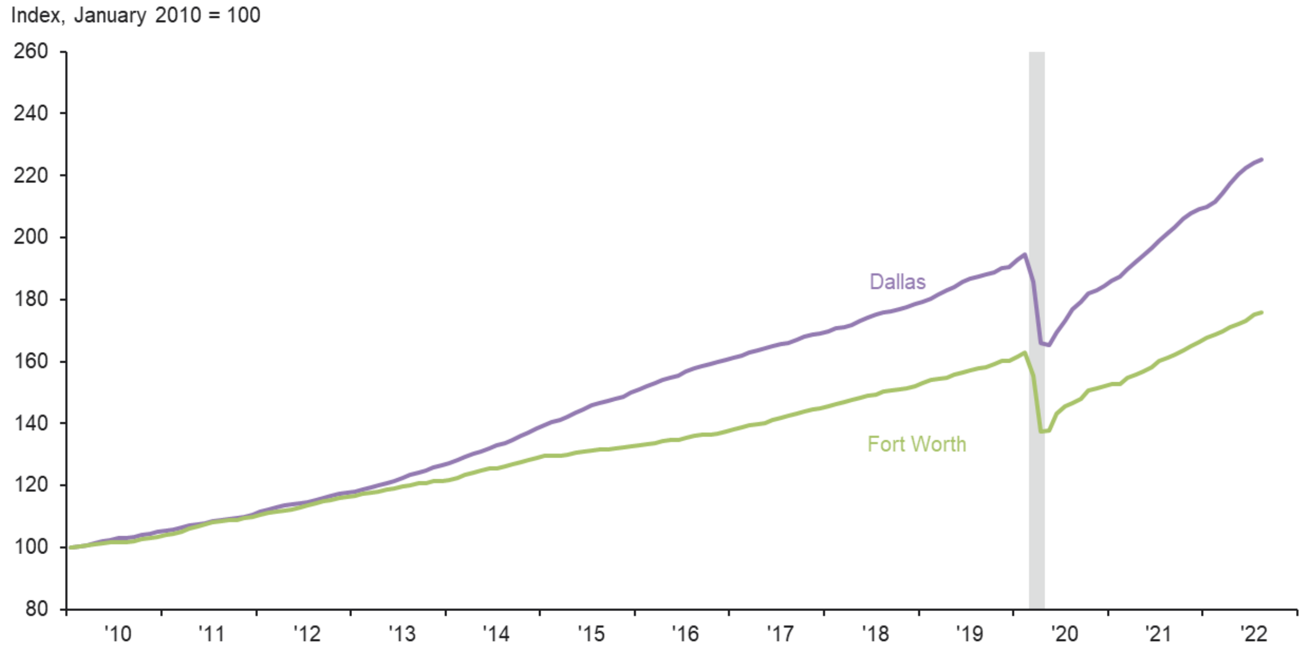


NOTE: Data show seasonally adjusted and annualized percentage growth by sector. Numbers in parentheses are shares of total Dallas–Fort Worth nonfarm employment in August 2022 and may not sum to 100 due to rounding.
SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

Business-Cycle Indexes

The Dallas and Fort Worth business-cycle indexes continued to expand in August, albeit at a slower pace than in previous months. Growth in the Dallas index was an annualized 5.1 percent—below its long-run average rate of increase (*Chart 3*). The Fort Worth index rose an annualized 5.2 percent, its slowest pace of increase since February 2021.

Chart 3
Dallas and Fort Worth Business-Cycle Indexes



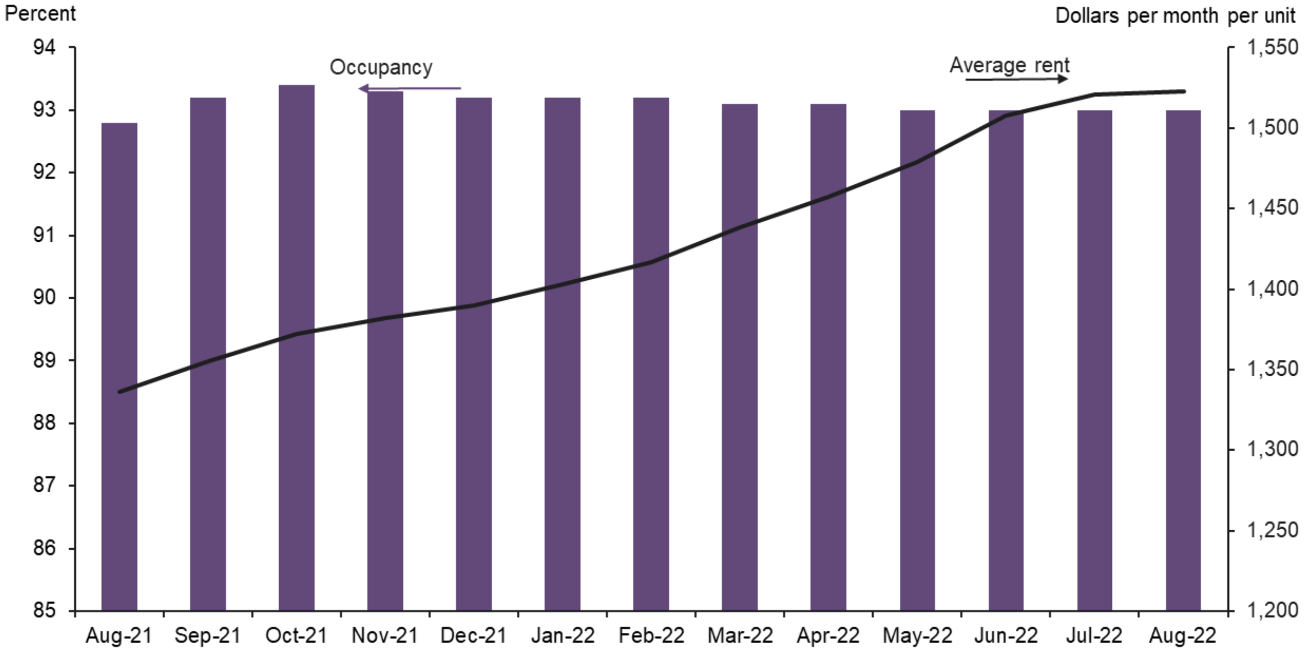
NOTE: The gray bar indicates the COVID-19 recession.
SOURCE: Dallas Fed.

Construction and Real Estate

Apartment Demand Moderates

DFW apartment absorption was nearly flat in August. Net absorption was -237 units following increases of 1,155 units in May, 1,194 in June and 760 in July. Average monthly rents in DFW increased to $1,523 per unit in August, up 14.0 percent year over year (*Chart 4*). Occupancy held steady at 93 percent—little changed from August 2021. While rents continue to inch upward, the pace of increase has moderated in recent months across most categories.

Chart 4
DFW Apartment Occupancy and Rents

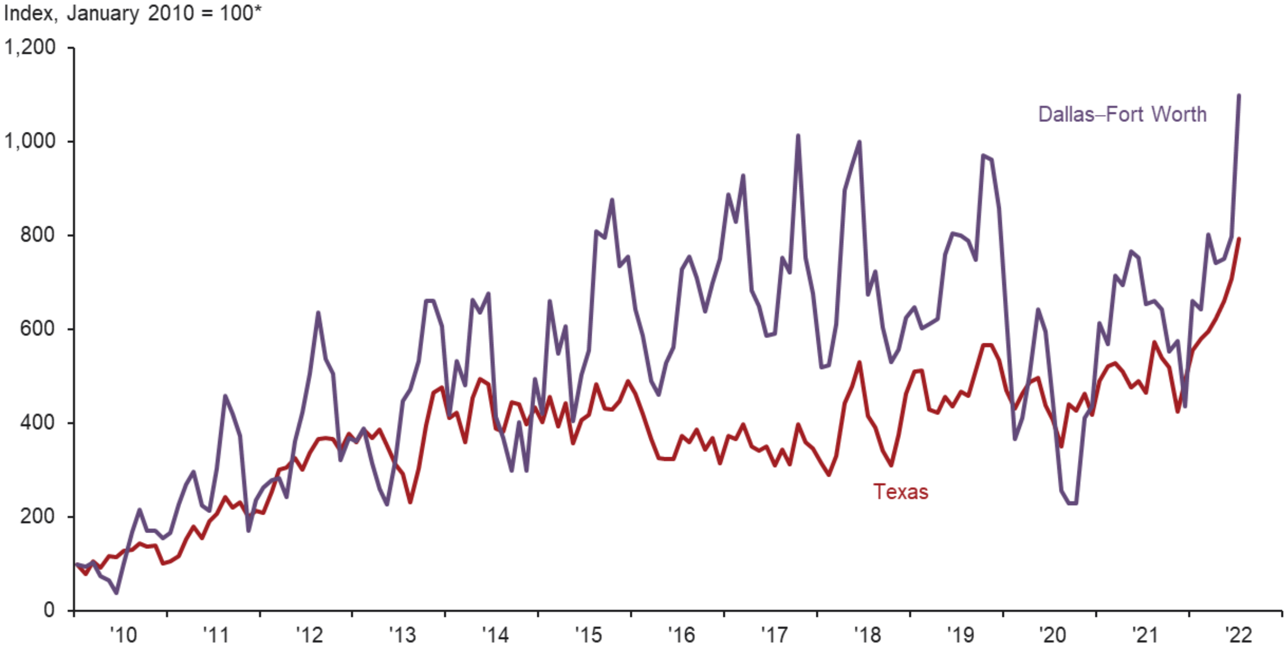


SOURCE: ApartmentData.com.

Multifamily Construction Surges

Multifamily permit issuance, which leads apartment construction, surged in August (*Chart 5*). In the first seven months of the year, DFW multifamily permits were 31 percent higher than in the same period in 2021. Statewide, multifamily permits were up 38 percent over this period, supported by strong demand and rent growth over the past year. DFW remains among the busiest large U.S. metros in apartment building.

Chart 5
Multifamily Housing Permits

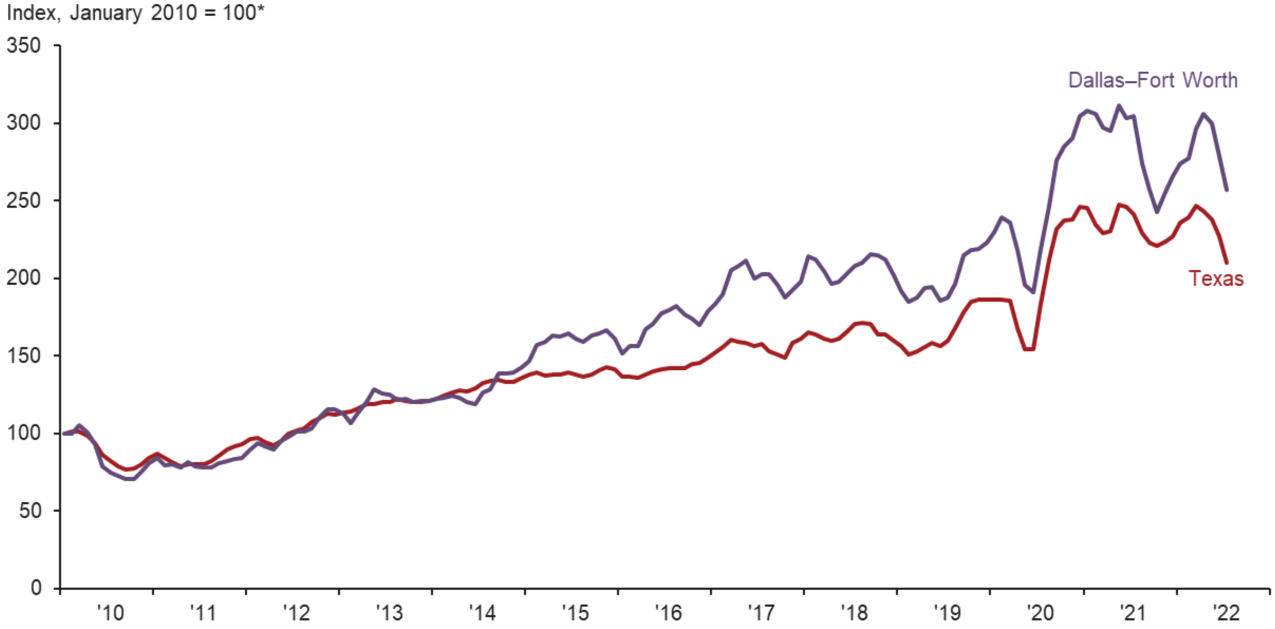


*Three-month moving average; seasonally adjusted.
SOURCE: Census Bureau.

Single-Family Permit Issuance Slides

Single-family permit issuance, which leads home construction, fell in DFW for the fourth straight month in July following hefty increases earlier in the year (*Chart 6*). Homebuilders noted that declining sales and high cancellation rates are partly responsible for moderating activity in recent months. Still, homebuilding remains highly elevated compared with prepandemic levels; through July, single-family permits in DFW and Texas were nearly 50 percent higher compared with the same period in 2019. So far this year, 28,000 single-family permits have been issued in the metroplex.

Chart 6
Single-Family Housing Permits



*Three-month moving average; seasonally adjusted.
SOURCE: Census Bureau.

NOTE: Data may not match previously published numbers due to revisions.

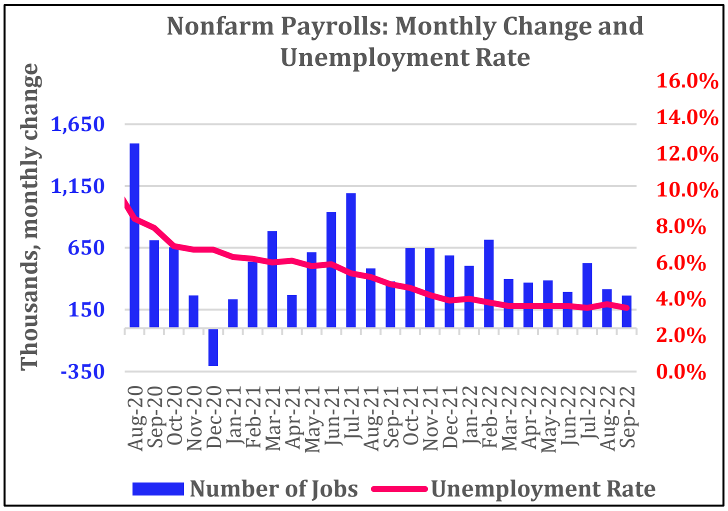
About Dallas–Fort Worth Economic Indicators

Questions can be addressed to Laila Assanie at laila.assanie@dal.frb.org. *Dallas–Fort Worth Economic Indicators* is published every month after state and metro employment data are released.

Market Outlook

October 7, 2022

A strong U.S. labor market continues to apply pressure on the Federal Open Market Committee (FOMC) as they maintain their restrictive measures to rein in inflation. The housing sector remained mixed with potential buyers faced with high prices and mortgage rates at levels not seen since 2006. Drops in gas prices provided some relief throughout September, but recent OPEC production cuts may bring more pain at the pump. This coupled with increasing food prices may ultimately hurt consumers that showed recent signs of returning confidence. The final GDP number confirmed an economic contraction in the second quarter of 2022 where the economy may have entered recession territory. The FOMC met in September and raised the Fed Funds rate another 75 basis-points with Chair Powell emphasizing their need to act as restrictively as possible as soon as possible as justification for another large increase.



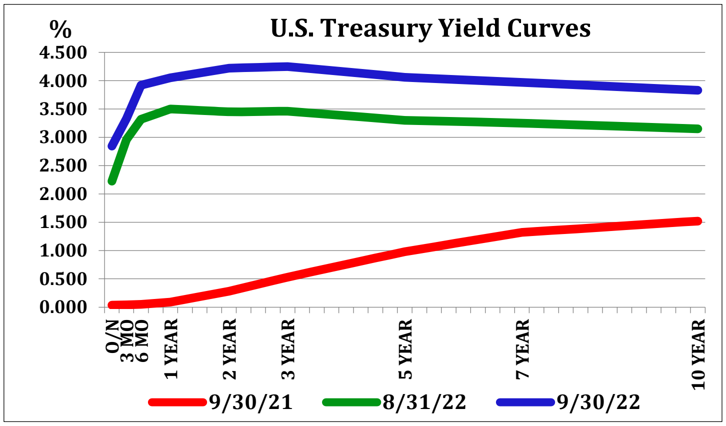
The September Employment report showed that 263,000 jobs were added, higher than the 255,000 jobs expected. The previous two months were adjusted with a net increase of 11,000 jobs. August remained unchanged at +315,000 while July was revised to +537,000 jobs from the previous report of +526,000. The three-month average is now +372,000 per month (the previous three-month average was +378,000 per month). Several sectors saw large improvements, most notably Health/Education (+90,000) and Leisure/Hospitality (+83,000). Others with favorable increases: Professional/Business (+46,000), Manufacturing (+22,000), Construction (+19,000), and Mining (+3,000). Several saw relatively minor reductions: Transportation/Warehousing (-8,000), Retail (-1,000), and Government (-25,000). The September Labor Participation Rate, a measure of the percentage of eligible workers that hold jobs inched downward to 62.3% from 62.4% in August. Pre-pandemic that number was 63.4%. The Unemployment Rate fell to 3.5% from August's rate of 3.7%. The U6 rate (or the under-employed rate – those that are either over-qualified for their job or working fewer hours than they desire) fell to 6.7% from August's 7.0%. Average Hourly Earnings (AHE) rose 0.3% in September after also rising 0.3% in August. Year-over-year AHE dropped 0.2% since last month to +5.0%. While job openings declined in August, there are still over 10.1 million active job openings. Approximately 6.0 million people report that they are currently unemployed and looking for work. Pre-pandemic the number of job seekers averaged 5.7 million people. As of August, there are 1.7 jobs for every unemployed person, down from 2.0 in July.

Existing Home Sales decreased 0.4% in August after falling 5.7% in July continuing the seventh consecutive monthly decline. The median existing-home sales price rose 7.7%, now at $389,500, and recorded the 126th straight month of increases, the longest-running streak on record. Inventories of Existing Homes for sale decreased 1.5% from July. New Home Sales jumped 28.8% in August after a decrease of 8.6% in July. The supply of New Homes for sale is currently at 8.1 months, a decrease from the previous 10.9 months, getting us closer to the normal 6-month supply in a balanced market. The median sales price of new homes was $436,800, up 8% year-over-year. The average 30-year mortgage rate hit its highest level since July 2006, now at 6.75%. That average was 3.1% one year ago. This sizeable difference has weighed on buyers cooling the previously overheated market. The S&P Case Shiller report of home prices in 20 metropolitan areas reported a 0.8% decrease in home values during July and the Federal Housing Finance Agency (FHFA), the entity that analyzes all domestic home prices, showed a 0.6% decrease. Year-over-year Case Shiller is up 16.1% (vs. 18.7% in June) and the FHFA index is up 13.9% (vs. 16.3% in June). Housing Starts increased 12.2% in August while Permits fell 10%. Pending Home Sales dropped 2.0% in August after falling 0.6% in July. Construction Spending dropped 0.7% in August after falling 0.6% in July, the biggest decline since February 2021. In the wake of Hurricane Ian, rebuilding may bring increases in construction spending, but supply chain issues could slow the process and further inflate building material prices nationwide.

With a -0.6% final report for GDP for the second quarter of 2022, the economy may have entered recession territory with two consecutive quarters of negative GDP after falling 1.6% in the first quarter. Production reports were mixed once again, but the trend is moving towards a slowing in activity. Industrial Production decreased 0.2% in August after a 0.6% increase in July. Durable Goods Orders decreased 0.2% after decreasing 0.1% in July, lower than market forecasts and driven largely by drops in transportation orders. Factory Orders were flat after decreasing 1.0% in July. Business inventories rose 0.6% in July after rising 1.4% in June. In a measurement of inflation impacts, the Producer Price Index (PPI) fell 0.1% in August after decreasing 0.4% in July. It is up 8.7% from this time last year. The Consumer Price Index (CPI) was up 0.1% in August after a flat July and is up 8.3% year-over-year. Inflation for food rose 11.4%, the most since May of 1979. Core CPI year-over-year, or the results after food and energy numbers are excluded (due to price volatility), is up 6.3%. Purchasing Managers expectations were slightly higher this period as output and new orders grew. There are still struggles with inflation and labor shortages, but cost pressures softened.

The Consumption reports were positive this month as falling gas prices allowed consumers to spend on other items. Retail Sales increased 0.3% after declining 0.4% in July. Excluding vehicle and gas purchases, sales were up 0.3%, the same as July. Consumers' attitudes as measured by both the Consumer Sentiment report (+0.4 points) and the Consumer Confidence report (+4.4 points) were indicative of a more optimistic consumer compared to this past summer. Personal Consumption Expenditures (PCE) are up 6.2% year-over-year, another slight decrease from July's 6.4%, but still outpacing year-over-year Average Hourly Earnings of 5.0%. The Core PCE Index measuring consumption net of food and energy, and one of the indicators watched closely by the FOMC, crept back up to +4.9% year-over-year in August (from July's 4.7%) and exceeded the FOMC's target inflation rate of 2.0% for the seventeenth consecutive month. Month-over-month the Personal Income component of the PCE series indicated that incomes rose 0.3% in August after rising 0.3% in July, while Personal Spending rose 0.4% in August after falling 0.2% in July.

The FOMC met on September 20th and 21st and announced that the Fed Funds target range would be increased by 75 basis-points, placing the current range at 3.00% to 3.25%. This continues the FOMC's anticipated rate hikes to help tame inflation and bring price stability. Chair Powell noted the labor market remains out of balance; the tight labor market has led to continued wage growth, another contributing factor to inflation. To gauge progress they will look for a normalization of the labor market and clear evidence of inflation moving back toward their goal of 2.0%. He stated that the pace of future rate increases will depend on the data, but at some point will slow. The next FOMC meeting is scheduled for November 1st and 2nd, and the market is currently anticipating another 75 basis-point hike following the higher than expected employment numbers.



Government Security Investment Pool yields continued rising with the highest currently yielding +/-2.94% up from +/-2.22% in August. After closing August at 3.50%, the 1-year Treasury closed September at 4.50%. The 2-year Treasury closed September at 4.22%, 77 basis-points higher than the 3.45% level at the end of August. The yield curve at the end of September remains inverted from three-year and longer with short-term rates higher than longer-term rates. An inverted yield curve is a sign that the market feels the rate environment may have reached its peak and could begin to decline. The current 2-year rate is 4.31%. CD rates improved as bank appetite appears to be picking up with some one-year CD yields exceeding 4.00%.

AGENDA MEMORANDUM

DATE:	October 26, 2022
TO:	Honorable City Council Members
FROM:	
THROUGH:	Arthur Miner, Mayor
SUBJECT:	Consider action to appoint Bryan Steward to Place 2 on the Board of Appeals, Kim Irving to Place 5 on the Parks Advisory Board, TJ Crabill to Place 2 on the Civil Service Commission, and Claude Smith to Place 5 on the WEDC.

BACKGROUND/INFORMATION:

This item is to consider filling a vacancy on the Parks Advisory Board and one on the Board of Appeals with recommendations from the Mayor

FINANCIAL IMPLICATIONS:

None

RECOMMENDATION/ACTION DESIRED:

Respectfully recommend the Council review and take action on the item presented.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Stewart, Bryan _BOA_09.12.2022
2. Irving, Kim_10.24.2022_Parks Advisory Board_Library
3. Crabill,TJ_CS_08.12.2022
4. Smith, Claude_11.06.2022

REVIEWED BY:

Joshua Jones, City Manager	Approved - 10/26/2022
Linda Proskey, City Secretary	Final Approval - 10/26/2022

Approved as to form for inclusion on Agenda

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

DATE: November 2, 2022

TO: Honorable City Council Members

FROM:

THROUGH:

SUBJECT: Consider action to approve the minutes from the August 22, 2022 regular council meeting.

BACKGROUND/INFORMATION:

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

Respectfully recommend the Council review and take action on the item presented.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. August 22, 2022 Regular Meeting - Draft Minutes

REVIEWED BY:

Joshua Jones, City Manager	Approved - 11/8/2022
Linda Proskey, City Secretary	Final Approval - 11/8/2022

Approved as to form for inclusion on Agenda

MINUTES
WATAUGA CITY COUNCIL
REGULAR MEETING
CITY HALL COUNCIL CHAMBER,
7105 WHITLEY ROAD
AUGUST 22, 2022
6:30 PM

CALL TO ORDER

Mayor Arthur L. Miner called the meeting to order at 6:30 p.m.

ROLL CALL

The meeting convened with the following members present:

Arthur L. Miner	Mayor
Lovie Downey	Mayor Pro Tem/Council Member Place 3 (Absent with notice)
Pat Shelbourne	Council Member Place1
Tom Snyder	Council Member Place 2
Andrew Neal	Council Member Place 4
Malissa Minucci	Council Member Place 5
Mark Taylor	Council Member Place 6
Jan Hill	Council Member Place 7
and	
Linda Proskey	City Secretary
Sandra Gibson	Director of Finance
Lana Ewell	Director of Library Services
Julie Rodriguez	HR/Civil Service Director
Timothy Hamilton	Parks and Community Services Director

INVOCATION

Councilmember Pat Shelbourne provided the invocation.

PLEDGE OF ALLEGIANCE

Mayor Miner led the pledge to the flags.

ANNOUNCEMENTS

Councilmember Neal made an announcement that it was Clear the Shelter Week at the Animal Shelter.

Councilmember Minucci made and announcement that the library hosting an art exhibit.

Mayor Miner said that this is the first year for the art exhibit and they have 65 exhibits. Last Friday was the 38th anniversary of the Senior Center.

PRESENTATIONS

City Manager Josh Jones presented a 5-year service award to Esmeralda Magana, a 15-year service award to Ben Gordillo, and a 5-year service award to Jordan Cooper.

PUBLIC COMMENT

David Riggall 7009 Yorkston Watauga TX, Spoke about the Stedfast Church and the protesters and how it is affecting the neighborhood.

Amanda Harris 7012 Yorkston Watauga TX, spoke about the Stedfast Church and the protesters and how it is affecting the neighborhood.

Kevin Day 2200 Village Circle Apt. 1914 Bedford TX,. Spoke against the Stedfast Church.

Lynette Sharpe 6545 Highland Terrace Watauga TX, spoke against the Stedfast Church.

Mary Anne Foley 925 Cattllow Ct. Keller TX, spoke against the Stedfast Church.

Sam Richard 925 Cat Hollow Ct. Keller TX, spoke against the Stedfast Church.

PUBLIC TESTIMONY FOR ACTION ITEMS

No Requests for public testimony were received.

CONSENT AGENDA

Mayor Miner read the following consent addenda items:

1. **Consider action to approve the Watauga Economic Development Staffing Reimbursement Resolution for Fiscal year 2022-2023**

2. **Consider action on an ordinance by the City Council of the City of Watauga, Texas amending and rendering City-provided solid waste collection services mandatory and exclusive; and conduct a second reading and approval of an ordinance approving and ratifying the franchise agreement between the City and its service provider, Frontier Waste Solutions.**

3. **Consider action to approve an Engineering Contract with Burgess Niple, Inc. for the design and construction administration of 48th Year Community Development Block Grant (CDBG) Project.**

4. **Consider action on approving the Quarterly Investment Report for the period ending June 30, 2022.**

5. **Consider action on approving the Monthly Financial Report for the period ending June 30, 2022.**

6. **Consider action to approve the minutes from the City Council Special meeting held on July 20, 2022.**

7. **Consider action to approve Bank Depository Services RFA # 19-005 for the second extension one-year period through August 31, 2023. with Southside Bank**

Mayor Miner called for a Motion. Councilmember Shelbourne made a motion to accept the item as presented. Councilmember Snyder seconded the motion. Mayor Miner called for a vote.

Motion carried 6-0-0-0.

Ayes, Shelbourne, Snyder, Neal, Minucci, Taylor, Hill
Nays: None
Abstain: None
Absent: None

PUBLIC HEARINGS / ACTION

1. **Public Hearing and action on the City Manager's Proposed Budget for Fiscal Year 2022-2023**

Sandra Gibson, Director of Finance, presented the item. She said this is a public hearing for citizens' input on the budget. She mentioned that it was filed with the clerk on August 1 and presented to the council and the citizens in a budget workshop on August 3, and the presentation is online. The budget and Tax adoption are set for September 12.

Public Hearing was opened at 6:54pm
No requests were received to speak
Public Hearing was closed at 6:54 pm

Mayor Miner called for a Motion. Councilmember Shelbourne made a motion to postpone any action on this budget until September 12. Councilmember Neal seconded the motion. Mayor Miner called for a vote.

Motion carried 6-0-0-0.

Ayes, Shelbourne, Snyder, Neal, Minucci, Taylor, Hill
Nays: None
Abstain: None

Absent: None

2. **Public Hearing and action on the Watauga Economic Development Corporation Proposed Budget for FY2022-2023**

Sandra Gibson, Director of Finance, presented the item. She said that the Economic Development Corporation reviewed the budget in May at the Economic Development meeting. It was adopted by the board in July and submitted to the council on August 8. Therefore, the budget will either be adopted after this hearing or wait until September 12.

Public Hearing was opened at 6:57pm
No requests were received to speak
Public Hearing was closed at 6:57 pm

Mayor Miner called for a Motion. Councilmember Neal made a motion to accept the proposed budget for the EDC for the fiscal year 2022-2023, as presented. Councilmember Minucci seconded the motion. Mayor Miner called for a vote.

Motion carried 6-0-0-0.

Ayes, Shelbourne, Snyder, Neal, Minucci, Taylor, Hill
Nays: None
Abstain: None

ACTION ITEMS

1. **Discuss and consider action to approve an ordinance authorizing the issuance of "City of Watauga, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022" providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the City and further securing said certificates by a lien on and pledge of the pledged revenues of the system; authorizing the execution of any necessary engagement agreement with the City's Financial Advisors and/or Bond Counsel; and providing an effective date {CAPTION}**

Sandra Gibson, Director of Finance, presented the item. During the budget process, the Capital Outlay and Capital Improvement plans were discussed, and some funding will need to come for debt issuance. She introduced Mark MCClonney with Samco Capital. Mark McClonney said that on June 27 council authorized notice of intention on the projects. The bond report came back AA. They went out to bid and received nine bids. The best interest rate we received was 3.489%, and he recommends the bid be awarded to Stifel, Nicolaus & Co., Inc.

Mayor Miner called for a Motion. Councilmember Shelbourne made a motion to approve as presented. Councilmember Neal seconded the motion. Mayor Miner called for a vote.

Motion carried 6-0-0-0.

Ayes, Shelbourne, Snyder, Neal, Minucci, Taylor, Hill
Nays: None
Abstain: None

2. **Discuss and consider action to approve or reject the Crime Control and Prevention District Budget for the Fiscal Year 2022-2023**

Sandra Gibson, Director of Finance, presented the item. She said the Crime Control District budget needs to be adopted earlier to meet the 30-day requirements of Chapter 363 of the Local Government Code.

Mayor Miner called for a Motion. Councilmember Neal made a motion to approve the budget as presented. Councilmember Minucci seconded the motion. Mayor Miner called for a vote

Motion carried 6-0-0-0.

Ayes, Shelbourne, Snyder, Neal, Minucci, Taylor, Hill
Nays: None
Abstain: None

ITEMS FOR FUTURE AGENDAS

There were no items for future agendas

EXECUTIVE SESSION

The City Council shall convene in executive session pursuant to Section 551.087, Texas Government Code (Economic Development), to discuss and deliberate commercial or financial information, and the offer of financial and other incentives, for a business prospect known as Mr. Froze that the City Council seeks to have locate, stay or expand in the City and with whom the City Council is conducting economic development negotiations

Council recessed into executive session at 7.13 pm

RECONVENE

Council reconvened at 8:03 pm

ITEMS OF EXECUTIVE SESSION DELIBERATION

No action taken

ADJOURNMENT

Mayor Miner adjourned the meeting at 8:04 pm

Approved: this _________ day of ___________, 2022

Signed: this _________ day of ___________, 2022

APPROVED:

____

Arthur L. Miner, Mayor

ATTEST:

____

Linda Proskey, City Secretary

NOTE: Original Audio and Video Recording of this meeting is preserved and maintained by the City Secretary's Office

WATAUGA
TEXAS
"A GREAT PLACE TO LIVE"

AGENDA MEMORANDUM

DATE: October 21, 2022

TO: Honorable City Council Members

FROM:

THROUGH: Juliet Rodriguez, Human Resources and Civil Service Director

SUBJECT: Pursuant to Section 551.074 of the Texas Government Code, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.To discuss and provide feedback regarding the annual performance evaluation of the City Secretary.

BACKGROUND/INFORMATION:

Annual review of the City Secretary

FINANCIAL IMPLICATIONS:

RECOMMENDATION/ACTION DESIRED:

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

None

REVIEWED BY:

Juliet Rodriguez, Human Resources and Civil Service Director	Approved - 11/9/2022
Joshua Jones, City Manager	Approved - 11/9/2022
Linda Proskey, City Secretary	Final Approval - 11/9/2022

Approved as to form for inclusion on Agenda