NOTICE OF REGULAR MEETING
SEALY CITY COUNCIL
CITY COUNCIL CHAMBERS
415 MAIN STREET
SEALY, TX 77474
TUESDAY, APRIL 7, 2026
6:00 P.M.

Notice is hereby given of a Regular Meeting of the City Council of Sealy to be held on the abovementioned date, time, and location for the purpose of considering the following agenda items. All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

A. Call to Order

B. Invocation and Pledges of Allegiance

C. Roll Call and Certification of a Quorum

D. Petition(s) and Public Comments

Comments may not be addressed to or at individuals and are limited to three minutes per speaker; however, if a large quantity of individuals has registered to speak, the time may be reduced. Speakers may not poll the council members or attendees.

E. Discussion and Possible Action to Approve the agenda order or reorder

F. Proclamation(s)

- **Public Safety Telecommunicator Week**
- **National Volunteer Week**

G. Consent Agenda

(In accordance with Sec. 2-35. (1) of the Code of Ordinances, "Routine matters thought to require little or no deliberation by city council may be placed on a consent agenda, which shall be treated as one agenda item." At any time prior to the call for a vote on the consent agenda, any council member may request that one or more items may be removed from the consent agenda and handled separately in the same manner as a regular agenda item.)

a) Approve the March 17, 2026, Regular Meeting Minutes

b) Ratification of Resolution for Grant Application to the Office of the Governor, Public Safety Office, for the FY 2027 Criminal Justice Grant Program – Sealy Police Department Police Cruiser Vehicle Replacement Project

c) Ratification of Non-Terminal Agency Agreement between Austin County Sheriff's Office and Sealy Police Department

d) Approve a Resolution for a Walmart Spark Good Local Grant Application to support the Sealy Police Department Walmart License Plate Reader Project

e) Approve a Resolution for a Walmart Spark Good Local Grant Application to support the Sealy Police Department Safer Community – Smart Technology Project

f) Approving an Ordinance Amending Chapter 2, adding a new Section 2-2 Variances Processes, Procedures, and Criteria (Second of two readings)

g) Approving an Ordinance Amending Chapter 78, Amending Section 78-35 for Variances (Second of two readings)

h) Approving an Ordinance Amending Chapter 14, Amending Section 14-418 for Landscaping Variances (Second of two readings)

i) Approving an Ordinance Amending Chapter 28, Amending Section 28-110 and Section 28-129 for Variances (Second of two readings)

j) Approving an Ordinance Amending Chapter 58, Amending Section 58-112 for Mobile Home Park Variances (Second of two readings)

k) Approving an Ordinance Amending Chapter 80, Amending Section 80-30 for Sign Variances (Second of two readings)

l) Approving an Ordinance Amending Chapter 87, Amending Section 87-3 for Subdivision and Plat Variances (Second of two readings)

m) Approving an Ordinance Amending Chapter 29, Amending Section 29-15 for Downtown Variances (Second of two readings)

n) Approving a Request from Austin County to allow Voting at the W. E. Hill Community Center for Conducting the 2026 Election. Dates include Set-Up, Early Voting, Election Day, and Pick-Up; Friday, April 17, 2026 – Sunday, May 3, 2026

o) Approving a Resolution for the Sealy EDC Investment Policy

p) Approving a Resolution for the City of Sealy Investment Policy

q) Approving a Resolution for Task Order No. 26-01 between Sealy EDC and Strand Associates, Inc., to conduct a Downtown Parking Assessment for the Downtown Area pursuant to Texas Local Government Code 505.158, following the Approved SEDC Strategic Plan (First of two readings)

r) Approving Task Order No. 26-02 between Sealy EDC and Strand Associates, Inc., for the City of Sealy Public Works Facility Relocation Phase I Assessment pursuant to Texas Local Government Code 505.152, following the Approved Sealy EDC Strategic Plan

H. Business

1. Discussion and Possible Action regarding Approval of a Contract with Chaparral Creative, LLC for Ongoing Communication Support.

2. Discussion and Possible Action regarding Improvements to the Mark A. Chapman Park and the Abe and Irene Levine Family Park Playground Equipment.

3. Discussion and Possible Action regarding Strand Change Order for Phase I of Chapman B&PW Pond Drainage Project: Westview Terrace Drive Storm Sewer Improvements.

4. Discussion and Possible Action regarding Approving the Sealy EDC Board's Proposed Changes to the Design of the Liedertafel Improvement Project pursuant to the Texas Local Government Code 505.152.

5. Discussion and Possible Action regarding Approving a Resolution to Update the City Limits and Extraterritorial Jurisdiction Map (ETJ).

6. Discussion and Possible Action regarding to Approve a Coating for the Ward Bend Lift Station Wet Well.

7. Discussion and Possible Action regarding to Approve Maintenance, Painting and Inspections of the City of Sealy Fire Hydrants.

8. Discussion and Possible Action regarding the Replacement of the Steel Main Gas Line on Highway 90.

9. Discussion and Possible Action regarding Adopting the 2024 International Codes, 2024 Uniform Plumbing Code, 2023 National Electrical Code, and Local Amendments. for:

    - Building Code
    - Existing Building Code
    - Residential Code
    - Plumbing Code
    - Uniform Plumbing Code
    - Pool/Spa Code
    - Mechanical Code
    - National Electric Code
    - Property Maintenance Code
    - Energy Conservation Code
    - Fuel Gas Code

- Fire Code
- Local Amendments

10. Discussion and Possible Action regarding Approving a Proposal from AMS for Retrofit, Controls and Replacement of Air Conditioner Condenser Unit at the Sealy Police Department.

11. Discussion and Possible Action regarding an Ordinance Amending Chapter 70 – Parks and Recreation, Amending Section 70-31.
(First of two readings)

12. Discussion and Possible Action regarding repurposing the Harry Nowak Fountain at the City Hall.

13. Discussion and Possible Action regarding Amending the City's Organizational Chart to Add Assistant Public Works Director and Job Description of the same.

14. Discussion and Possible Action regarding Amending the City's Pay Scale to Add an Assistant Public Works Director.

15. Discussion and Possible Action regarding Approving City Manager Contract.

16. Reports or Requests from the City Manager and Discussion:

- Status Update on Proposed Interlocal Agreement with Austin County ESD #2
- Boards and Commissions Policy
- City Council's Priority of Zoning Exploration

17. Reports, Announcements, or Requests from Councilmembers.

I. Adjourn

CERTIFICATION

I, Sandra Vrablec, City Secretary of the City of Sealy, do hereby certify that the above notice of the City of Sealy, Texas, City Council, was posted in a place convenient to the general public (and the City's website) in compliance with Chapter 551, of the Texas Government Code, and at least 3 business days before the scheduled time of the meeting.

Sandra Vrablec

Sandra Vrablec, City Secretary

F. PROCLAMATION(S)

City of Sealy, Texas

Proclamation – Public Safety Telecommunicator Week

WHEREAS, each day, thousands of Americans dial 9-1-1 for help in emergencies ranging from house fires and automobile accidents to heart attacks and child poisonings; and

WHEREAS, the men and women who answer these calls for help, gathering essential information, and dispatching the appropriate assistance, can often make the difference between life and death for persons in need; and

WHEREAS, public safety telecommunicators are more than a calm and reassuring voice at the other end of the phone -- they are highly trained and knowledgeable individuals who work closely with police, fire, and medical personnel; and

WHEREAS, more than 500,000 telecommunications specialists work daily to protect and to promote public safety; and

WHEREAS, because emergencies can strike at any time, we rely on the vigilance and the preparedness of these individuals 24 hours a day, 365 days a year; and

NOW, THEREFORE, I, Carolyn Bilski, Mayor of the City of Sealy, do hereby proclaim the week of Sunday through Saturday, April 12-18, 2026, as

"PUBLIC SAFETY TELECOMMUNICATOR WEEK"

in the City of Sealy, and encourage everyone to recognize the role our local and county staff play in our safety. Signed and dated this 7th day of April 2026.

_____

Carolyn Bilski
Mayor, City of Sealy

CITY OF SEALY, TEXAS

Proclamation

WHEREAS, National Volunteer Week is an opportunity to recognize and honor the countless individuals who selflessly invest in the lives of others, especially in the City of Sealy; and

WHEREAS, volunteers are finding unique and innovative ways to spread joy and meet the emotional, physical, and spiritual needs of others through senior and youth activities, and various volunteer services from 4-H, Little League, to Meals on Wheels, Master Gardeners, and others; and

WHEREAS, volunteering one's time, talents, and resources is an integral part of our heritage since the early days of our nation, and it is essential that we continue this tradition of giving and sharing to preserve and improve the quality of life for all citizens in Sealy and Austin County; and

WHEREAS, the receiver is not the only one who benefits from volunteer service, for the giver reaps the rewards of improved skills and widened horizons as well; and

WHEREAS, each year a special week is designated in our nation for the dual purpose of recognizing those who give of themselves and of encouraging all citizens to become involved in volunteer work; and it is fitting at this time that we say "thank you" to all individuals, groups, and businesses who have given time, energy, and resources to their communities through volunteer service.

NOW, THEREFORE, I, Carolyn Bilski, Mayor of the City of Sealy, do hereby proclaim April 19-25, 2026, as

National Volunteer Week

in the City of Sealy and Austin County, and encourage all citizens to observe this week by celebrating the important work that volunteers do every day throughout our community.

Proclaimed this 7th day of April 2026.

_____

Carolyn Bilski, Mayor

G. CONSENT AGENDA

a)

MINUTES
SEALY CITY COUNCIL
CITY COUNCIL CHAMBERS
415 MAIN STREET
SEALY, TX 77474
TUESDAY, MARCH 17, 2026
6:00 P.M.

The City Council of the City of Sealy, Texas, conducted the meeting scheduled for March 17, 2026, at 6:00 p.m., at the Sealy City Council Chambers located at 415 Main Street, Sealy, Texas, 77474.

A. Call to Order

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

B. Invocation and Pledges of Allegiance

Mayor Bilski gave the Invocation and led the Pledge of Allegiance

C. Roll Call and Certification of a Quorum

Present:

Carolyn Bilski	Mayor
Dee Anne Lerma	Councilmember, Place 1 Mayor Pro Tem
Chris Noack	Councilmember, Place 2
Bradley Miller	Councilmember, Place 3 Entered the meeting at 6:04 p.m., sat at the Dias at 6:07 p.m.
Theadra Curry	Councilmember, Place 4
Edward Zapalac	Councilmember, Place 5
Adam Burttschell	Councilmember, Place 6

Absent:

None

A quorum was declared present.

Staff Attending:

Kimbra Hill, City Manager
Sandra Vrablec, City Secretary
Tim Kirwin, City Attorney
Jennifer Matura, Finance Director
Scott Riske, Police Captain
Patrick Parsons, Public Works Director
Mike Barrow, Assistant City Manager/Planner
Bill Atkinson, EDC Director
Katherine Ellis, EDC Secretary
Charlie Wade, Tourism Manager

D. Petitions(s) and Public Comments

Tom Mendenhall signed up to speak about Saddleback's Car Show.

E. Discussion and Possible Action to Approve the agenda order or reorder.

A motion was made by Councilman Zapalac to Approve the agenda order.
Councilwoman Lerma seconded the motion. Mayor Bilski called for the vote.

AYES: Bilski, Lerma, Noack, Miller, Curry, Zapalac, Burttschell
NOES: None

The motion carried.

F. Proclamation(s)

- **Fair Housing for the Month of April**
- **Autism Awareness Month of April**
- **Child Abuse Prevention Month of April**
- **Recognizing the Sealy Convention and Visitors Bureau and Supporting Tourism Friendly Texas Community Certification**

G. Consent Agenda

(In accordance with Sec. 2-35. (1) of the Code of Ordinances, "Routine matters thought to require little or no deliberation by city council may be placed on a consent agenda, which shall be treated as one agenda item." At any time prior to the call for a vote on the consent agenda, any council member may request that one or more items may be removed from the consent agenda and handled separately in the same manner as a regular agenda item.)

a) Approve the March 3, 2026, Regular Meeting Minutes

b) Approve Financial Report for Month ending January 2026

c) Approve Fiscal Year 2026-2027 Budget Calendar

d) Approve Spring Clean Up Flyer

e) Approve a Memorandum of Understanding (MOU) between Harris County Sheriff's Office (HCSO), Harris County Universal Services (HCUS), and the Regional Agency for access to HC AFIS and Cloud-Based AFIS Database

f) Approve a K9 Officers Contract between the City of Sealy and K9 Officers, Inc.

A motion was made by Councilman Burttschell to Approve the Consent Agenda except for items "c" and "d" to pull out for discussion, Approving items "a, b, e, and f".
Councilwoman Lerma seconded the motion. Mayor Bilski called for the vote.

AYES: Bilski, Lerma, Noack, Miller, Curry, Zapalac, Burttschell
NOES: None

The motion carried.

A motion was made by Councilman Miller to Approve "c" Budget Calendar B. Councilwoman Curry seconded the motion. Mayor Bilski called for the vote.

AYES: Bilski, Lerma, Noack, Miller, Curry, Zapalac, Burttschell
NOES: None

The motion carried.

A motion was made by Councilman Miller to Approve "d" with a missing word. Councilwoman Curry seconded the motion. Mayor Bilski called for the vote.

AYES: Bilski, Lerma, Noack, Miller, Curry, Zapalac, Burttschell
NOES: None

The motion carried.

H. Presentation:

- **Economic Development Corporation Director's Report for Previous Calendar Year**

I. Business

1. **Discussion and Possible Action regarding an Ordinance Amending Chapter 2, adding a new Section 2-2 Variances Processes, Procedures, and Criteria. (First of two readings)**

2. **Discussion and Possible Action regarding an Ordinance Amending Chapter 78, Amending Section 78-35 for Variances. (First of two readings)**

3. **Discussion and Possible Action regarding an Ordinance Amending Chapter 14, Amending Section 14-418 for Landscaping Variances. (First of two readings)**

4. **Discussion and Possible Action regarding an Ordinance Amending Chapter 28, Amending Section 28-110 and Section 28-129 for Variances. (First of two readings)**

5. **Discussion and Possible Action regarding an Ordinance Amending Chapter 58, Amending Section 58-112 for Mobile Home Park Variances. (First of two readings)**

6. **Discussion and Possible Action regarding an Ordinance Amending Chapter 80, Amending Section 80-30 for Sign Variances. (First of two readings)**

7. **Discussion and Possible Action regarding an Ordinance Amending Chapter 87, Amending Section 87-3 for Subdivision and Plat Variances. (First of two readings)**

8. **Discussion and Possible Action regarding an Ordinance Amending Chapter 29, Amending Section 29-15 for Downtown Variances.**
(First of two readings)

A motion was made by Councilman Zapalac to Approve Business 1-8, Amending for Variances Chapter 2, Chapter 78, Chapter 14, Chapter 28, Chapter 58, Chapter 80, Chapter 87, and Chapter 29. This is the first of two readings.
Councilman Miller seconded the motion. Mayor Bilski called for the vote.

AYES: Bilski, Lerma, Noack, Miller, Curry, Zapalac, Burttschell
NOES: None

The motion carried.

9. **Discussion and Possible Action regarding City-Wide Event Policy.**

No action was taken.

10. **Discussion and Possible Action regarding Strand Change Order for Westview Terrace Drive Storm Sewer Improvements.**

A motion was made by Councilwoman Lerma to Table this Agenda Item.
Councilman Zapalac seconded the motion. Mayor Bilski called for the vote.

AYES: Bilski, Lerma, Noack, Miller, Curry, Zapalac, Burttschell
NOES: None

The motion carried.

J. EXECUTIVE SESSION: A closed meeting will be held concerning the following item(s):

a) **Texas Government Code, Section 551.071, Consultation with Attorney: A governmental body may conduct a private consultation with its attorney when the governmental body seeks the advice of its attorney about pending or contemplated litigation; or a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code.**

- **Litigation – Sheryl Musgrove v. City of Sealy, Texas; Case No.4:25-CV-04118, in the United States District Court, Southern District of Texas, Houston Division**
- **Interlocal Agreement with Emergency Services District #2 for Sales and Use Tax Allocations**
- **Utility Service Account and Billings for Emergency Services District #2**

b. Texas Government Code, Section 551.074, Personnel Matters: To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

- **City Manager Evaluation**

A motion was made by Councilwoman Lerma to recess into Executive Session. Councilman Miller seconded the motion. Mayor Bilski called for the vote.

AYES: Bilski, Lerma, Noack, Miller, Curry, Zapalac, Burttschell
NOES: None

The motion carried. The City Council entered into Executive Session at 7:13 p.m.

11. Reconvene into regular session and consider action, if any, on items discussed in Executive Session.

The City Council reconvened into Open Session at 9:14 p.m.

12. Discussion and Possible Action regarding Approving an Interlocal Agreement between the City of Sealy and Emergency Service District #2.

No action was taken.

13. Discussion and Possible Action regarding Utility Service Account and Billings for Emergency Services District #2.

No action was taken.

14. Discussion and Possible Action regarding City Manager's Evaluation.

A motion was made by Councilman Miller to provide the City Manager with a one-time retention payment and was well as salary increase, and then I ask the City Attorney to work on a contract between the City of Sealy and the City Manager.
Councilwoman Curry seconded the motion. Mayor Bilski called for the vote.

AYES: Bilski, Lerma, Noack, Miller, Curry, Zapalac, Burttschell
NOES: None

The motion carried.

15. Reports or Requests from the City Secretary and Discussion:

- Advertising of Vacancies for Boards and Commissions
- Planning Commission

  i) Joe Lemos 2024-2026 (filling unexpired term)
  ii) Mark Sams 2024-2026
  iii) Keith Kulow 2024-2026 (filling unexpired term)

- Economic Development Corporation Board

  i) Sterling Schiller 2024-2026
  ii) Brenda Krchnak 2024-2026 (filling unexpired term)
  iii) Col (R) James E. Brooks 2024-2026
  iv) Michael D. Nowotny 2024-2026

- Parks Board

  i) Carolyn Scott 2024-2026
  ii) Sterling Schiller 2024-2026
  iii) Renee Kofman 2024-2026

- Tax Increment Reinvestment Zone #2 Board

  i) Gary Pless 2024-2026
  ii) Cheryl McLaughlin 2024-2026 (filling unexpired term)
  iii) Dorothy Milberger 2024-2026
  iv) Chris Noack 2024-2026

16. Reports or Requests from the City Manager and Discussion:

None

17. Reports, Announcements, or Requests from Councilmembers.

Bilski	Big Major Projects – how the deferred maintenance and some of the things that were done 20 years ago – so we are fixing things for the next 50 years, team working together, and the communication you have is so reassuring, our taxpayers are getting more for the money than what we pay in taxes
Lerma	None
Noack	Thank Kimbra for all of her hard work, filling out the Evaluation form caused me to reflect on so many positives, I could not pinpoint one major milestone that we landed on but several that we accomplished that with prior management I don't know if we would have made it through half of one so the amount of work that you do for the city and the time that you are here it does not go unnoticed, I know that we are truly fortunate to have you as the City Manager, and I just hope that the rest of the city and the residents also understand that you are not just here doing a job, you are here because you are doing what you love, you are part of the community, so thank you Kimbra I appreciated it. Agenda item to talk about your goals and a Goals Workshop, and Chapter 34 Article III – Fireworks and Firearms, which has not been reviewed since 1988
Miller	Sunset Drive needs repair, but I think it needs replacement
Curry	None

Zapalac	Agenda item to Update Evaluation Form
Burttschell	None

K. Adjourn

A motion was made by Councilman Miller to Adjourn.
Councilwoman Lerma seconded the motion. Mayor Bilski called for the vote.

AYES: Bilski, Lerma, Noack, Miller, Curry, Zapalac, Burttschell
NOES: None

The motion carried. The City Council meeting adjourned at 9:23 p.m.

PASSED AND APPROVED this 7th day of April 2026.

_____
Carolyn Bilski, Mayor

ATTEST:

_____
Sandra Vrablec, City Secretary

b)

AGENDA ITEM NO:

Ratification of Revision of Previously Approved Resolution – Office of the Governor, Public Safety Office (PSO) FY 2027 Criminal Justice Grant Program – *Sealy Police Department Police Cruiser Vehicle Replacement Project*

SUBMITTED BY: Russell Grimes

MEETING DATE: April 7th, 2026

STAFF REPORT

DESCRIPTION

Previously, City Council approved a Resolution authorizing submission of a grant application to the Office of the Governor, Public Safety Office (PSO), under the FY 2027 Criminal Justice Grant Program for a Police Department vehicle replacement project.

Following submission and subsequent administrative review, minor revisions were necessary to clarify the project scope and ensure full compliance with PSO and DOJ eligibility requirements regarding the definition and use of police cruisers.

This item seeks Council ratification of the revised Resolution reflecting those updates.

Purpose of Revision:

The revisions to the original Resolution and application are administrative in nature and were made to:

- Clarify that the requested vehicles meet the definition of **"police cruisers"** under applicable grant guidelines
- Further define the **operational use** of the vehicles in routine law enforcement and first-responder activities
- Ensure alignment with PSO/DOJ funding eligibility criteria
- Strengthen the application for competitiveness and compliance

No changes have been made to the overall intent or public safety purpose of the project.

The revised language clarifies that these vehicles function as **frontline police cruisers**, consistent with grant requirements.

Financial Impact

No change; no matching funds required. Ongoing operational costs will be managed within the existing Police Department budget.

RECOMMENDATION

Staff recommends approval of the revised Resolution ratifying and amending the previously approved grant application to the Office of the Governor, Public Safety Office, for the FY 2027 Criminal Justice Grant Program – Police Cruiser Vehicle Replacement Project.

RESOLUTION NO. 2026-09

A RESOLUTION AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE OFFICE OF THE GOVERNOR, PUBLIC SAFETY OFFICE, FOR THE FY2027 CRIMINAL JUSTICE GRANT PROGRAM

* * * * * * * * * * *

WHEREAS, the City Council of the City of Sealy, Texas, finds it to be in the best interest of the citizens of the City of Sealy, Texas, that the Sealy Police Department Police Cruiser Vehicle Replacement Project, Grant No. 5720801, be operated during Fiscal Year 2027; and

WHEREAS, the City Council of the City of Sealy, Texas, agrees that no local matching funds are required for the said project under the Office of the Governor – Public Safety Office, Criminal Justice Grant Program grant application; and

WHEREAS, the City Council of the City of Sealy, Texas, agrees that in the event of loss or misuse of funds awarded by the Office of the Governor, the City of Sealy assures that all funds will be returned to the Office of the Governor in full; and

WHEREAS, the City Council of the City of Sealy, Texas, designates Kimbra Hill, City Manager, as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency; and

WHEREAS, the City Council of the City of Sealy, Texas, designates Jennifer Matura, Finance Director, as the grantee's financial officer. The financial officer is given the power to submit financial and/or programmatic reports or alter a grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED

That the City Council of the City of Sealy, Texas, hereby approves the submission of a grant application for the Sealy Police Department Police Cruiser Vehicle Replacement Project to the Office of the Governor, Public Safety Office, Grant No. 5720801 under the FY2027 Criminal Justice Grant Program.

PASSED AND APPROVED this 13th day of March 2026.

Carolyn Bilski

Carolyn Bilski, Mayor

ATTEST:

Sandra Vrablec

Sandra Vrablec, City Secretary

c)

AGENDA ITEM NO:

Ratification of Non-Terminal Agency Agreement between Austin County Sheriff's Office and Sealy Police Department

SUBMITTED BY: Russell Grimes
MEETING DATE: April 7th, 2026

STAFF REPORT

DESCRIPTION

The Sealy Police Department operates within a regional law enforcement environment that requires coordination and access to shared criminal justice information systems. The Austin County Sheriff's Office (ACSO), as the designated **Terminal Agency**, provides access to critical statewide and national databases including the Texas Law Enforcement Telecommunications System (TLETS), Texas Crime Information Center (TCIC), and National Crime Information Center (NCIC).

The attached Non-Terminal Agency Agreement formalizes the Sealy Police Department's role as a **Non-Terminal Agency**, allowing continued access to these systems through ACSO.

This agreement establishes the terms and conditions under which the Sealy Police Department may access and utilize criminal justice information systems via the Austin County Sheriff's Office.

Key components of the agreement include:

- Access to TLETS, TCIC, and NCIC systems on a 24/7 basis through the Terminal Agency
- Compliance with all applicable federal and state laws, including CJIS and NCIC policies governing data use, storage, and dissemination
- Requirements for accuracy, validation, and timely updating of records entered into shared systems
- Procedures for warrant entry, hit confirmations, and record maintenance
- Oversight authority of the Terminal Agency, including the ability to suspend access for policy violations

The agreement also outlines responsibilities related to documentation retention (e.g., warrants and case reports) and compliance with NCIC validation and hit confirmation requirements.

Operational Impact

Ratification of this agreement ensures:

- Continued access to critical law enforcement databases necessary for daily operations
- Enhanced officer safety through real-time information sharing
- Improved investigative capabilities and coordination with regional partners
- Compliance with CJIS, NCIC, and state regulatory requirements

Without this agreement, access to these systems could be restricted or discontinued.

Effective Date

The agreement became effective on **March 11, 2026**, upon execution by both parties.

Financial Impact

There is no direct financial impact associated with this agreement.

RECOMMENDATION

Staff recommends that City Council ratify the Non-Terminal Agency Agreement between the Austin County Sheriff's Office and the Sealy Police Department to ensure continued access to essential law enforcement systems and maintain compliance with all applicable regulations.

NON-TERMINAL AGENCY AGREEMENT

This document constitutes an agreement between Austin County Sheriff's Office hereinafter called the Terminal Agency, and Sealy Police Department hereinafter called the Non-Terminal Agency.

The Terminal Agency agrees to provide the Non-Terminal Agency with access to the Texas Law Enforcement Telecommunications System (TLETS), the Texas Crime Information Center (TCIC), and the National Crime Information Center (NCIC), and associated systems on a 24-hour, 7 day per week basis.

The Non-Terminal Agency agrees to abide by all laws of the United States and the state of Texas, and all present or hereafter approved rules, policies and procedures of TLETS, NLETS, TCIC, NCIC and any other systems now or in the future associated with TLETS concerning the collection, storage, processing, retrieval, dissemination and exchange of information for criminal justice purposes.

The Terminal Agency reserves the right to suspend service to the Non-Terminal Agency, which may include canceling of records entered for the Non-Terminal Agency, when applicable policies are violated. The Terminal Agency may reinstate service following such instances upon receipt of satisfactory assurances that such violations have been corrected.

In order to comply with NCIC policies established by the NCIC Advisory Policy Board, the Non -Terminal Agency agrees to maintain accurate records of all TCIC/NCIC entries made through the Terminal Agency and to immediately notify the Terminal Agency of any changes in the status of those reports, to include the need for cancellation, additions, deletion or modification of information. The Terminal Agency agrees to enter, update and remove all records for the Non-Terminal agency on a timely basis, as defined by NCIC.

In order to comply with NCIC hit confirmation requirement the agencies agreed to the following:

If wanted person records are to be entered with the Terminal Agency's ORI, the Non-Terminal Agency **must** deliver to the Terminal Agency the original warrants to be held on file until such time as the record is canceled/cleared.

If property and missing person records are to be entered with the Terminal Agency's ORI, the Non-Terminal Agency must deliver case reports to the Terminal Agency to be held on file until such time as the records is cancelled/cleared.

If the records are to be entered with the Non-Terminal Agency's ORI, the Terminal Agency agrees to immediately forward all request for hit confirmation that might be received at the terminal to the Non-Terminal Agency. The Non-Terminal Agency agrees to comply with the NCIC hit confirmation policy.

If the Non-Terminal Agency is a non-24 hour agency, the records must be entered with the Terminal Agency's ORI, and case reports and original warrants must be held at the Terminal Agency for hit confirmation purposes.

In order to comply with NCIC Validation requirements, the Non-Terminal Agency agrees to perform all validation procedures as required by NCIC on all records entered through the Terminal Agency.

Criminal History information obtained from the TLETS terminal of the Terminal Agency will be handled according to TCIC/NCIC guidelines by the Non-Terminal Agency.

Either the Terminal Agency or the Non-Terminal Agency may, upon thirty days written notice, discontinue this agreement.

To the extent allowed by the laws of the State of Texas, the Non-Terminal Agency agrees to indemnify and save harmless the Terminal Agency as well as the DPS, its Director and employees from and against all claims, demands, actions and suits, including but not limited to any liability for damages by reason of or arising out of any false arrests or imprisonment or any cause of the Non-Terminal Agency or its employees in the exercise of the enjoyment of this Agreement.

The Terminal Agency agrees to make available to the Non-Terminal Agency all TLETS/NLETS and TCIC/NCIC publications and policies as are available to it so that the Non-Terminal Agency may comply with the policies of TLETS/NLETS and TCIC/NCIC.

This agreement becomes effective on 03/11/2026

In witness whereof, the parties here to cause this agreement to be executed by the proper officers and officials.

Terminal Agency

By:

Title: Sheriff

Date:

Non-Terminal Agency

By:

Russell Grimes

Title: Chief of Police

Date: 03/13/2026

d)

AGENDA ITEM NO:

Discussion and Possible Action authorizing the application for a Walmart Spark Good Local Grant Application to support the Sealy Police Department Walmart License Plate Reader Project.

SUBMITTED BY: Russell Grimes
MEETING DATE: April 7th, 2026

STAFF REPORT

DESCRIPTION

The Sealy Police Department is seeking approval to apply for a Walmart Spark Good Local Grant to continue and support its License Plate Reader (LPR) program. This project builds on last year's successful grant-funded deployment and enhances ongoing crime prevention and investigative capabilities in the community.

Background / Project Description

This is a continuation project from the prior year, in which grant funding was used to install a Flock Safety Automated License Plate Reader (ALPR) camera located at Over Creek Way at the primary entrance/exit to the Walmart store.

The LPR system captures and analyzes license plate data in real time, assisting officers in identifying stolen vehicles, locating suspects, and generating investigative leads. The system has proven to be a valuable tool in supporting criminal investigations, deterring theft-related offenses, and enhancing overall public safety in a high-traffic commercial area.

Continuation funding will support the ongoing operation, data access, and effectiveness of the system as part of the department's broader technology-based policing strategy.

Financial Impact

No matching funds are required. This grant-funded project will not impact the City's General Fund.

RECOMMENDATION

Staff recommends approval to apply for the Walmart (#437) Spark Good Local Grant to continue the LPR program and further strengthen public safety and crime prevention efforts.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE WALMART SPARK GOOD LOCAL GRANT PROGRAM FOR THE CONTINUATION OF THE LICENSE PLATE READER (LPR) COMMUNITY SAFETY INITIATIVE.

* * * * * * * * * * *

WHEREAS, the City of Sealy is committed to enhancing public safety, crime prevention, and the efficient use of technology to support law enforcement operations; and

WHEREAS, the Sealy Police Department previously received funding through the Walmart Spark Good Local Grant Program to implement a License Plate Reader (LPR) camera, at Over Creek Way serving the primary entrance and exit to the Walmart store; and

WHEREAS, the ALPR system has proven to be an effective tool in identifying vehicles associated with criminal activity, generating investigative leads, and deterring crime in high-traffic commercial areas; and

WHEREAS, the Sealy Police Department desires to continue and sustain this program through additional grant funding; and

WHEREAS, the Walmart Spark Good Local Grant Program does not require matching funds, and acceptance of the grant will not impact the City's General Fund;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS:

The City Council hereby authorizes the submission of an application to the Walmart Spark Good Local Grant Program for the continuation of the License Plate Reader (LPR) Project.

The City Manager, Kimbra Hill, or designee, is authorized to act on behalf of the City in all matters related to this grant, and Jennifer Matura, Director of Finance, is designated as the Financial Officer for this grant.

PASSED AND APPROVED this 7th day of April, 2026.

_____
Carolyn Bilski, Mayor

ATTEST:

_____
Sandra Vrablec, City Secretary

e)

AGENDA ITEM NO:

Discussion and Possible Action authorizing the application for a Walmart Spark Good Local Grant Application to support the Sealy Police Department Safer Community – Smart Technology Project.

SUBMITTED BY: Russell Grimes
MEETING DATE: April 7th, 2026

STAFF REPORT

DESCRIPTION

The Sealy Police Department is requesting approval to apply for a Walmart Spark Good Local Grant to continue its Safer Community – Smart Technology Project, which provides advanced investigative tools to enhance suspect identification and case development.

Background / Project Description

This project serves as a continuation of last year's grant-funded initiative, which supported the acquisition of Clearview AI investigative software.

Clearview AI utilizes artificial intelligence and facial recognition technology to assist law enforcement in generating investigative leads, identifying unknown suspects, and supporting critical cases, including crimes against persons and child recovery efforts. The system has proven to be a valuable resource in accelerating investigations and improving case clearance capabilities.

The software complements existing technologies, including the department's ALPR program, and supports a broader, data-driven approach to public safety. Its use is governed by established policies emphasizing legal compliance, ethical use, and accountability.

Financial Impact

No matching funds are required. This grant-funded project will not impact the City's General Fund.

RECOMMENDATION

Staff recommends approval to apply for the Walmart Spark Good Local Grant to continue the Smart Technology Project and maintain access to critical investigative tools that enhance public safety outcomes.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE WALMART SPARK GOOD LOCAL GRANT PROGRAM FOR THE CONTINUATION OF THE SAFER COMMUNITY – SMART TECHNOLOGY PROJECT

* * * * * * * * * * *

WHEREAS, the City of Sealy is committed to utilizing innovative technology to enhance public safety, improve investigative capabilities, and support the protection of its citizens; and

WHEREAS, the Sealy Police Department previously received funding through the Walmart Spark Good Local Grant Program to acquire Clearview AI investigative software as part of its Safer Community – Smart Technology Project; and

WHEREAS, this technology has proven valuable in generating investigative leads, identifying suspects, supporting criminal investigations, and assisting in cases involving victims and missing persons; and

WHEREAS, the Sealy Police Department seeks to continue this program to maintain and enhance its investigative capabilities; and

WHEREAS, the Walmart Spark Good Local Grant Program does not require matching funds, and acceptance of the grant will not impact the City's General Fund;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS:

The City Council hereby authorizes the submission of an application to the Walmart Spark Good Local Grant Program for the continuation of the Safer Community – Smart Technology Project.

The City Manager, Kimbra Hill, or designee, is authorized to act on behalf of the City in all matters related to this grant, and Jennifer Matura, Director of Finance, is designated as the Financial Officer for this grant.

PASSED AND APPROVED this 7th day of April, 2026.

_____
Carolyn Bilski, Mayor

ATTEST:

_____
Sandra Vrablec, City Secretary

f)

AGENDA ITEM NO: _____

SUBMITTED BY: Mike Barrow, Assistant City Manager
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

This staff report covers Items in Consent Agenda regarding Amendments to Variances throughout the ordinances and consolidating those variance processes. (Second of two readings)

ANALYSIS

The purpose of the new Section 2-2 and the multiple amendments to other sections of the ordinance listed below, is to provide guidance on variance requests to be located in one section, (Section 2-2), and to direct all other variance requests allowed by ordinance to Section 2-2.

a) Chapter 2 (Section 2-2) – New section added providing rules and regulations for variances, repealing all other ordinances in conflict or inconsistent. It lays out the process to follow for all variances of the sections below.

1. 14-418 – LANDSCAPE REQUIREMENTS FOR RESIDENTIAL, COMMERCIAL, INSTITUTIONAL, AND INDUSTRIAL DEVELOPMENT;
2. 28-110 – DEVELOPMENT RULES, REGULATIONS AND STANDARDS, Variances;
3. 28-129 – DEVELOPMENT RULES, REGULATIONS AND STANDARDS, Variances;
4. 29-15 – DOWNTOWN PRESERVATION DISTRICT, Planning commission;
5. 58-112 – MANUFACTURED HOMES AND TRAILERS, Provisions applicable to nonconforming mobile homes and mobile home parks;
6. 78-35 – PLANNING COMMISSION, Powers and duties;
7. 80-30 – SIGNS, Variances; and
8. 87-3 – SUBDIVISION OF LAND AND PLATS, Special provisions;

b) All of the above sections refer to the new ordinance in Section 2-2.

RECOMMENDATION

To approve the new Section 2-2 and approve amendments to Sections, 14-418, 28-110, 28-129, 29-15, 58-112, 78-35, 80-30, and 87-3. (Second of two readings)

FINANCIAL IMPACTS

NA

ORDINANCE NO. 2026-_____

AN ORDINANCE OF THE CITY OF SEALY, TEXAS, ADDING A NEW SECTION 2-2 OF ARTICLE I OF CHAPTER 2 OF THE CODE OF ORDINANCES; PROVIDING RULES AND REGULATIONS FOR VARIANCES; REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT OR INCONSISTENT WITH THIS ORDINANCE; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

* * * * * * * * * * * * *

WHEREAS, The City of Sealy, Texas ("City") code of ordinances allows for variances in certain circumstances; and

WHEREAS, The current variance processes, procedures, and criteria are contained throughout the City's code of ordinances; and

WHEREAS, the City Council desires to simplify the processes and procedures for variances;

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

Section 1. The facts and recitations contained in the preamble to this ordinance are true and correct and incorporated herein for all purposes.

Section 2. A new Section 2-2 of Article I of Chapter 2 of the code of ordinances is added to read as follows:

"Chapter 2 – ADMINISTRATION

ARTICLE I. – IN GENERAL

* * * *

Section 2-2. Variance processes, procedures, and criteria.

(a) For a variance allowed by Section 14-418, Section 28-110, Section 28-129, Section 29-15, Section 58-112, Section 78-35, Section 80-30, and Section 87-3, the following processes, procedures, and criteria shall be followed:

(1) **Application, fee, documents required, and certain timing**: Any person or entity desiring a variance shall submit a variance application and pay a fee as set forth by the city council in a schedule of fees. City staff may request additional documentation to assist the planning commission and city council with a decision including but not limited to a site plan, map, photographs, or

drawings. For a sign variance allowed by Section 80-30, the applicant shall contain a drawing in sufficient detail to determine the location and type of construction for the proposed sign. For a variance under Section 87-3, the application shall be filed with the final plat application to the planning commission.

(2) **Planning Commission recommendation**: The planning commission shall hear all variance applications and make a recommendation to city council to approve, disapprove, or approve with conditions a variance request.

(3) **Criteria**: The planning commission shall recommend a variance to city council where it is determined that the recommendation of a variance:

(i) will not be contrary to the public interest when, owing to special conditions, a literal enforcement of the provisions of the applicable regulations will result in an unnecessary hardship. Hardship that is self-induced or imposed or that is common to similarly situated land will not satisfy the hardship requirement;

(ii) (ii) the spirit of the applicable regulations shall be observed and substantial justice done;

(iii) (iii) is necessary to secure appropriate development of a parcel of land that differs from other parcels within the neighborhood or surrounding area by being of such restricted area, shape, or slope that it cannot be appropriately developed without modification, the recommendation of a variance will not be materially detrimental or injurious to other property or improvements within the neighborhood or surrounding area in which the subject property is located, nor impair an adequate supply of light or air to adjacent property, substantially increase congestion on public streets, increase the danger of fire, endanger the public health, safety, and well-being, or substantially diminish or impair property values within the neighborhood or surrounding area; and

(iv) (iv) will not be contrary to the general purpose and intent of the applicable regulations. Pecuniary interests shall not be considered as a basis for the granting of a variance. Each variance application shall be decided solely and entirely on its own merits, and the disposition of any prior or pending variance application shall not be allowed to enter into or affect any decision on the application in question.

(v) For a lighting variance under section 28-129, a variance shall only be considered prior to installation of any light design considered for a variance. The criteria for a light variance shall only be granted if the lighting design minimizes glare, minimizes sky glow, minimizes light trespass, and meets the Illuminating Engineering Society of North America's (IESNA) Zone 1 (LZ1) (Low Ambient Lighting) lighting levels as certified by a certified lighting professional.

(4) **City Council action**: The planning commission shall forward its variance recommendation to the city council who shall determine whether to approve, disapprove, or approve with conditions a variance based on the same criteria listed in subsection (3) of this section. The action of the city council shall be final and binding.

(5) **Signage required and size**: All variance applicants pertaining to commercial land, industrial land, institutional land, residential subdivisions, mixed-use subdivisions, or multi-family residential developments shall erect a four-foot by eight-foot sign. All variance applicants pertaining to a single-family residential home shall erect a two-foot by three-foot sign.

(6) **Timing**: All signs shall be installed at least 15 days prior to the planning commission meeting date in which the variance will be considered. The sign shall also state the date the city council will consider the variance.

(7) **Location**: All signs shall face the front of the property and be no greater than 15 feet from the public right-of-way or private street. City staff shall approve the location of all signs prior to installation and may allow for minor deviations of this subsection.

(8) **Readability**: All signs shall have legible lettering from such public right-of-way or private street stating that a variance is being requested and be visible and able to be read from the public right-of-way or private street. All signs shall consist of a white background with black legible font.

(9) **Required information**: All signs shall state the date, time, and location of the planning commission meeting and city council meeting in which the variance will be considered. A URL, QR code, or city phone number, as specified by the city planner or designated staff, shall be posted on the sign.

(10) **Style**: All signs shall be self-supporting and be erected so that a minimum of one foot separates the bottom of the sign from the ground below. No sign shall be obstructed by natural or man-made elements.

(11) **Preparation of sign**: City staff shall prepare the sign for a single-family residential variance applicant and applicant shall pick up the sign from the planning department and install such sign. The variance applicant for a commercial, industrial, institutional, residential subdivision, mixed use subdivisions, or multi-family residential development shall prepare their sign and install it once the exact language is approved by the city planner or designated staff.

(12) **Notice**: City shall mail notice of the variance request to all property owners within a 200-foot radius of the property line requesting the variance at least 15 days before the date of the planning commission meeting in which the variance will be considered and such notice shall also provide the date city council will consider the variance. Variance notice shall be placed on the city website and social media accounts.

(13) **Limitations**: If the city council grants a variance for a sign per Section 80-30, the sign shall be erected and pass all city inspections no later than one (1) year after the date the variance is granted by the city council. Failure to meet this timeframe shall revoke the variance."

Section 3. *Repeal.* All ordinances or parts of ordinances in conflict herewith are repealed.

Section 4. *Severability.* In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part of provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. *Penalty.* Any person who violates or causes, allows, or permits another to violate any provision of this ordinance, rule, or police regulation of the city shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine or penalty not to exceed five hundred dollars ($500.00). If such rule, ordinance, or police regulation governs fire safety, or public health and sanitation, other than the dumping of refuse, the fine or penalty shall not exceed two thousand dollars ($2,000.00). If such rule, ordinance, or police regulation governs the dumping of refuse, the fine or penalty shall not exceed four thousand dollars ($4,000.00). Each occurrence of any violation of this ordinance, rule, or police regulation shall constitute a separate offense. Each day on which any such violation of this ordinance, rule, or police regulation occurs shall constitute a separate offense.

Section 6. *Effective Date.* This ordinance shall become effective immediately and enforceable when published as required by law.

PASSED AND APPROVED at this first reading on the 17th day of March, 2026.

PASSED, APPROVED AND ADOPTED at this second reading on the _____ day of _____, 2026.

_____
Carolyn Bilski, Mayor

ATTEST:

_____
Sandra Vrablec, City Secretary

g)

ORDINANCE NO. 2026-_____

AN ORDINANCE OF THE CITY OF SEALY, TEXAS, AMENDING SUBSECTION 78-35(11) OF SECTION 78-35 OF ARTICLE II OF CHAPTER 78 OF THE CODE OF ORDINANCES; PROVIDING RULES AND REGULATIONS FOR VARIANCES; REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT OR INCONSISTENT WITH THIS ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

* * * * * * * * * * * * *

WHEREAS, the City Council of the City of Sealy, Texas ("City") finds that amending the rules and regulations for variances provides consistent procedures in law; and

WHEREAS, the City Council further finds that such amendments are for the good of the government and ensure responsible and orderly development;

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

Section 1. The facts and recitations contained in the preamble to this ordinance are true and correct and incorporated herein for all purposes.

Section 2. Subsection 78-35(11) of Section 78-35 of Article II of Chapter 78 of the code of ordinances is amended to read as follows:

"Chapter 78 – PLANNING

* * * *

ARTICLE II. – PLANNING COMMISSION

* * * *

Sec. 78-35. - Powers and duties.

* * * *

(11) When specifically authorized by city ordinance, the planning commission shall consider all variance applications and make a recommendation to city council based on the processes, procedures, and criteria set forth in Section 2-2 of the code of ordinances."

Section 3. *Repeal.* All ordinances or parts of ordinances in conflict herewith are repealed.

Section 4. *Severability*. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part of provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. *Penalty.* Any person who violates or causes, allows, or permits another to violate any provision of this ordinance, rule, or police regulation of the city shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine or penalty not to exceed five hundred dollars ($500.00). If such rule, ordinance, or police regulation governs fire safety, or public health and sanitation, other than the dumping of refuse, the fine or penalty shall not exceed two thousand dollars ($2,000.00). If such rule, ordinance, or police regulation governs the dumping of refuse, the fine or penalty shall not exceed four thousand dollars ($4,000.00). Each occurrence of any violation of this ordinance, rule, or police regulation shall constitute a separate offense. Each day on which any such violation of this ordinance, rule, or police regulation occurs shall constitute a separate offense.

Section 6. *Effective Date*. This ordinance shall become effective immediately and enforceable when published as required by law.

PASSED AND APPROVED at this first reading on the 17th day of March, 2026.

PASSED, APPROVED AND ADOPTED at this second reading on the _____ day of _____, 2026.

_____
Carolyn Bilski, Mayor

ATTEST:

_____
Sandra Vrablec, City Secretary

h)

ORDINANCE NO. 2026-_____

AN ORDINANCE OF THE CITY OF SEALY, TEXAS, AMENDING SECTION 14-418 OF ARTICLE VI OF CHAPTER 14 OF THE CODE OF ORDINANCES; PROVIDING RULES AND REGULATIONS FOR LANDSCAPING VARIANCES; REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT OR INCONSISTENT WITH THIS ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

* * * * * * * * * * * * *

WHEREAS, the City Council of the City of Sealy, Texas ("City") finds that amending the rules and regulations for landscaping variances provides consistent procedures in law; and

WHEREAS, the City Council further finds that such amendments are for the good of the government and ensure responsible and orderly development;

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

Section 1. The facts and recitations contained in the preamble to this ordinance are true and correct and incorporated herein for all purposes.

Section 2. Section 14-418 of Article VI of Chapter 14 of the code of ordinances is amended to read as follows:

"Chapter 14 – BUILDINGS AND BUILDING REGULATIONS

* * * *

ARTICLE VI. – LANDSCAPE REQUIREMENTS FOR RESIDENTIAL, COMMERCIAL, INSTITUTIONAL, AND INDUSTRIAL DEVELOPMENT

* * * *

Sec. 14-418. Planning commission and city council action.

(a) The planning commission shall have the authority to:

(1) Hear and decide upon an alleged error in any order, requirement, decision, or determination by an officer of the City of Sealy in the enforcement of these regulations; and

(2) The planning commission and city council shall consider all variance applications based on the processes, procedures, and criteria set forth in Section 2-2 of the Code of Ordinances."

Section 3. *Repeal.* All ordinances or parts of ordinances in conflict herewith are repealed.

Section 4. *Severability.* In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part of provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. *Penalty.* Any person who violates or causes, allows, or permits another to violate any provision of this ordinance, rule, or police regulation of the city shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine or penalty not to exceed five hundred dollars ($500.00). If such rule, ordinance, or police regulation governs fire safety, or public health and sanitation, other than the dumping of refuse, the fine or penalty shall not exceed two thousand dollars ($2,000.00). If such rule, ordinance, or police regulation governs the dumping of refuse, the fine or penalty shall not exceed four thousand dollars ($4,000.00). Each occurrence of any violation of this ordinance, rule, or police regulation shall constitute a separate offense. Each day on which any such violation of this ordinance, rule, or police regulation occurs shall constitute a separate offense.

Section 6. *Effective Date*. This ordinance shall become effective immediately and enforceable when published as required by law.

PASSED AND APPROVED at this first reading on the 17th day of March, 2026.

PASSED, APPROVED AND ADOPTED at this second reading on the _____ day of _____ 2026.

_____
Carolyn Bilski, Mayor

ATTEST:

_____
Sandra Vrablec, City Secretary

i)

ORDINANCE NO. 2026-_____

AN ORDINANCE OF THE CITY OF SEALY, TEXAS, AMENDING SECTIONS 28-110 OF ARTICLE XIII OF CHAPTER 28 AND SECTION 28-129 OF ARTICLE XIV OF CHAPTER 28 OF THE CODE OF ORDINANCES; PROVIDING RULES AND REGULATIONS FOR VARIANCES; REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT OR INCONSISTENT WITH THIS ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

* * * * * * * * * * * * *

WHEREAS, the City Council of the City of Sealy, Texas ("City") finds that amending the rules and regulations for variances provides consistent procedures in law; and

WHEREAS, the City Council further finds that such amendments are for the good of the government and ensure responsible and orderly development;

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

Section 1. The facts and recitations contained in the preamble to this ordinance are true and correct and incorporated herein for all purposes.

Section 2. Section 28-110 of Article XIII of Chapter 28 of the code of ordinances is amended to read as follows:

"Chapter 28 – DEVELOPMENT RULES, REGULATIONS AND STANDARDS

* * * *

ARTICLE XIII. – VARIANCES AND APPEALS

Sec. 28-110. Variances.

The planning commission and city council shall consider all variance applications based on the processes, procedures, and criteria set forth in Section 2-2 of the code of ordinances."

Section 3. Section 28-129 of Article XIV of Chapter 28 of the code of ordinances is amended to read as follows:

"Chapter 28 – DEVELOPMENT RULES, REGULATIONS AND STANDARDS

* * * *

ARTICLE XIV. – OUTDOOR LIGHTING

* * * *

Sec. 28-129. Variances.

The planning commission and city council shall consider all variance applications based on the processes, procedures, and criteria set forth in Section 2-2 of the code of ordinances."

Section 4. *Repeal.* All ordinances or parts of ordinances in conflict herewith are repealed.

Section 5. *Severability.* In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part of provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 6. *Penalty.* Any person who violates or causes, allows, or permits another to violate any provision of this ordinance, rule, or police regulation of the city shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine or penalty not to exceed five hundred dollars ($500.00). If such rule, ordinance, or police regulation governs fire safety, or public health and sanitation, other than the dumping of refuse, the fine or penalty shall not exceed two thousand dollars ($2,000.00). If such rule, ordinance, or police regulation governs the dumping of refuse, the fine or penalty shall not exceed four thousand dollars ($4,000.00). Each occurrence of any violation of this ordinance, rule, or police regulation shall constitute a separate offense. Each day on which any such violation of this ordinance, rule, or police regulation occurs shall constitute a separate offense.

Section 7. *Effective Date.* This ordinance shall become effective immediately and enforceable when published as required by law.

PASSED AND APPROVED at this first reading on the 17th day of March, 2026.

PASSED, APPROVED AND ADOPTED at this second reading on the _____ day of _____ 2026.

_____

Carolyn Bilski, Mayor

ATTEST:

_____

Sandra Vrablec, City Secretary

j)

ORDINANCE NO. 2026-_____

AN ORDINANCE OF THE CITY OF SEALY, TEXAS, AMENDING SUBSECTION 58-112(B) OF SECTION 58-112 OF ARTICLE X OF CHAPTER 58 OF THE CODE OF ORDINANCES; PROVIDING RULES AND REGULATIONS FOR MOBILE HOME PARK VARIANCES; REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT OR INCONSISTENT WITH THIS ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

* * * * * * * * * * * * *

WHEREAS, the City Council of the City of Sealy, Texas ("City") finds that amending the rules and regulations for mobile home park variances provides consistent procedures in law; and

WHEREAS, the City Council further finds that such amendments are for the good of the government and ensure responsible and orderly development;

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

Section 1. The facts and recitations contained in the preamble to this ordinance are true and correct and incorporated herein for all purposes.

Section 2. Subsection 58-112(b) of Section 58-112 of Article X of Chapter 58 of the code of ordinances is amended to read as follows:

"Chapter 58 – MANUFACTURED HOMES AND TRAILERS

* * * *

ARTICLE X. – MOBILE HOME PARK STANDARDS

* * * *

Sec. 58-112. Provisions applicable to nonconforming mobile homes and mobile home parks.

* * * *

(b) *Nonconforming mobile home lots of record.* In a nonconforming mobile home park, where single mobile homes are permitted, a single mobile home may remain on any mobile home lot of official record at the effective date of adoption or amendment of this chapter, irrespective of its area or width, provided that yard dimensions and other requirements not involving area or width, or both, of the mobile home lot shall conform to the regulations for the park in which such lot is located. The planning commission and city council shall consider all variance applications

based on the processes, procedures, and criteria set forth in Section 2-2 of the code of ordinances."

Section 3. *Repeal.* All ordinances or parts of ordinances in conflict herewith are repealed.

Section 4. *Severability.* In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part of provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. *Penalty.* Any person who violates or causes, allows, or permits another to violate any provision of this ordinance, rule, or police regulation of the city shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine or penalty not to exceed five hundred dollars ($500.00). If such rule, ordinance, or police regulation governs fire safety, or public health and sanitation, other than the dumping of refuse, the fine or penalty shall not exceed two thousand dollars ($2,000.00). If such rule, ordinance, or police regulation governs the dumping of refuse, the fine or penalty shall not exceed four thousand dollars ($4,000.00). Each occurrence of any violation of this ordinance, rule, or police regulation shall constitute a separate offense. Each day on which any such violation of this ordinance, rule, or police regulation occurs shall constitute a separate offense.

Section 6. *Effective Date*. This ordinance shall become effective immediately and enforceable when published as required by law.

PASSED AND APPROVED at this first reading on the 17th day of March 2026.

PASSED, APPROVED AND ADOPTED at this second reading on the _____ day of _____ 2026.

_____

Carolyn Bilski, Mayor

ATTEST:

Sandra Vrablec, City Secretary

k)

ORDINANCE NO. 2026-_____

AN ORDINANCE OF THE CITY OF SEALY, TEXAS, AMENDING SECTION 80-30 OF ARTICLE III OF CHAPTER 80 OF THE CODE OF ORDINANCES; PROVIDING RULES AND REGULATIONS FOR SIGN VARIANCES; REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT OR INCONSISTENT WITH THIS ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

* * * * * * * * * * * * *

WHEREAS, the City Council of the City of Sealy, Texas ("City") finds that amending the rules and regulations for sign variances provides consistent procedures in law; and

WHEREAS, the City Council further finds that such amendments are for the good of the government and ensure responsible and orderly development;

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

Section 1. The facts and recitations contained in the preamble to this ordinance are true and correct and incorporated herein for all purposes.

Section 2. Section 80-30 of Article III of Chapter 80 of the code of ordinances is amended to read as follows:

"Chapter 80 – SIGNS

* * * *

ARTICLE III. – ADMINISTRATION

* * * *

Sec. 80-30. Variances.

The planning commission and city council shall consider all variance applications based on the processes, procedures, and criteria set forth in Section 2-2 of the Code of Ordinances."

Section 3. *Repeal.* All ordinances or parts of ordinances in conflict herewith are repealed.

Section 4. *Severability.* In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the

same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part of provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. *Penalty.* Any person who violates or causes, allows, or permits another to violate any provision of this ordinance, rule, or police regulation of the city shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine or penalty not to exceed five hundred dollars ($500.00). If such rule, ordinance, or police regulation governs fire safety, or public health and sanitation, other than the dumping of refuse, the fine or penalty shall not exceed two thousand dollars ($2,000.00). If such rule, ordinance, or police regulation governs the dumping of refuse, the fine or penalty shall not exceed four thousand dollars ($4,000.00). Each occurrence of any violation of this ordinance, rule, or police regulation shall constitute a separate offense. Each day on which any such violation of this ordinance, rule, or police regulation occurs shall constitute a separate offense.

Section 6. *Effective Date.* This ordinance shall become effective immediately and enforceable when published as required by law.

PASSED AND APPROVED at this first reading on the 17th day of March 2026.

PASSED, APPROVED AND ADOPTED at this second reading on the _____ day of _____ 2026.

_____
Carolyn Bilski, Mayor

ATTEST:

_____
Sandra Vrablec, City Secretary

I)

ORDINANCE NO. 2025-_____

AN ORDINANCE OF THE CITY OF SEALY, TEXAS, AMENDING SUBSECTION 87-3(B) OF SECTION 87-3 OF ARTICLE I OF CHAPTER 87 OF THE CODE OF ORDINANCES; PROVIDING RULES AND REGULATIONS FOR SUBDIVISION AND PLAT VARIANCES; REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT OR INCONSISTENT WITH THIS ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

* * * * * * * * * * * * *

WHEREAS, the City Council of the City of Sealy, Texas ("City") finds that amending the rules and regulations for subdivision and plat variances provides consistent procedures in law; and

WHEREAS, the City Council further finds that such amendments are for the good of the government and ensure responsible and orderly development;

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

Section 1. The facts and recitations contained in the preamble to this ordinance are true and correct and incorporated herein for all purposes.

Section 2. Subsection 87-3(b) of Section 87-3 of Article I of Chapter 87 of the code of ordinances is amended to read as follows:

"Chapter 87 – SUBDIVISION OF LAND AND PLATS

ARTICLE I. – GENERAL PROVISIONS

* * * *

Sec. 87-3. Special provisions.

* * * *

(b) *Variance.* The planning commission and city council shall consider all variance applications based on the processes, procedures, and criteria set forth in Section 2-2 of the Code of Ordinances."

Section 3. *Repeal.* All ordinances or parts of ordinances in conflict herewith are repealed.

Section 4. *Severability.* In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the

same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part of provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. *Penalty.* Any person who violates or causes, allows, or permits another to violate any provision of this ordinance, rule, or police regulation of the city shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine or penalty not to exceed five hundred dollars ($500.00). If such rule, ordinance, or police regulation governs fire safety, or public health and sanitation, other than the dumping of refuse, the fine or penalty shall not exceed two thousand dollars ($2,000.00). If such rule, ordinance, or police regulation governs the dumping of refuse, the fine or penalty shall not exceed four thousand dollars ($4,000.00). Each occurrence of any violation of this ordinance, rule, or police regulation shall constitute a separate offense. Each day on which any such violation of this ordinance, rule, or police regulation occurs shall constitute a separate offense.

Section 6. *Effective Date*. This ordinance shall become effective immediately and enforceable when published as required by law.

PASSED AND APPROVED at this first reading on the 17th day of March 2026.

PASSED, APPROVED AND ADOPTED at this second reading on the _____ day of _____ 2026.

_____
Carolyn Bilski, Mayor

ATTEST:

_____
Sandra Vrablec, City Secretary

m)

ORDINANCE NO. 2026-_____

AN ORDINANCE OF THE CITY OF SEALY, TEXAS, AMENDING SECTION 29-15 OF CHAPTER 29 OF THE CODE OF ORDINANCES; PROVIDING RULES AND REGULATIONS FOR DOWNTOWN DISTRICT VARIANCES; REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT OR INCONSISTENT WITH THIS ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

* * * * * * * * * * * * *

WHEREAS, the City Council of the City of Sealy, Texas ("City") finds that amending the rules and regulations for Downtown District variances provides consistent procedures in law; and

WHEREAS, the City Council further finds that such amendments are for the good of the government and ensure responsible and orderly development;

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

Section 1. The facts and recitations contained in the preamble to this ordinance are true and correct and incorporated herein for all purposes.

Section 2. Section 29-15 of Chapter 29 of the code of ordinances is amended to read as follows:

"Chapter 29 – DOWNTOWN PRESERVATION DISTRICT

* * * *

Sec. 29-15. Planning commission.

(a) The planning commission shall have the authority to:

(1) Exercise the appropriate power, authority, duties, and procedures pursuant to the laws of the State of Texas and applicable ordinances of the city;

(2) Except for Section 29-12, hear and decide upon an alleged error in any order, requirement, decision, or determination by the director of planning or the director's designee in the enforcement of these regulations; and

(3) Except for Section 29-12, consider all variance applications and make a recommendation to city council based on the processes, procedures, and criteria set forth in Section 2-2 of the code of ordinances."

Section 3. *Repeal.* All ordinances or parts of ordinances in conflict herewith are repealed.

Section 4. *Severability.* In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part of provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. *Penalty.* Any person who violates or causes, allows, or permits another to violate any provision of this ordinance, rule, or police regulation of the city shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine or penalty not to exceed five hundred dollars ($500.00). If such rule, ordinance, or police regulation governs fire safety, or public health and sanitation, other than the dumping of refuse, the fine or penalty shall not exceed two thousand dollars ($2,000.00). If such rule, ordinance, or police regulation governs the dumping of refuse, the fine or penalty shall not exceed four thousand dollars ($4,000.00). Each occurrence of any violation of this ordinance, rule, or police regulation shall constitute a separate offense. Each day on which any such violation of this ordinance, rule, or police regulation occurs shall constitute a separate offense.

Section 6. *Effective Date*. This ordinance shall become effective immediately and enforceable when published as required by law.

PASSED AND APPROVED at this first reading on the 17th day of March 2026.

PASSED, APPROVED AND ADOPTED at this second reading on the _____ day of _____ 2026.

_____

Carolyn Bilski, Mayor

ATTEST:

Sandra Vrablec, City Secretary

n)

Kim Rinn
Austin County Tax Assessor Collector
804 E. Wendt Street, Bellville, Texas 77418
Phone: 979-865-8633 Fax: 979-865-0183
krinn@austincounty.com

March 19, 2026

This shall serve as a request and agreement between the Austin County Election Department and the within named organization to access and use the facility listed below for the purposes of conducting the 2026 Elections. Election Judges will need to set up a day in advance and the facility will be in use for the election from approximately 6:30 a.m. to 7:30 p.m. on the day of the election. Scheduled dates are as follows:

Dates include: Set up, Early Voting, Election Day, and Pick up

April 17, 2026 (Friday) – May 3, 2026 (Sunday)

Please have a member, officer or representative execute this agreement and return to the Austin County Election Department in the enclosed envelope. If any changes are necessary, please notify our office immediately or indicate the changes at the bottom of this agreement.

POLLING PLACE: W E HILL COMMUNITY CENTER

ADDRESS: 1000 Main Street, Sealy, TX 77474

PHONE NUMBER: (979) 885-3511 Ext. 6115

EMAIL ADDRESS OF CONTACT PERSON: bkaiser@ci.sealy.tx.us

NAME OF CONTACT PERSON(S): Brooke Kaiser

RENTAL FEE: No Fee

_____ _____

Signature of Member, Officer or Representative Date

o)

CONSENT AGENDA:

Approving a Resolution for the Sealy EDC Investment Policy.

SUBMITTED BY: Jennifer Matura, Finance/HR Director

MEETING DATE: April 7, 2026

STAFF REPORT

SUMMARY

The Sealy Economic Development Corporation (SEDC) Investment Policy governs the investment of the Corporation's funds and establishes the guidelines and procedures for managing public funds in a safe and prudent manner. The policy is adopted in accordance with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

On March 24, 2026 the SEDC Board of Directors approved a resolution confirming its annual review of the Investment Policy and investment strategies and reaffirming the policy as presented.

The City Council is being asked to acknowledge the SEDC Board's annual review and to review and approve the Investment Policy and investment strategies as adopted by the SEDC.

ANALYSIS

Staff has conducted the annual review of the SEDC Investment Policy, and the SEDC Board of Directors has approved the policy in accordance with the Public Funds Investment Act.

The policy continues to emphasize the primary investment objectives required under state law, including:

- Safety of principal
- Liquidity to meet operating needs
- Maintenance of public trust
- Optimization of interest earnings

The policy also establishes guidelines related to authorized investments, diversification, maturity limitations, collateralization requirements, reporting, and internal controls.

The revisions included in the current policy are administrative and clarifying in nature and include:

1. Updated SEDC Logo on cover page.
2. Updating the effective date of the policy.
3. Revising the Scope section to clarify that the policy applies specifically to the financial assets of the Sealy Economic Development Corporation, including sales tax funds, project funds, debt service funds, and any other funds placed under the control of the Corporation.
4. Update to language from CAFR to ACFR (Annual Comprehensive Financial Report. GASB officially changed the name of this report via Statement No. 98.

These revisions do not change the Corporation's investment practices but clarify the applicability of the policy to SEDC funds.

A redline copy of the policy highlighting the revisions and a clean copy of the policy are included for City Council review.

RECOMMENDATION

Staff recommends that the City Council approve the attached resolution acknowledging the SEDC Board of Directors' annual review of the Investment Policy and Investment Strategies and approving the policy as adopted by the SEDC Board.

Resolution

RESOLUTION NO. 2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS ACKNOWLEDGING THE ANNUAL REVIEW AND ADOPTION OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES BY THE SEALY ECONOMIC DEVELOPMENT CORPORATION.

WHEREAS, the Sealy Economic Development Corporation (the "SEDC") is subject to the requirements of Chapter 2256, Texas Government Code, commonly known as the Texas "Public Funds Investment Act"; and

WHEREAS, the SEDC Board of Directors is required to annually review its Investment Policy and Investment Strategies; and

WHEREAS, on March 24, 2026, the SEDC Board of Directors adopted a Resolution confirming its annual review and approving and adopting its Investment Policy and Investment Strategies; and

WHEREAS, the City Council of the City of Sealy has been presented with the SEDC Investment Policy and Investment Strategies as reviewed and adopted by the SEDC Board of Directors;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEALY TEXAS:

1. The City Council hereby acknowledges that the Board of Directors of the Sealy Economic Development Corporation has conducted its required annual review of its Investment Policy and Investment Strategies and has approved and adopted the same by resolution.

2. The City Council has reviewed the Investment Policy and Investment Strategies of the SEDC, as adopted by the SEDC Board of Directors, and hereby approves such policy and strategies.

3. The City Council finds that the SEDC Investment Policy and Investment Strategies are consistent with the requirements of the Public Funds Investment Act, Chapter 2256, Texas Government Code.

4. This resolution acknowledges and affirms the action taken by the SEDC Board of Directors and constitutes the City Council's review and approval of the policy as adopted by the SEDC Board.

PASSED AND APPROVED on this the 7th day of April 2026.

_____

Carolyn Bilski
Mayor

ATTEST:

_____

Sanda Vrablec
City Secretary

Track Changes

Exhibit A

Sealy Economic Development Corporation

Investment Policy

Sealy Economic Development Corporation

Effective ~~02/25/2025~~ 03/24/2026

SEALY ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT POLICY

TABLE OF CONTENTS

I. POLICY 1

II. PURPOSE 1

III. SCOPE 1

IV. INVESTMENT OBJECTIVES 2

Safety 2

Liquidity 2

Public Trust 2

Yield (Optimization of Interest Earnings) 3

V. RESPONSIBILITY AND CONTROL 3

Delegation of Authority 3

Quality and Capability of Investment Management 3

Training Requirement 3

Internal Controls 3

Prudence 4

Indemnification 4

Ethics and Conflicts of Interest 4

VI. SUITABLE AND AUTHORIZED INVESTMENTS 5

Portfolio Management 5

Investments 5

Authorized 5

Not Authorized 5

VII. INVESTMENT PARAMETERS 5

Maximum Maturities 5

Diversification 6

VIII. SELECTION OF FINANCIAL INSTITUTIONS 6

Depository 6

Authorized Investment Providers 6

Competitive Bids 7

Delivery vs. Payment 7

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL 7

Safekeeping and Custodian Agreements 7

Collateral Policy 7

Collateral Defined 7
Subject to Audit 8
X. PERFORMANCE 8
Performance Standards 8
Performance Benchmark 8
XI. REPORTING 8
Methods 8
Monitoring Market Value 9
XII. INVESTMENT POLICY ADOPTION 9
XIII. INVESTMENT STRATEGY 9
XIV. APPROVED INVESTMENT PROVIDERS 10
GLOSSARY OF INVESTMENT TERMS 11
INDUSTRY TERMS AND ACRONYMS 26

SEALY ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT POLICY

I. POLICY

It is the policy of the Sealy Economic Development Corporation (hereinafter referred to as the "Corporation") that, after allowing for the anticipated cash flow requirements of the Corporation and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment income is a source of revenue to the Corporation's funds. The Corporation's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of (a) safety and preservation of principal, (b) maintenance of sufficient liquidity to meet operating needs, (c) public trust from prudent investment activities, and (d) optimization of interest earnings on the portfolio.

II. PURPOSE

The purpose of this investment policy is to comply with Chapter 2256 of the Government Code (hereinafter referred to as the "Public Funds Investment Act"), which requires each municipal corporation to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of the Corporation's funds.

III. SCOPE

This investment policy shall govern the investment of all financial assets of the Corporation. These funds are accounted for in the City of Sealy's ~~Comprehensive Annual~~Annual Comprehensive Financial Report (~~CAFR~~ACFR) and include sales tax funds, project funds, debt service funds, and any other funds placed under the control of the Corporation.~~:~~

~~• General Fund~~
~~• Special Revenue Funds~~
~~• Capital Projects Funds~~
~~• Enterprise Funds~~
~~• Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately~~
~~• Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately~~
~~• Any new fund created by the City, unless specifically exempted from this policy by the City Council or by law.~~

This investment policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

IV. INVESTMENT OBJECTIVES

The Corporation shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield, expressed as optimization of interest earnings.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The Corporation shall maintain a comprehensive cash management program, which includes collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of idle cash.

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- *Credit Risk:* The Corporation will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
  - Limiting investments to the safest types of investments,
  - Pre-qualifying the financial institutions with which the Corporation will do business, and
  - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

- *Interest Rate Risk:* The Corporation will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates by:
  - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity,
  - Investing operating funds primarily in certificates of deposit and local government investment pools functioning as money market mutual funds, and
  - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrently with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, all or a portion of the portfolio will be invested in local government investment pools that offer same-day liquidity.

Public Trust

All participants in the Corporation's investment process shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the Corporation's ability to govern effectively.

Yield (Optimization of Interest Earnings)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority

In accordance with the Public Funds Investment Act, the Board of Directors designates the Treasurer as the Corporation's Investment Officer. The Investment Officer is authorized to execute investment transactions on behalf of the Corporation. No person may engage in an investment transaction or the management of Corporation funds except as provided under the terms of this investment policy as approved by the Board of Directors. The investment authority granted to investing officers is effective until rescinded by the Board of Directors.

Quality and Capability of Investment Management

The Corporation shall provide periodic training in investments for the designated Investment Officer and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the Public Funds Investment Act.

Training Requirement

In accordance with the Public Funds Investment Act, a newly appointed Investment Officer must attend a training session of at least ten (10) hours of instruction within twelve (12) months of the date the officer took office or assumed the officer's duties. After that, the designated Investment Officer shall attend continuing investment training no less often than once every two years (based on the Corporation's fiscal year) and shall receive not less than eight (8) hours of instruction relating to investment responsibilities. All required investment training shall be provided by an independent source approved by the Board of Directors. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education, or any other sponsor other than a business organization with whom the Corporation may engage in an investment transaction.

Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Corporation are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion,
- Separation of transactions authority from accounting and record keeping,

- Custodial safekeeping,
- Avoidance of physical delivery securities,
- Clear delegation of authority to subordinate staff members,
- Written confirmation for telephone (voice) transactions for investments and wire transfers, and
- Development of a wire transfer agreement with the depository bank or third party custodian.

Prudence

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule. This rule states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the Corporation's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and
- Whether the investment decision was consistent with the written approved investment policy of the Corporation.

Indemnification

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

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program or that would impair their ability to make impartial decisions. Employees and Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer of the Corporation who has a personal business relationship with an organization seeking to sell an investment to the Corporation shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Corporation shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board of Directors.

VI. SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

The Corporation currently has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the Corporation require that the investment be liquidated.

Investments

Corporation funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investment of Corporation funds in any instrument or security not authorized for investment under the Act is prohibited. The Corporation will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

Authorized

- Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits of the Corporation.

- Local government investment pools, which (1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, (2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, (3) seek to maintain a $1.00 net asset value, and (4) are authorized by resolution or ordinance of the Board of Directors.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

Not Authorized

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral and collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over 10 years are strictly prohibited.

VII. INVESTMENT PARAMETERS

Maximum Maturities

The longer the maturity of investments, the greater their price volatility. Therefore, it is the Corporation's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The Corporation attempts to match its investments with anticipated cash flow requirements. The Corporation will not directly invest in securities maturing more than two (2) years from the date of purchase; however, the above described certificates of deposit may be collateralized using longer dated investments.

Diversification

The Corporation recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding certificates of deposit that are fully insured and collateralized in accordance with state and federal law), and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the Corporation's total portfolio:

- Certificates of Deposit 75%
- Authorized Pools..... 75%

VIII. SELECTION OF FINANCIAL INSTITUTIONS

Depository

At least every five (5) years, a depository shall be selected through the Corporation's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid, and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law,
- The ability to provide requested information or financial statements for the periods specified,
- The ability to meet all requirements in the banking RFP,
- Complete response to all required items on the bid form, and
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.

Authorized Investment Providers

The Corporation shall, at least annually, review, revise, and adopt a list of qualified financial institutions authorized to engage in investment transactions with the Corporation. All investment providers, including financial institutions, banks, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the Corporation's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the Corporation's policy.

Competitive Bids

It is the policy of the Corporation to require competitive bidding for all individual security purchases and sales except for transactions with local government investment pools. The Treasurer shall develop and maintain procedures for ensuring a competition in the investment of the Corporation's funds.

Delivery vs. Payment

Securities shall be purchased using the **delivery vs. payment** method with the exception of investment pools. Funds will be released after notification that the purchased security has been received.

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL

Safekeeping and Custodian Agreements

The Corporation shall contract with a bank or banks for the safekeeping of securities either owned by the Corporation as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the Corporation shall be held in the Corporation's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third party custodian designated by the Corporation and pledged to the Corporation as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the Corporation.

Collateral Policy

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the Corporation to require full collateralization of all Corporation funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, the Corporation may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with which the Corporation has a current custodial agreement. The Treasurer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Corporation and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

Collateral Defined

The Corporation shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities,
- Direct obligations of the state of Texas or its agencies and instrumentalities,

- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less,
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A, and
- A letter of credit issued to the Corporation by the Federal Home Loan Bank.

Subject to Audit

All collateral shall be subject to inspection and audit by the Treasurer or the Corporation's independent auditors.

X. PERFORMANCE

Performance Standards

The Corporation's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the Corporation.

Performance Benchmark

It is the policy of the Corporation to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the Corporation shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. The Corporation's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the Corporation's weighted average maturity in days.

XI. REPORTING

Methods

The Investment Officer shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner that will allow the Corporation to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period,

- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period,
- Additions and changes to the market value during the period,
- Average weighted yield to maturity of portfolio as compared to applicable benchmark,
- Listing of investments by maturity date,
- Fully accrued interest for the reporting period,
- The percentage of the total portfolio that each type of investment represents, and
- Statement of compliance of the Corporation's investment portfolio with state law and the investment strategy and policy approved by the Board of Directors.

Monitoring Market Value

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

XII. INVESTMENT POLICY ADOPTION

The Corporation's investment policy shall be adopted by resolution of the Board of Directors. It is the Corporation's intent to comply with state laws and regulations. The Corporation's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of the Corporation. The Board of Directors shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.

XIII. INVESTMENT STRATEGY

The Corporation shall maintain an investment portfolio that utilizes specific investment strategy considerations designed to address the unique characteristics of its various fund groups. In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Authorized securities will be of the highest credit quality, and when not matched to liabilities, they will be short-term and liquid. The portfolio will be diversified to avoid market and credit risks. Diversification and full liquidity requirements will be met through the use of investment pools and certificates of deposit. Investment guidelines by fund type are as follows:

A. Investment strategies for operating funds and commingled cash pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles.

B. Investment strategies for debt service funds shall have as their primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date.

C. Investment strategies for debt service reserve funds shall have as their primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with

a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short- to intermediate-term maturities.

D. Investment strategies for special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of securities held should not exceed the estimated project completion date.

XIV. APPROVED INVESTMENT PROVIDERS

Local Government Investment Pools

TexPool
TexPool Participant Services
Federated Hermes, Inc.
1001 Texas Avenue, Suite 1150
Houston, TX 77002
Phone: (866) 839-7665
Fax: (866) 839-3291

TexSTAR
TexSTAR Participant Services
Hilltop Securities/J.P. Morgan Investment Management, Inc.
717 N. Harwood, Suite 3400
Dallas, TX 75270
Phone: (800) 839-7827
Fax: (214) 953-8878

Financial Institutions/Banks

Any bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the Entity.

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

ASK PRICE: The price at which securities are offered by the broker/dealer. The price at which a governmental entity buys a security.

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

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

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

BASIS POINT: A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of one (1) percent of yield. For example, 1/4 of 1 percent is equal to 25 basis points.

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

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

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

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

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

BROKER: A broker brings buyers and sellers together for a commission (fee). The broker takes no position in a trade and does not act as a principal or own securities.

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

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

CALL PRICE: Price at which a bond or preferred stock with a call provision or call feature can be redeemed (repurchased) by the issuer.

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

CALL RISK: The risk to a bondholder that a bond may be redeemed prior to maturity.

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

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

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

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

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

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

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

COLLATERAL POOLING: Approved for Texas banks in 2009, this allows any bank to eliminate individual collateral pledges to public units and substitute by creating a pool (or portfolio) of securities that are pledged to all their clients. It is designed to reflect 102% of *all* entities' funds. The program is monitored by the State Comptroller.

COLLATERALIZATION: The process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): A mortgage-backed bond created from a pool of mortgages which creates different classes of securities (tranches) from one pool with different risk profiles.

COMMERCIAL PAPER (CP): Short-term obligations with maturities ranging from 1 to 270 days issued by banks, corporations, and other borrowers to investors with large temporary cash positions. Such instruments are unsecured and usually discounted, but are generally interest bearing.

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

~~**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):**~~**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR):** The official annual report for the City of Sealy. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EQUITY: Ownership possessed by shareholders in a corporation.

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

FEDERAL CREDIT AGENCIES: Agencies of the Federal government that supply credit to various classes of institutions and individuals; e.g., savings and loans, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The federal agency that insures bank deposits, currently up to $250,000 per deposit as identified by taxpayer identification number.

FEDERAL FUNDS (FED FUNDS): Funds deposited by commercial banks at Federal Reserve Banks, including funds in excess of bank reserve requirements. The target rate is set by the Fed but trades at slightly different rates as the *effective* rate on a daily basis.

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

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

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC, or "FREDDIE MAC"): Publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities backed

by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or "FANNIE MAE"): FNMA is a federal corporation working under the auspices of the U.S. Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation, which includes purchases of a variety of adjustable mortgages and secondary loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The Committee meets eight times per year to set U.S. monetary policy.

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

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

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA): Formerly the National Association of Securities Dealers (NASD). A self-regulating industry organization of brokers and dealers who trade securities in the United States. Designated by the Maloney Act of 1933 to establish rules of fair market practices.

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

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

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

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA, or "GINNIE MAE"): GNMA buys Veterans Administration, Farmers Home Administration, and Federal Housing Administration mortgages, then issues bonds on pools of the mortgages. An investor in this bond receives monthly dividends through the mortgagee's payments of principal and interest. GNMAs are full faith and credit of the U.S. Government, unlike other mortgage based agencies.

GOVERNMENT SECURITIES: Obligations of the U.S. Government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See **TREASURY BILL**, **TREASURY NOTE**, and **TREASURY BOND**.

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

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

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

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

INTEREST-RATE RISK: A form of investment risk whereby changes in interest rates adversely affect the value of a security portfolio. For example, the value of bond holdings will decline should interest rates increase.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

LIQUID ASSET: An asset that can be converted easily into cash. Some examples are money market fund shares, treasury bills, and bank deposits.

LIQUIDITY: An asset that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if a buyer can be found easily. The spread between the bid and asked price is narrow because the securities are liquid and usually reflect high credit quality such as T-Bills.

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

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): Professionally managed pool of funds composed of cash deposits from a large group of cities, counties, school districts, and local governments. In Texas, created under the Local Government Cooperation Act. A portfolio of securities is purchased and each pool participant owns a pro rata share in the pool of investments. It can be a mutual fund or a money market fund equivalent.

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

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

MARKET RISK: The risk that the price of a typical security can decrease, leading to possible principal loss if a sale of the security is required before maturity.

MARKET VALUE: The price at which a security is trading in the marketplace and could presumably be purchased or sold.

MASTER REPURCHASE (REPO) AGREEMENT: A written contract covering all repo transactions between two parties to the repurchase or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower. The industry standard is from the Security Industry and Financial Markets Association (SIFMA).

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

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers acceptances, etc.) are issued and traded.

MONEY MARKET ACCOUNT: An interest bearing bank savings account which normally earns interest at a higher interest rate than a regular savings account, but with a minimum required balance and other restrictions. Normally restricted to six withdrawals per month.

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

MUTUAL FUND: The fund that pools the resources of investors who buy shares and invests the proceeds in a portfolio of securities designed to achieve the fund's investment objective. All of the owners in the fund shares participate in the gains or losses of the fund. The value of the share is calculated off the market value of the portfolio. These products can only be sold by registered representatives. Mutual funds are also known as an open-end diversified management investment company. Long-term investment funds that pool money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are designed for yield and involve more risk than money market mutual funds. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

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

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

MUNICIPAL BONDS: A bond or debt obligation issued by state or local governments to fund general municipal needs or special projects. See also **REVENUE BONDS.**

NEGATIVE YIELD CURVE: See **INVERSE YIELD CURVE.**

NET ASSET VALUE (NAV): The value of a mutual fund share as determined at the close of each business day. NAV is determined by summing the market value of all securities in the portfolio, deducting expenses, and dividing this total by the number of shares outstanding. All shares redeemed on that day are done so at the NAV for that specific day.

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

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

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

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

OFFER PRICE: The price asked by a seller of securities. The price at which a security will be sold to a governmental entity.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee (FOMC) in order to influence the volume of money and credit in the economy.

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

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

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

PORTFOLIO: Collection of securities held by an investor.

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

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

PREPAYMENT: The risk that changes in interest rates will cause the anticipated maturity of a mortgage-backed security to be shortened. Homeowners prepay all or part of a mortgage when interest rates decline to refinance at lower costs, causing money to be returned to the owner of the mortgage-backed security, who must reinvest at a lower rate.

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

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

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

PRIME RATE: The rate of interest at which a commercial bank offers to lend money to its most creditworthy customers.

PRINCIPAL: The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

PRIVATE ACTIVITY BOND: A taxable municipal bond.

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

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

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

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

PRUDENT PERSON RULE: An investment safety standard used by most governmental investors. The rule states that investments will be made under circumstances then prevailing which persons of discretion and intelligence will purchase, not for speculation, but for investment, recognizing the probable return of principal as well as the return on that investment.

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

QUALIFIED PUBLIC DEPOSITORY: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state and that has segregated for the benefit of the Public Deposit Protection Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. Coupon rate divided by the purchase price.

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

REDEMPTION PRICE: See **CALL PRICE.**

REGULAR SETTLEMENT: Paying for a security one day after the trade date.
REINVESTMENT RISK: The risk that funds will have to be reinvested in a lower interest rate security if the original security is called away.

REPURCHASE AGREEMENT (RP or REPO): An investment agreement involving the purchase of a security and a simultaneous agreement to repurchase that security at a specified price and date. Repurchase

agreements are used as a way to earn income on idle cash at or near the fed funds market rate. A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, i.e., increasing bank reserves.

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

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

RISK: A measure of the probability of financial loss.

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

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

SALLIE MAE (SLMA): Securities issued by the Student Loan Marketing Association, an agency of the U.S. Government. Not authorized for public investments since it gave up its GSE designation in 2006.

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

SECURITIES AND EXCHANGE COMMISSION (SEC): A governmental organization established to regulate the U.S. financial markets.

SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION (SIFMA): Formerly the Bond Market Association, a self-regulatory group of brokers/dealers.

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

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

SETTLEMENT DATE: The purchase or sale date of a security on which the money changes hands. See also **TRADE DATE.**

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

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

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

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

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

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

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

SWAP: Trading one asset for another.

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

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

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

TRADE DATE: The date on which the agreement to buy or sell a security is made. See also **SETTLEMENT DATE.**

TREASURY BILL (TB or T-Bill): A marketable, short-term U.S. Government debt security issued at a discount from par value, auctioned by the U.S. Treasury with maturities of 91 days, 180 days, or 365 days.
TREASURY BOND: The bellwether Treasury security. A thirty-year U.S. Government debt security issued at a fixed interest rate with a maturity. The bond is often used to set mortgage rates.

TREASURY NOTE (TN or T-Note): A marketable, medium-term U.S. Government debt security issued at a fixed interest rate with a maturity of one to ten years.

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

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

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

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

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

VOLATILITY: Characteristic of a security, commodity, or market to rise or fall sharply in price within a short-term period.

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

WEIGHTED AVERAGE MATURITY (WAM): The dollar weighted average remaining term to maturity of all assets in a pool or securities portfolio. The maximum WAM is usually based on an entity's cash flow analysis.

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

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

YIELD: A financial ratio that measures the earnings on a capital investment. The ratio is generally expressed as a percentage of the current price.

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

YIELD CURVE: A chart equating time and rates and consisting of the yields of bonds of the same quality but different maturities. This can be used as a gauge to evaluate the future of the interest rates.

YIELD TO CALL (YTC): A financial ratio that measures the rate of return on a callable bond. The yield on a bond assumes redemption of that bond by the issuer at the first possible call date as stated in the indenture agreement.

YIELD TO MATURITY (YTM): A financial ratio that measures the rate of return on a bond's acquisition cost and the value at maturity. The ratio accounts for any interest income from the bond and assumes that the bond is held and redeemed at maturity.

ZERO COUPON BOND: A bond that does not make interest payments but is sold at a deep discount. At the maturity of the bond, the full face amount of the bond is payable. The bond does result in taxable income each year.

INDUSTRY TERMS AND ACRONYMS

Accounting Terms

- Par – Face value of the security
- Par – Price of 100 ($1 for $1)
- Discount – Price less than par
- Premium – Price greater than par
- Principal – Face minus discount or plus premium

Banking Terms

- Time Deposit – Certificate of deposit
- Demand Deposit – Checking account
- Depository – Financial institution
- ACH – Automated Clearing House
- Pre-note – Pre-notification for ACH
- FedWire – Federal Wire System
- Fed – Federal Reserve

Securities Terms

- SLMA – Student Loan Marketing Association
- FNMA – Federal National Mortgage Association ("Fannie Mae")
- TB – Treasury Bill
- TN – Treasury Note
- AGY – U.S. Agency Security
- Disco – U.S. Agency Discount Note
- FHLMC – Federal Home Loan Mortgage Corporation ("Freddie Mac")
- FHLB – Federal Home Loan Bank
- GNMA – Government National Mortgage Association ("Ginnie Mae")
- CMO – Collateralized Mortgage Obligation
- Strip – Principal Only Treasury
- Repo – Repurchase Agreement
- Book-entry – Securities in electronic form
- DVP – Delivery versus payment
- DK – Do not know (Fed wire rejection)
- Fail – Security not delivered as planned
- Bearer Bond – Security with physical value

Trading Terms

- Bid – Price at which one sells a security
- Offer – Price at which one buys a security
- Callable – Security with embedded call
- CP – Commercial paper
- BA – Bankers Acceptance
- MMMF – Money Market Mutual Fund
- Trade Ticket – Trace Documentation

Other Terms

- CPI – Consumer price index

- DTC – Depository Trust Corporation
- FDIC – Federal Deposit Insurance Corporation
- FFCB – Federal Farm Credit Bank
- FHA – Federal Housing Administration
- FINRA – Financial Industry Regulatory Authority
- FOMC – Federal Open Markets Committee
- FRB – Federal Reserve Bank
- MBS – Mortgage backed securities
- PPI – Producer price index
- PTC – Participatory Trust Corporation
- TVA – Tennessee Valley Authority
- TSY – U.S. Treasury

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Exhibit A

Sealy Economic Development Corporation

Investment Policy

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TEXAS.USA

Effective 03/24/2026

SEALY ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT POLICY

TABLE OF CONTENTS

I. POLICY **1**

II. PURPOSE **1**

III. SCOPE **1**

IV. INVESTMENT OBJECTIVES **2**

Safety 2

Liquidity 2

Public Trust 2

Yield (Optimization of Interest Earnings) 3

V. RESPONSIBILITY AND CONTROL **3**

Delegation of Authority 3

Quality and Capability of Investment Management 3

Training Requirement 3

Internal Controls 3

Prudence 4

Indemnification 4

Ethics and Conflicts of Interest 4

VI. SUITABLE AND AUTHORIZED INVESTMENTS **5**

Portfolio Management 5

Investments 5

Authorized 5

Not Authorized 5

VII. INVESTMENT PARAMETERS **5**

Maximum Maturities 5

Diversification 6

VIII. SELECTION OF FINANCIAL INSTITUTIONS **6**

Depository 6

Authorized Investment Providers 6

Competitive Bids 7

Delivery vs. Payment 7

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL **7**

Safekeeping and Custodian Agreements 7

Collateral Policy 7

Collateral Defined 7
Subject to Audit 8
X. PERFORMANCE 8
Performance Standards 8
Performance Benchmark 8
XI. REPORTING 8
Methods 8
Monitoring Market Value 9
XII. INVESTMENT POLICY ADOPTION 9
XIII. INVESTMENT STRATEGY 9
XIV. APPROVED INVESTMENT PROVIDERS 10
GLOSSARY OF INVESTMENT TERMS 11
INDUSTRY TERMS AND ACRONYMS 26

SEALY ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT POLICY

I. POLICY

It is the policy of the Sealy Economic Development Corporation (hereinafter referred to as the "Corporation") that, after allowing for the anticipated cash flow requirements of the Corporation and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment income is a source of revenue to the Corporation's funds. The Corporation's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of (a) safety and preservation of principal, (b) maintenance of sufficient liquidity to meet operating needs, (c) public trust from prudent investment activities, and (d) optimization of interest earnings on the portfolio.

II. PURPOSE

The purpose of this investment policy is to comply with Chapter 2256 of the Government Code (hereinafter referred to as the "Public Funds Investment Act"), which requires each municipal corporation to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of the Corporation's funds.

III. SCOPE

This investment policy shall govern the investment of all financial assets of the Corporation. These funds are accounted for in the City of Sealy's Annual Comprehensive Financial Report (ACFR) and include sales tax funds, project funds, debt service funds, and any other funds placed under the control of the Corporation.

This investment policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

IV. INVESTMENT OBJECTIVES

The Corporation shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield, expressed as optimization of interest earnings.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The Corporation shall maintain a comprehensive cash management program, which includes collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of idle cash.

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- *Credit Risk:* The Corporation will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
  - Limiting investments to the safest types of investments,
  - Pre-qualifying the financial institutions with which the Corporation will do business, and
  - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

- *Interest Rate Risk:* The Corporation will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates by:
  - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity,
  - Investing operating funds primarily in certificates of deposit and local government investment pools functioning as money market mutual funds, and
  - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrently with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, all or a portion of the portfolio will be invested in local government investment pools that offer same-day liquidity.

Public Trust

All participants in the Corporation's investment process shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the Corporation's ability to govern effectively.

Yield (Optimization of Interest Earnings)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority

In accordance with the Public Funds Investment Act, the Board of Directors designates the Treasurer as the Corporation's Investment Officer. The Investment Officer is authorized to execute investment transactions on behalf of the Corporation. No person may engage in an investment transaction or the management of Corporation funds except as provided under the terms of this investment policy as approved by the Board of Directors. The investment authority granted to investing officers is effective until rescinded by the Board of Directors.

Quality and Capability of Investment Management

The Corporation shall provide periodic training in investments for the designated Investment Officer and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the Public Funds Investment Act.

Training Requirement

In accordance with the Public Funds Investment Act, a newly appointed Investment Officer must attend a training session of at least ten (10) hours of instruction within twelve (12) months of the date the officer took office or assumed the officer's duties. After that, the designated Investment Officer shall attend continuing investment training no less often than once every two years (based on the Corporation's fiscal year) and shall receive not less than eight (8) hours of instruction relating to investment responsibilities. All required investment training shall be provided by an independent source approved by the Board of Directors. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education, or any other sponsor other than a business organization with whom the Corporation may engage in an investment transaction.

Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Corporation are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion,
- Separation of transactions authority from accounting and record keeping,

- Custodial safekeeping,
- Avoidance of physical delivery securities,
- Clear delegation of authority to subordinate staff members,
- Written confirmation for telephone (voice) transactions for investments and wire transfers, and
- Development of a wire transfer agreement with the depository bank or third party custodian.

Prudence

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule. This rule states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the Corporation's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and
- Whether the investment decision was consistent with the written approved investment policy of the Corporation.

Indemnification

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

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program or that would impair their ability to make impartial decisions. Employees and Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer of the Corporation who has a personal business relationship with an organization seeking to sell an investment to the Corporation shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Corporation shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board of Directors.

VI. SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

The Corporation currently has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the Corporation require that the investment be liquidated.

Investments

Corporation funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investment of Corporation funds in any instrument or security not authorized for investment under the Act is prohibited. The Corporation will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

Authorized

- Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits of the Corporation.

- Local government investment pools, which (1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, (2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, (3) seek to maintain a $1.00 net asset value, and (4) are authorized by resolution or ordinance of the Board of Directors.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

Not Authorized

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral and collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over 10 years are strictly prohibited.

VII. INVESTMENT PARAMETERS

Maximum Maturities

The longer the maturity of investments, the greater their price volatility. Therefore, it is the Corporation's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The Corporation attempts to match its investments with anticipated cash flow requirements. The Corporation will not directly invest in securities maturing more than two (2) years from the date of purchase; however, the above described certificates of deposit may be collateralized using longer dated investments.

Diversification

The Corporation recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding certificates of deposit that are fully insured and collateralized in accordance with state and federal law), and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the Corporation's total portfolio:

- Certificates of Deposit 75%
- Authorized Pools..... 75%

VIII. SELECTION OF FINANCIAL INSTITUTIONS

Depository

At least every five (5) years, a depository shall be selected through the Corporation's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid, and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law,
- The ability to provide requested information or financial statements for the periods specified,
- The ability to meet all requirements in the banking RFP,
- Complete response to all required items on the bid form, and
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.

Authorized Investment Providers

The Corporation shall, at least annually, review, revise, and adopt a list of qualified financial institutions authorized to engage in investment transactions with the Corporation. All investment providers, including financial institutions, banks, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the Corporation's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the Corporation's policy.

Competitive Bids

It is the policy of the Corporation to require competitive bidding for all individual security purchases and sales except for transactions with local government investment pools. The Treasurer shall develop and maintain procedures for ensuring a competition in the investment of the Corporation's funds.

Delivery vs. Payment

Securities shall be purchased using the **delivery vs. payment** method with the exception of investment pools. Funds will be released after notification that the purchased security has been received.

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL

Safekeeping and Custodian Agreements

The Corporation shall contract with a bank or banks for the safekeeping of securities either owned by the Corporation as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the Corporation shall be held in the Corporation's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third party custodian designated by the Corporation and pledged to the Corporation as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the Corporation.

Collateral Policy

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the Corporation to require full collateralization of all Corporation funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, the Corporation may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with which the Corporation has a current custodial agreement. The Treasurer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Corporation and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

Collateral Defined

The Corporation shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities,
- Direct obligations of the state of Texas or its agencies and instrumentalities,

- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less,
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A, and
- A letter of credit issued to the Corporation by the Federal Home Loan Bank.

Subject to Audit

All collateral shall be subject to inspection and audit by the Treasurer or the Corporation's independent auditors.

X. PERFORMANCE

Performance Standards

The Corporation's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the Corporation.

Performance Benchmark

It is the policy of the Corporation to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the Corporation shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. The Corporation's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the Corporation's weighted average maturity in days.

XI. REPORTING

Methods

The Investment Officer shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner that will allow the Corporation to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period,

- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period,
- Additions and changes to the market value during the period,
- Average weighted yield to maturity of portfolio as compared to applicable benchmark,
- Listing of investments by maturity date,
- Fully accrued interest for the reporting period,
- The percentage of the total portfolio that each type of investment represents, and
- Statement of compliance of the Corporation's investment portfolio with state law and the investment strategy and policy approved by the Board of Directors.

Monitoring Market Value

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

XII. INVESTMENT POLICY ADOPTION

The Corporation's investment policy shall be adopted by resolution of the Board of Directors. It is the Corporation's intent to comply with state laws and regulations. The Corporation's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of the Corporation. The Board of Directors shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.

XIII. INVESTMENT STRATEGY

The Corporation shall maintain an investment portfolio that utilizes specific investment strategy considerations designed to address the unique characteristics of its various fund groups. In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Authorized securities will be of the highest credit quality, and when not matched to liabilities, they will be short-term and liquid. The portfolio will be diversified to avoid market and credit risks. Diversification and full liquidity requirements will be met through the use of investment pools and certificates of deposit. Investment guidelines by fund type are as follows:

A. Investment strategies for operating funds and commingled cash pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles.

B. Investment strategies for debt service funds shall have as their primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date.

C. Investment strategies for debt service reserve funds shall have as their primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with

a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short- to intermediate-term maturities.

D. Investment strategies for special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of securities held should not exceed the estimated project completion date.

XIV. APPROVED INVESTMENT PROVIDERS

Local Government Investment Pools

TexPool
TexPool Participant Services
Federated Hermes, Inc.
1001 Texas Avenue, Suite 1150
Houston, TX 77002
Phone: (866) 839-7665
Fax: (866) 839-3291

TexSTAR
TexSTAR Participant Services
Hilltop Securities/J.P. Morgan Investment Management, Inc.
717 N. Harwood, Suite 3400
Dallas, TX 75270
Phone: (800) 839-7827
Fax: (214) 953-8878

Financial Institutions/Banks

Any bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the Entity.

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

ASK PRICE: The price at which securities are offered by the broker/dealer. The price at which a governmental entity buys a security.

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

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

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

BASIS POINT: A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of one (1) percent of yield. For example, 1/4 of 1 percent is equal to 25 basis points.

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

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

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

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

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

BROKER: A broker brings buyers and sellers together for a commission (fee). The broker takes no position in a trade and does not act as a principal or own securities.

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

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

CALL PRICE: Price at which a bond or preferred stock with a call provision or call feature can be redeemed (repurchased) by the issuer.

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

CALL RISK: The risk to a bondholder that a bond may be redeemed prior to maturity.

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

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

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

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

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

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

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

COLLATERAL POOLING: Approved for Texas banks in 2009, this allows any bank to eliminate individual collateral pledges to public units and substitute by creating a pool (or portfolio) of securities that are pledged to all their clients. It is designed to reflect 102% of *all* entities' funds. The program is monitored by the State Comptroller.

COLLATERALIZATION: The process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): A mortgage-backed bond created from a pool of mortgages which creates different classes of securities (tranches) from one pool with different risk profiles.

COMMERCIAL PAPER (CP): Short-term obligations with maturities ranging from 1 to 270 days issued by banks, corporations, and other borrowers to investors with large temporary cash positions. Such instruments are unsecured and usually discounted, but are generally interest bearing.

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report for the City of Sealy. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EQUITY: Ownership possessed by shareholders in a corporation.

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

FEDERAL CREDIT AGENCIES: Agencies of the Federal government that supply credit to various classes of institutions and individuals; e.g., savings and loans, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The federal agency that insures bank deposits, currently up to $250,000 per deposit as identified by taxpayer identification number.

FEDERAL FUNDS (FED FUNDS): Funds deposited by commercial banks at Federal Reserve Banks, including funds in excess of bank reserve requirements. The target rate is set by the Fed but trades at slightly different rates as the *effective* rate on a daily basis.

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

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

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC, or "FREDDIE MAC"): Publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities backed

by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or "FANNIE MAE"): FNMA is a federal corporation working under the auspices of the U.S. Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation, which includes purchases of a variety of adjustable mortgages and secondary loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The Committee meets eight times per year to set U.S. monetary policy.

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

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

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA): Formerly the National Association of Securities Dealers (NASD). A self-regulating industry organization of brokers and dealers who trade securities in the United States. Designated by the Maloney Act of 1933 to establish rules of fair market practices.

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

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

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

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA, or "GINNIE MAE"): GNMA buys Veterans Administration, Farmers Home Administration, and Federal Housing Administration mortgages, then issues bonds on pools of the mortgages. An investor in this bond receives monthly dividends through the mortgagee's payments of principal and interest. GNMAs are full faith and credit of the U.S. Government, unlike other mortgage based agencies.

GOVERNMENT SECURITIES: Obligations of the U.S. Government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See **TREASURY BILL, TREASURY NOTE**, and **TREASURY BOND.**

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

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

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

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

INTEREST-RATE RISK: A form of investment risk whereby changes in interest rates adversely affect the value of a security portfolio. For example, the value of bond holdings will decline should interest rates increase.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

LIQUID ASSET: An asset that can be converted easily into cash. Some examples are money market fund shares, treasury bills, and bank deposits.

LIQUIDITY: An asset that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if a buyer can be found easily. The spread between the bid and asked price is narrow because the securities are liquid and usually reflect high credit quality such as T-Bills.

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

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): Professionally managed pool of funds composed of cash deposits from a large group of cities, counties, school districts, and local governments. In Texas, created under the Local Government Cooperation Act. A portfolio of securities is purchased and each pool participant owns a pro rata share in the pool of investments. It can be a mutual fund or a money market fund equivalent.

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

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

MARKET RISK: The risk that the price of a typical security can decrease, leading to possible principal loss if a sale of the security is required before maturity.

MARKET VALUE: The price at which a security is trading in the marketplace and could presumably be purchased or sold.

MASTER REPURCHASE (REPO) AGREEMENT: A written contract covering all repo transactions between two parties to the repurchase or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower. The industry standard is from the Security Industry and Financial Markets Association (SIFMA).

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

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers acceptances, etc.) are issued and traded.

MONEY MARKET ACCOUNT: An interest bearing bank savings account which normally earns interest at a higher interest rate than a regular savings account, but with a minimum required balance and other restrictions. Normally restricted to six withdrawals per month.

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

MUTUAL FUND: The fund that pools the resources of investors who buy shares and invests the proceeds in a portfolio of securities designed to achieve the fund's investment objective. All of the owners in the fund shares participate in the gains or losses of the fund. The value of the share is calculated off the market value of the portfolio. These products can only be sold by registered representatives. Mutual funds are also known as an open-end diversified management investment company. Long-term investment funds that pool money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are designed for yield and involve more risk than money market mutual funds. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

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

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

MUNICIPAL BONDS: A bond or debt obligation issued by state or local governments to fund general municipal needs or special projects. See also **REVENUE BONDS.**

NEGATIVE YIELD CURVE: See **INVERSE YIELD CURVE.**

NET ASSET VALUE (NAV): The value of a mutual fund share as determined at the close of each business day. NAV is determined by summing the market value of all securities in the portfolio, deducting expenses, and dividing this total by the number of shares outstanding. All shares redeemed on that day are done so at the NAV for that specific day.

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

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

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

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

OFFER PRICE: The price asked by a seller of securities. The price at which a security will be sold to a governmental entity.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee (FOMC) in order to influence the volume of money and credit in the economy.

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

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

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

PORTFOLIO: Collection of securities held by an investor.

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

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

PREPAYMENT: The risk that changes in interest rates will cause the anticipated maturity of a mortgage-backed security to be shortened. Homeowners prepay all or part of a mortgage when interest rates decline to refinance at lower costs, causing money to be returned to the owner of the mortgage-backed security, who must reinvest at a lower rate.

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

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

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

PRIME RATE: The rate of interest at which a commercial bank offers to lend money to its most creditworthy customers.

PRINCIPAL: The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

PRIVATE ACTIVITY BOND: A taxable municipal bond.

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

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

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

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

PRUDENT PERSON RULE: An investment safety standard used by most governmental investors. The rule states that investments will be made under circumstances then prevailing which persons of discretion and intelligence will purchase, not for speculation, but for investment, recognizing the probable return of principal as well as the return on that investment.

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

QUALIFIED PUBLIC DEPOSITORY: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state and that has segregated for the benefit of the Public Deposit Protection Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. Coupon rate divided by the purchase price.

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

REDEMPTION PRICE: See **CALL PRICE.**

REGULAR SETTLEMENT: Paying for a security one day after the trade date.
REINVESTMENT RISK: The risk that funds will have to be reinvested in a lower interest rate security if the original security is called away.

REPURCHASE AGREEMENT (RP or REPO): An investment agreement involving the purchase of a security and a simultaneous agreement to repurchase that security at a specified price and date. Repurchase

agreements are used as a way to earn income on idle cash at or near the fed funds market rate. A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, i.e., increasing bank reserves.

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

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

RISK: A measure of the probability of financial loss.

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

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

SALLIE MAE (SLMA): Securities issued by the Student Loan Marketing Association, an agency of the U.S. Government. Not authorized for public investments since it gave up its GSE designation in 2006.

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

SECURITIES AND EXCHANGE COMMISSION (SEC): A governmental organization established to regulate the U.S. financial markets.

SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION (SIFMA): Formerly the Bond Market Association, a self-regulatory group of brokers/dealers.

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

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

SETTLEMENT DATE: The purchase or sale date of a security on which the money changes hands. See also **TRADE DATE**.

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

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

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

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

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

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

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

SWAP: Trading one asset for another.

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

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

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

TRADE DATE: The date on which the agreement to buy or sell a security is made. See also **SETTLEMENT DATE.**

TREASURY BILL (TB or T-Bill): A marketable, short-term U.S. Government debt security issued at a discount from par value, auctioned by the U.S. Treasury with maturities of 91 days, 180 days, or 365 days.
TREASURY BOND: The bellwether Treasury security. A thirty-year U.S. Government debt security issued at a fixed interest rate with a maturity. The bond is often used to set mortgage rates.

TREASURY NOTE (TN or T-Note): A marketable, medium-term U.S. Government debt security issued at a fixed interest rate with a maturity of one to ten years.

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

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

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

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

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

VOLATILITY: Characteristic of a security, commodity, or market to rise or fall sharply in price within a short-term period.

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

WEIGHTED AVERAGE MATURITY (WAM): The dollar weighted average remaining term to maturity of all assets in a pool or securities portfolio. The maximum WAM is usually based on an entity's cash flow analysis.

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

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

YIELD: A financial ratio that measures the earnings on a capital investment. The ratio is generally expressed as a percentage of the current price.

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

YIELD CURVE: A chart equating time and rates and consisting of the yields of bonds of the same quality but different maturities. This can be used as a gauge to evaluate the future of the interest rates.

YIELD TO CALL (YTC): A financial ratio that measures the rate of return on a callable bond. The yield on a bond assumes redemption of that bond by the issuer at the first possible call date as stated in the indenture agreement.

YIELD TO MATURITY (YTM): A financial ratio that measures the rate of return on a bond's acquisition cost and the value at maturity. The ratio accounts for any interest income from the bond and assumes that the bond is held and redeemed at maturity.

ZERO COUPON BOND: A bond that does not make interest payments but is sold at a deep discount. At the maturity of the bond, the full face amount of the bond is payable. The bond does result in taxable income each year.

INDUSTRY TERMS AND ACRONYMS

Accounting Terms

- Par – Face value of the security
- Par – Price of 100 ($1 for $1)
- Discount – Price less than par
- Premium – Price greater than par
- Principal – Face minus discount or plus premium

Banking Terms

- Time Deposit – Certificate of deposit
- Demand Deposit – Checking account
- Depository – Financial institution
- ACH – Automated Clearing House
- Pre-note – Pre-notification for ACH
- FedWire – Federal Wire System
- Fed – Federal Reserve

Securities Terms

- SLMA – Student Loan Marketing Association
- FNMA – Federal National Mortgage Association ("Fannie Mae")
- TB – Treasury Bill
- TN – Treasury Note
- AGY – U.S. Agency Security
- Disco – U.S. Agency Discount Note
- FHLMC – Federal Home Loan Mortgage Corporation ("Freddie Mac")
- FHLB – Federal Home Loan Bank
- GNMA – Government National Mortgage Association ("Ginnie Mae")
- CMO – Collateralized Mortgage Obligation
- Strip – Principal Only Treasury
- Repo – Repurchase Agreement
- Book-entry – Securities in electronic form
- DVP – Delivery versus payment
- DK – Do not know (Fed wire rejection)
- Fail – Security not delivered as planned
- Bearer Bond – Security with physical value

Trading Terms

- Bid – Price at which one sells a security
- Offer – Price at which one buys a security
- Callable – Security with embedded call
- CP – Commercial paper
- BA – Bankers Acceptance
- MMMF – Money Market Mutual Fund
- Trade Ticket – Trace Documentation

Other Terms

- CPI – Consumer price index

- DTC – Depository Trust Corporation
- FDIC – Federal Deposit Insurance Corporation
- FFCB – Federal Farm Credit Bank
- FHA – Federal Housing Administration
- FINRA – Financial Industry Regulatory Authority
- FOMC – Federal Open Markets Committee
- FRB – Federal Reserve Bank
- MBS – Mortgage backed securities
- PPI – Producer price index
- PTC – Participatory Trust Corporation
- TVA – Tennessee Valley Authority
- TSY – U.S. Treasury

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CONSENT AGENDA:

Approving a Resolution for the City of Sealy Investment Policy.

SUBMITTED BY: Jennifer Matura, Finance/HR Director

MEETING DATE: April 7, 2026

STAFF REPORT

SUMMARY

The City of Sealy Investment Policy governs the investment of the City's funds and establishes the guidelines and procedures for managing public funds in a safe and prudent manner. The policy is adopted in accordance with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

The Public Funds Investment Act requires the governing body of an investing entity to review its investment policy and investment strategies not less than annually to adopt a resolution stating that the policy and strategies have been reviewed and approved.

ANALYSIS

Staff has conducted the annual review of the City of Sealy Investment Policy. The policy continues to emphasize the primary investment objectives required under state law, including:

- Safety of principal
- Liquidity to meet operating needs
- Maintenance of public trust
- Optimization of interest earnings

The policy also establishes guidelines related to authorized investments, diversification, maturity limitations, collateralization requirements, reporting, and internal controls.

The only revisions included in the attached redline version of the policy are:

1. Updating the effective date of the policy and approval by City Council
2. Update to language from CAFR to ACFR (Annual Comprehensive Financial Report. GASB officially changed the name of this report via Statement No. 98.

None of the revisions change the City's current investment practices.

A redline copy of the policy highlighting the revisions and a clean copy of the policy are included in the meeting packet for Council's review.

Upon approval of the resolution, staff will submit a copy of the City of Sealy Investment Policy to TexPool/Federated Hermes for review and certification. This certification will verify that the policy meets specific standards set by a regulatory body and signify that the City's approach to managing public funds is considered prudent and compliant with applicable laws, adheres to established guidelines per investment types, is diversified, manages risks, and inclusive of maturity structures within the policy. Staff will provide a copy of the certificate to Council upon receipt.

RECOMMENDATION

Staff recommends the approval of the resolution acknowledging the annual review of the City of Sealy Investment Policy and investment strategies and reaffirming the Investment Policy as presented.

Resolution

RESOLUTION NO. 2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS, ADOPTING THE CITY'S INVESTMENT POLICY AND INVESTMENT STRATEGIES IN ACCORDANCE WITH THE TEXAS PUBLIC FUNDS INVESTMENT ACT; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL; AND PROVIDING EFFECTIVE DATE

WHEREAS, Chapter 2256 of the Texas Government Code, commonly known as the Texas "Public Funds Investment Act", requires the governing body of an investing entity to adopt a written investment policy regarding the investment of its funds; and

WHEREAS, the Texas Public Funds Investment Act further requires that the governing body of an investing entity review its investment policy and investment strategies not less than annually; and

WHEREAS, the City Council of the City of Sealy has previously adopted an Investment Policy governing the investment of the City's funds; and

WHEREAS, the City Council has appointed the Director of Finance, City Manager, City Secretary, and Administrative services Manager as the investment officers responsible for the investment of the City's funds in accordance with the Investment Policy and the Texas Public Funds Investment Act; and

WHEREAS, the Texas Public Funds Investment Act, requires the treasurer, the chief financial officer (if not the treasurer), and the investment officer(s) of the City to attend investment training; and

WHEREAS, the City of Sealy has approved training courses sponsored by organizations including the Texas Municipal League (TML), the Government Finance Officers Association (GFOA), the Government Finance Officers Association of Texas (GFOAT), the Government Treasurers' Organization of Texas (GTOT), the Association of Public Treasurers of the United States and Canada (APT US & C), the University of North Texas Center for Public Management, the Texas State University William P. Hobby Center for Public Service, and the Houston-Galveston Area Council (H-GAC); and

WHEREAS, The Director of Finance has completed an initial ten (10) hours of investment training through a course sponsored by Virtual Learning Concepts in conjunction with Texas Municipal League on March 6, 2025, as required by the Texas Public Funds Investment Act; and

WHEREAS, the City Council has reviewed the attached Investment Policy and investment strategies and has determined that the policy complies with the requirements of the Texas Public Funds Investment Act and provides appropriate guidelines for the prudent investment of the City's funds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS:

1. **Annual Review.** The City Council hereby acknowledges that it has conducted its annual review of the City's Investment Policy and investment strategies as required by the Texas Public Funds Investment Act.
2. **Approval of Policy.** The Investment Policy attached hereto as "Exhibit A" is hereby approved and adopted as the official Investment Policy of the City of Sealy.

3. **Compliance with State Law.** The City Council finds that the Investment Policy and Investment Strategies comply with the requirements of the Texas Public Funds Investment Act, and the Investment Policy attached hereto as "Exhibit A", is hereby adopted as the investment policy of the City effective April 7, 2026.

PASSED AND APPROVED ON this the 7th day of April 2026.

_____

Carolyn Bilski
Mayor

ATTEST:

_____

Sandra Vrablec
City Secretary

Track Changes

Exhibit A

City of Sealy, Texas

Investment Policy

ADOPTED BY CITY COUNCIL ON ~~FEBRUARY 18, 2025~~APRIL 7, 2026; RESOLUTION NO. 20~~25-10~~26-

CITY OF SEALY, TEXAS
INVESTMENT POLICY

TABLE OF CONTENTS

I. POLICY ..... 3~~1~~
II. PURPOSE ..... 3~~1~~
III. SCOPE ..... 2~~1~~
IV. INVESTMENT OBJECTIVES 2
Safety 2
Liquidity ..... 3~~2~~
Public Trust ..... 4~~3~~
Yield (Optimization of Interest Earnings) ..... 4~~3~~
V. RESPONSIBILITY AND CONTROL ..... 4~~3~~
Delegation of Authority ..... 4~~3~~
Quality and Capability of Investment Management ..... 4~~3~~
Training Requirement ..... 4~~3~~
Internal Controls ..... 4~~3~~
Prudence ..... 5~~4~~
Indemnification ..... 5~~4~~
Ethics and Conflicts of Interest ..... 5~~4~~
VI. SUITABLE AND AUTHORIZED INVESTMENTS ..... 6~~5~~
Portfolio Management ..... 6~~5~~
Investments ..... 6~~5~~
Authorized ..... 6~~5~~
Not Authorized ..... 6~~5~~
VII. INVESTMENT PARAMETERS ..... 6~~5~~
Maximum Maturities ..... 7~~5~~
Diversification ..... 7~~6~~
VIII. SELECTION OF FINANCIAL INSTITUTIONS ..... 7~~6~~
Depository ..... 7~~6~~
Authorized Investment Providers ..... 7~~6~~
Competitive Bids ..... 9~~7~~
Delivery vs. Payment ..... 9~~7~~

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL ..... 9~~7~~
Safekeeping and Custodian Agreements ..... 9~~7~~
Collateral Policy ..... 9~~7~~
Collateral Defined ..... 9~~7~~
Subject to Audit ..... 10~~8~~
X. PERFORMANCE ..... **10~~8~~**
Performance Standards ..... 10~~8~~
Performance Benchmark ..... 10~~8~~
XI. REPORTING ..... **10~~8~~**
Methods ..... 10~~8~~
Monitoring Market Value ..... 11~~9~~
XII. INVESTMENT POLICY ADOPTION ..... **11~~9~~**
XIII. INVESTMENT STRATEGY ..... **11~~9~~**
XIV. APPROVED INVESTMENT PROVIDERS ..... **12~~10~~**
GLOSSARY OF INVESTMENT TERMS ..... **13~~11~~**
INDUSTRY TERMS AND ACRONYMS ..... **28~~26~~**

I. POLICY

It is the policy of the City of Sealy, Texas (hereinafter referred to as the "City") that, after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment income is a source of revenue to the City's funds. The City's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of:

Safety and preservation of principal,
Maintenance of sufficient **liquidity** to meet operating needs,
Public trust from prudent investment activities, and
Optimization of **interest earnings** on the portfolio.

II. PURPOSE

The purpose of this investment policy is to comply with Chapter 2256 of the Government Code (hereinafter referred to as the "Public Funds Investment Act"), which requires each municipality to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

III. SCOPE

This investment policy shall govern the investment of all financial assets of the City. These funds are accounted for in the City's ~~Comprehensive Annual Financial Report (CAFR)~~Annual Comprehensive Financial Report (ACFR) and include:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Enterprise Funds
- Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately
- Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately
- Any new fund created by the City, unless specifically exempted from this policy by the City Council or by law.

The City may consolidate cash balances from various funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
This investment policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

IV. INVESTMENT OBJECTIVES

The City shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield, expressed as optimization of interest earnings.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The City shall maintain a comprehensive cash management program, which includes collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of idle cash.

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- *Credit Risk:* The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
  - Limiting investments to the safest types of investments,
  - Pre-qualifying the financial institutions with which the City will do business, and
  - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

- *Interest Rate Risk:* The City will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates by:
  - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity,
  - Investing operating funds primarily in certificates of deposit and local government investment pools functioning as money market mutual funds, and
  - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrently with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, all or a portion of the portfolio will be invested in local government investment pools that offer same-day liquidity.

Public Trust

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

Yield (Optimization of Interest Earnings)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority

In accordance with the Public Funds Investment Act, the City Council designates the Finance Director, City Manager, City Secretary, and the Administrative Services Manager as the City's Investment Officers. The Investment Officer is authorized to execute investment transactions on behalf of the City. No person may engage in an investment transaction or the management of City funds except as provided under the terms of this investment policy as approved by the City Council. The investment authority granted to investing officers is effective until rescinded by the City Council.

Quality and Capability of Investment Management

The City shall provide periodic training in investments for the designated Investment Officers and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the Public Funds Investment Act.

Training Requirement

In accordance with the Public Funds Investment Act, a newly appointed Investment Officer must attend a training session of at least ten (10) hours of instruction within twelve (12) months of the date the officer took office or assumed the officer's duties. After that, the designated Investment Officer shall attend continuing investment training no less often than once every two years (based on the City's fiscal year) and shall receive not less than eight (8) hours of instruction relating to investment responsibilities. All required investment training shall be provided by an independent source approved by the City Council. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education, or any other sponsor other than a business organization with whom the City may engage in an investment transaction.

Internal Controls

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of

reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Director of Finance shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion,
- Separation of transactions authority from accounting and record keeping,
- Custodial safekeeping,
- Avoidance of physical delivery securities,
- Clear delegation of authority to subordinate staff members,
- Written confirmation for telephone (voice) transactions for investments and wire transfers, and
- Development of a wire transfer agreement with the depository bank or third party custodian.

Prudence

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule. This rule states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the City's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and
- Whether the investment decision was consistent with the written approved investment policy of the City.

Indemnification

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

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program or that would impair their ability to make impartial decisions. Employees and Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer of the City who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An

Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

VI. SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

The City currently has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the City require that the investment be liquidated.

Investments

City funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investment of City funds in any instrument or security not authorized for investment under the Act is prohibited. The City will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

Authorized

- Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits of the City.

- Local government investment pools, which (1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, (2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, (3) seek to maintain a $1.00 net asset value, and (4) are authorized by resolution or ordinance of the City Council.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

Not Authorized

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral and collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over 10 years are strictly prohibited.

VII. INVESTMENT PARAMETERS

Maximum Maturities

The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The City attempts to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than two (2) years from the date of purchase; however, the above described certificates of deposit may be collateralized using longer dated investments.

Diversification

The City recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding certificates of deposit that are fully insured and collateralized in accordance with state and federal law), and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the City's total portfolio:

- Certificates of Deposit 75%
- Authorized Pools 75%

VIII. SELECTION OF FINANCIAL INSTITUTIONS

Depository

At least every five (5) years, a depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid, and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law,
- The ability to provide requested information or financial statements for the periods specified,
- The ability to meet all requirements in the banking RFP,
- Complete response to all required items on the bid form, and
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.

Authorized Investment Providers

The City shall, at least annually, review, revise, and adopt a list of qualified financial institutions authorized to engage in investment transactions with the City. All investment providers, including financial institutions,

banks, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the City's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the City's policy.

Competitive Bids

It is the policy of the City to require competitive bidding for all individual security purchases and sales except for transactions with local government investment pools. The Director of Finance shall develop and maintain procedures for ensuring a competition in the investment of the City's funds.

Delivery vs. Payment

Securities shall be purchased using the **delivery vs. payment** method with the exception of investment pools. Funds will be released after notification that the purchased security has been received.

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL

Safekeeping and Custodian Agreements

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the City shall be held in the City's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third-party custodian designated by the City and pledged to the City as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve bank or branch of a Federal Reserve bank, a Federal Home Loan Bank, or a third party bank approved by the City.

Collateral Policy

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, the City may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with which the City has a current custodial agreement. The Director of Finance is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

Collateral Defined

The City shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities,
- Direct obligations of the state of Texas or its agencies and instrumentalities,

- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less,
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A, and
- A letter of credit issued to the City by the Federal Home Loan Bank.

Subject to Audit

All collateral shall be subject to inspection and audit by the Director of Finance or the City's independent auditors.

X. PERFORMANCE

Performance Standards

The City's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the City.

Performance Benchmark

It is the policy of the City to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the City shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. The City's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days.

XI. REPORTING

Methods

The Investment Officer shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be provided to the City Council. The report will include the following:

- A listing of individual securities held at the end of the reporting period,
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period,
- Additions and changes to the market value during the period,
- Average weighted yield to maturity of portfolio as compared to applicable benchmark,
- Listing of investments by maturity date,
- Fully accrued interest for the reporting period,
- The percentage of the total portfolio that each type of investment represents, and
- Statement of compliance of the City's investment portfolio with state law and the investment strategy and policy approved by the City Council.

Monitoring Market Value

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

XII. INVESTMENT POLICY ADOPTION

The City's investment policy shall be adopted by resolution of the City Council. It is the City's intent to comply with state laws and regulations. The City's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of the City. The City Council shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.

XIII. INVESTMENT STRATEGY

The City shall maintain an investment portfolio that utilizes specific investment strategy considerations designed to address the unique characteristics of its various fund groups. In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Authorized securities will be of the highest credit quality, and when not matched to liabilities, they will be short-term and liquid. The portfolio will be diversified to avoid market and credit risks. Diversification and full liquidity requirements will be met through the use of investment pools and certificates of deposit. Investment guidelines by fund type are as follows:

A. Investment strategies for operating funds and commingled cash pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles.

B. Investment strategies for debt service funds shall have as their primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date.

C. Investment strategies for debt service reserve funds shall have as their primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short- to intermediate-term maturities.

D. Investment strategies for special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of securities held should not exceed the estimated project completion date.

XIV. APPROVED INVESTMENT PROVIDERS

Local Government Investment Pools

TexPool
TexPool Participant Services
Federated Hermes, Inc.
Management, Inc.
1001 Texas Avenue, Suite 1150
Houston, TX 77002
Phone: (866) 839-7665
Fax: (866) 839-3291

TexSTAR
TexSTAR Participant Services
Hilltop Securities/J.P. Morgan Investment

717 N. Harwood, Suite 3400
Dallas, TX 75201
Phone: (800) 839-7827
Fax: (214) 953-8878

Financial Institutions/Banks

Any bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the Entity.

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

ASK PRICE: The price at which securities are offered by the broker/dealer. The price at which a governmental entity buys a security.

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

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

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

BASIS POINT: A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of one (1) percent of yield. For example, 1/4 of 1 percent is equal to 25 basis points.

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

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

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

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

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

BROKER: A broker brings buyers and sellers together for a commission (fee). The broker takes no position in a trade and does not act as a principal or own securities.

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

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

CALL PRICE: Price at which a bond or preferred stock with a call provision or call feature can be redeemed (repurchased) by the issuer.

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

CALL RISK: The risk to a bondholder that a bond may be redeemed prior to maturity.

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

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

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

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

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

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

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

COLLATERAL POOLING: Approved for Texas banks in 2009, this allows any bank to eliminate individual collateral pledges to public units and substitute by creating a pool (or portfolio) of securities that are pledged to all their clients. It is designed to reflect 102% of *all* entities' funds. The program is monitored by the State Comptroller.

COLLATERALIZATION: The process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): A mortgage-backed bond created from a pool of mortgages which creates different classes of securities (tranches) from one pool with different risk profiles.

COMMERCIAL PAPER (CP): Short-term obligations with maturities ranging from 1 to 270 days issued by banks, corporations, and other borrowers to investors with large temporary cash positions. Such instruments are unsecured and usually discounted, but are generally interest bearing.

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

~~**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):**~~**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR):** The official annual report for the City of Sealy. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EQUITY: Ownership possessed by shareholders in a corporation.

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

FEDERAL CREDIT AGENCIES: Agencies of the Federal government that supply credit to various classes of institutions and individuals; e.g., savings and loans, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The federal agency that insures bank deposits, currently up to $250,000 per deposit as identified by taxpayer identification number.

FEDERAL FUNDS (FED FUNDS): Funds deposited by commercial banks at Federal Reserve Banks, including funds in excess of bank reserve requirements. The target rate is set by the Fed but trades at slightly different rates as the *effective* rate on a daily basis.

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

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend money to savings and loan associations, cooperative banks, and other mortgage lenders in a manner similar to the Federal Reserve's role with commercial banks. The Federal Home Loan Bank System is made up of 12 regional FHLBs. It

raises money by issuing notes and bonds and lends money to savings and loans and other mortgage lenders based on the amount of collateral the institution can provide.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC, or "FREDDIE MAC"): Publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities backed by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or "FANNIE MAE"): FNMA is a federal corporation working under the auspices of the U.S. Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation, which includes purchases of a variety of adjustable mortgages and secondary loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The Committee meets eight times per year to set U.S. monetary policy.

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

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

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA): Formerly the National Association of Securities Dealers (NASD). A self-regulating industry organization of brokers and dealers who trade securities in the United States. Designated by the Maloney Act of 1933 to establish rules of fair market practices.

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

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

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

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA, or "GINNIE MAE"): GNMA buys Veterans Administration, Farmers Home Administration, and Federal Housing Administration mortgages, then issues bonds on pools of the mortgages. An investor in this bond receives monthly dividends through the mortgagee's payments of principal and interest. GNMAs are full faith and credit of the U.S. Government, unlike other mortgage based agencies.

GOVERNMENT SECURITIES: Obligations of the U.S. Government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See **TREASURY BILL, TREASURY NOTE**, and **TREASURY BOND.**

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

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

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

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

INTEREST-RATE RISK: A form of investment risk whereby changes in interest rates adversely affect the value of a security portfolio. For example, the value of bond holdings will decline should interest rates increase.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

LIQUID ASSET: An asset that can be converted easily into cash. Some examples are money market fund shares, treasury bills, and bank deposits.

LIQUIDITY: An asset that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if a buyer can be found easily. The spread between the bid and asked price is narrow because the securities are liquid and usually reflect high credit quality such as T-Bills.
LIQUIDITY RISK: A type of investment risk whereby an investment may not be able to be sold quickly at a fair market price when cash is needed. Long-term Treasury Bonds, for example, are publicly traded and have excellent liquidity. Limited partnerships, on the other hand, are often not publicly traded and typically have poor liquidity.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): Professionally managed pool of funds composed of cash deposits from a large group of cities, counties, school districts, and local governments. In Texas, created under the Local Government Cooperation Act. A portfolio of securities is purchased and each pool participant owns a pro rata share in the pool of investments. It can be a mutual fund or a money market fund equivalent.

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

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

MARKET RISK: The risk that the price of a typical security can decrease, leading to possible principal loss if a sale of the security is required before maturity.

MARKET VALUE: The price at which a security is trading in the marketplace and could presumably be purchased or sold.

MASTER REPURCHASE (REPO) AGREEMENT: A written contract covering all repo transactions between two parties to the repurchase or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower. The industry standard is from the Security Industry and Financial Markets Association (SIFMA).

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

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers acceptances, etc.) are issued and traded.

MONEY MARKET ACCOUNT: An interest bearing bank savings account which normally earns interest at a higher interest rate than a regular savings account, but with a minimum required balance and other restrictions. Normally restricted to six withdrawals per month.

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

MUTUAL FUND: The fund that pools the resources of investors who buy shares and invests the proceeds in a portfolio of securities designed to achieve the fund's investment objective. All of the owners in the fund shares participate in the gains or losses of the fund. The value of the share is calculated off the market value of the portfolio. These products can only be sold by registered representatives. Mutual funds are also known as an open-end diversified management investment company. Long-term investment funds that pool money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are designed for yield and involve more risk than money market mutual funds. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

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

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

MUNICIPAL BONDS: A bond or debt obligation issued by state or local governments to fund general municipal needs or special projects. See also **REVENUE BONDS**.

NEGATIVE YIELD CURVE: See **INVERSE YIELD CURVE**.

NET ASSET VALUE (NAV): The value of a mutual fund share as determined at the close of each business day. NAV is determined by summing the market value of all securities in the portfolio, deducting expenses, and dividing this total by the number of shares outstanding. All shares redeemed on that day are done so at the NAV for that specific day.

NET ASSET VALUE FUNDS: Mutual funds seeking to offer a higher yield than the constant dollar funds (money market funds). These funds purchase longer maturing securities, which translate into a higher market and volatility risk as well as longer WAM. These funds experience market fluctuation due to the

risk of the longer securities and will subject the investor to a higher level of market price and volatility risk than a constant dollar fund.

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

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

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

OFFER PRICE: The price asked by a seller of securities. The price at which a security will be sold to a governmental entity.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee (FOMC) in order to influence the volume of money and credit in the economy.

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

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

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

PORTFOLIO: Collection of securities held by an investor.

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

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

PREPAYMENT: The risk that changes in interest rates will cause the anticipated maturity of a mortgage-backed security to be shortened. Homeowners prepay all or part of a mortgage when interest rates decline to refinance at lower costs, causing money to be returned to the owner of the mortgage-backed security, who must reinvest at a lower rate.

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

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

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

PRIME RATE: The rate of interest at which a commercial bank offers to lend money to its most creditworthy customers.

PRINCIPAL: The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

PRIVATE ACTIVITY BOND: A taxable municipal bond.

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

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

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

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

PRUDENT PERSON RULE: An investment safety standard used by most governmental investors. The rule states that investments will be made under circumstances then prevailing which persons of discretion and intelligence will purchase, not for speculation, but for investment, recognizing the probable return of principal as well as the return on that investment.

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

QUALIFIED PUBLIC DEPOSITORY: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state and that has segregated for the benefit of the Public Deposit Protection Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. Coupon rate divided by the purchase price.

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

REDEMPTION PRICE: See **CALL PRICE.**

REGULAR SETTLEMENT: Paying for a security one day after the trade date.
REINVESTMENT RISK: The risk that funds will have to be reinvested in a lower interest rate security if the original security is called away.

REPURCHASE AGREEMENT (RP or REPO): An investment agreement involving the purchase of a security and a simultaneous agreement to repurchase that security at a specified price and date. Repurchase agreements are used as a way to earn income on idle cash at or near the fed funds market rate. A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, i.e., increasing bank reserves.

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

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

RISK: A measure of the probability of financial loss.

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

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

SALLIE MAE (SLMA): Securities issued by the Student Loan Marketing Association, an agency of the U.S. Government. Not authorized for public investments since it gave up its GSE designation in 2006.

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

SECURITIES AND EXCHANGE COMMISSION (SEC): A governmental organization established to regulate the U.S. financial markets.

SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION (SIFMA): Formerly the Bond Market Association, a self-regulatory group of brokers/dealers.

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

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

SETTLEMENT DATE: The purchase or sale date of a security on which the money changes hands. See also **TRADE DATE.**

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

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

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

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

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

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

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

SWAP: Trading one asset for another.

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

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

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

TRADE DATE: The date on which the agreement to buy or sell a security is made. See also **SETTLEMENT DATE.**

TREASURY BILL (TB or T-Bill): A marketable, short-term U.S. Government debt security issued at a discount from par value, auctioned by the U.S. Treasury with maturities of 91 days, 180 days, or 365 days.

TREASURY BOND: The bellwether Treasury security. A thirty-year U.S. Government debt security issued at a fixed interest rate with a maturity. The bond is often used to set mortgage rates.

TREASURY NOTE (TN or T-Note): A marketable, medium-term U.S. Government debt security issued at a fixed interest rate with a maturity of one to ten years.

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

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

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

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

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

VOLATILITY: Characteristic of a security, commodity, or market to rise or fall sharply in price within a short-term period.

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

WEIGHTED AVERAGE MATURITY (WAM): The dollar weighted average remaining term to maturity of all assets in a pool or securities portfolio. The maximum WAM is usually based on an entity's cash flow analysis.

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

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

YIELD: A financial ratio that measures the earnings on a capital investment. The ratio is generally expressed as a percentage of the current price.

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

YIELD CURVE: A chart equating time and rates and consisting of the yields of bonds of the same quality but different maturities. This can be used as a gauge to evaluate the future of the interest rates.

YIELD TO CALL (YTC): A financial ratio that measures the rate of return on a callable bond. The yield on a bond assumes redemption of that bond by the issuer at the first possible call date as stated in the indenture agreement.

YIELD TO MATURITY (YTM): A financial ratio that measures the rate of return on a bond's acquisition cost and the value at maturity. The ratio accounts for any interest income from the bond and assumes that the bond is held and redeemed at maturity.

ZERO COUPON BOND: A bond that does not make interest payments but is sold at a deep discount. At the maturity of the bond, the full face amount of the bond is payable. The bond does result in taxable income each year.

INDUSTRY TERMS AND ACRONYMS

Accounting Terms

- Par – Face value of the security
- Par – Price of 100 ($1 for $1)
- Discount – Price less than par
- Premium – Price greater than par
- Principal – Face minus discount or plus premium

Banking Terms

- Time Deposit – Certificate of deposit
- Demand Deposit – Checking account
- Depository – Financial institution
- ACH – Automated Clearing House
- Pre-note – Pre-notification for ACH
- FedWire – Federal Wire System
- Fed – Federal Reserve

Securities Terms

- SLMA – Student Loan Marketing Association
- FNMA – Federal National Mortgage Association ("Fannie Mae")
- TB – Treasury Bill
- TN – Treasury Note
- AGY – U.S. Agency Security
- Disco – U.S. Agency Discount Note
- FHLMC – Federal Home Loan Mortgage Corporation ("Freddie Mac")
- FHLB – Federal Home Loan Bank
- GNMA – Government National Mortgage Association ("Ginnie Mae")
- CMO – Collateralized Mortgage Obligation
- Strip – Principal Only Treasury
- Repo – Repurchase Agreement
- Book-entry – Securities in electronic form
- DVP – Delivery versus payment
- DK – Do not know (Fed wire rejection)
- Fail – Security not delivered as planned
- Bearer Bond – Security with physical value

Trading Terms

- Bid – Price at which one sells a security
- Offer – Price at which one buys a security
- Callable – Security with embedded call
- CP – Commercial paper
- BA – Bankers Acceptance
- MMMF – Money Market Mutual Fund
- Trade Ticket – Trace Documentation

Other Terms

- CPI – Consumer price index
- DTC – Depository Trust Corporation
- FDIC – Federal Deposit Insurance Corporation
- FFCB – Federal Farm Credit Bank
- FHA – Federal Housing Administration
- FINRA – Financial Industry Regulatory Authority
- FOMC – Federal Open Markets Committee
- FRB – Federal Reserve Bank
- MBS – Mortgage backed securities
- PPI – Producer price index
- PTC – Participatory Trust Corporation
- TVA – Tennessee Valley Authority
- TSY – U.S. Treasury

Clean Version

Exhibit A

City of Sealy, Texas

Investment Policy

ADOPTED BY CITY COUNCIL ON APRIL 7, 2026; RESOLUTION NO. 2026-

CITY OF SEALY, TEXAS
INVESTMENT POLICY

TABLE OF CONTENTS

I. POLICY 1
II. PURPOSE 1
III. SCOPE 1
IV. INVESTMENT OBJECTIVES 2
Safety 2
Liquidity 2
Public Trust 4
Yield (Optimization of Interest Earnings) 4
V. RESPONSIBILITY AND CONTROL 4
Delegation of Authority 4
Quality and Capability of Investment Management 4
Training Requirement 4
Internal Controls 4
Prudence 5
Indemnification 5
Ethics and Conflicts of Interest 5
VI. SUITABLE AND AUTHORIZED INVESTMENTS 6
Portfolio Management 6
Investments 6
Authorized 6
Not Authorized 6
VII. INVESTMENT PARAMETERS 6
Maximum Maturities 7
Diversification 7
VIII. SELECTION OF FINANCIAL INSTITUTIONS 7
Depository 7
Authorized Investment Providers 7
Competitive Bids 9
Delivery vs. Payment 9

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL 9
Safekeeping and Custodian Agreements 9
Collateral Policy 9
Collateral Defined 9
Subject to Audit 10
X. PERFORMANCE 10
Performance Standards 10
Performance Benchmark 10
XI. REPORTING 10
Methods 10
Monitoring Market Value 11
XII. INVESTMENT POLICY ADOPTION 11
XIII. INVESTMENT STRATEGY 11
XIV. APPROVED INVESTMENT PROVIDERS 12
GLOSSARY OF INVESTMENT TERMS 13
INDUSTRY TERMS AND ACRONYMS 28

CITY OF SEALY, TEXAS
INVESTMENT POLICY

I. POLICY

It is the policy of the City of Sealy, Texas (hereinafter referred to as the "City") that, after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment income is a source of revenue to the City's funds. The City's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of:

Safety and preservation of principal,
Maintenance of sufficient **liquidity** to meet operating needs,
Public trust from prudent investment activities, and
Optimization of **interest earnings** on the portfolio.

II. PURPOSE

The purpose of this investment policy is to comply with Chapter 2256 of the Government Code (hereinafter referred to as the "Public Funds Investment Act"), which requires each municipality to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

III. SCOPE

This investment policy shall govern the investment of all financial assets of the City. These funds are accounted for in the City's Annual Comprehensive Financial Report (ACFR) and include:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Enterprise Funds
- Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately
- Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately
- Any new fund created by the City, unless specifically exempted from this policy by the City Council or by law.

The City may consolidate cash balances from various funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
This investment policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

IV. INVESTMENT OBJECTIVES

The City shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield, expressed as optimization of interest earnings.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The City shall maintain a comprehensive cash management program, which includes collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of idle cash.

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- *Credit Risk:* The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
  - Limiting investments to the safest types of investments,
  - Pre-qualifying the financial institutions with which the City will do business, and
  - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

- *Interest Rate Risk:* The City will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates by:
  - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity,
  - Investing operating funds primarily in certificates of deposit and local government investment pools functioning as money market mutual funds, and
  - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrently with cash needs to meet anticipated demands. Because all possible cash demands cannot be

anticipated, all or a portion of the portfolio will be invested in local government investment pools that offer same-day liquidity.

Public Trust

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

Yield (Optimization of Interest Earnings)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority

In accordance with the Public Funds Investment Act, the City Council designates the Finance Director, City Manager, City Secretary, and the Administrative Services Manager as the City's Investment Officers. The Investment Officer is authorized to execute investment transactions on behalf of the City. No person may engage in an investment transaction or the management of City funds except as provided under the terms of this investment policy as approved by the City Council. The investment authority granted to investing officers is effective until rescinded by the City Council.

Quality and Capability of Investment Management

The City shall provide periodic training in investments for the designated Investment Officers and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the Public Funds Investment Act.

Training Requirement

In accordance with the Public Funds Investment Act, a newly appointed Investment Officer must attend a training session of at least ten (10) hours of instruction within twelve (12) months of the date the officer took office or assumed the officer's duties. After that, the designated Investment Officer shall attend continuing investment training no less often than once every two years (based on the City's fiscal year) and shall receive not less than eight (8) hours of instruction relating to investment responsibilities. All required investment training shall be provided by an independent source approved by the City Council. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education, or any other sponsor other than a business organization with whom the City may engage in an investment transaction.

Internal Controls

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of

reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Director of Finance shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion,
- Separation of transactions authority from accounting and record keeping,
- Custodial safekeeping,
- Avoidance of physical delivery securities,
- Clear delegation of authority to subordinate staff members,
- Written confirmation for telephone (voice) transactions for investments and wire transfers, and
- Development of a wire transfer agreement with the depository bank or third party custodian.

Prudence

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule. This rule states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the City's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and
- Whether the investment decision was consistent with the written approved investment policy of the City.

Indemnification

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

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program or that would impair their ability to make impartial decisions. Employees and Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer of the City who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An

Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

VI. SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

The City currently has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the City require that the investment be liquidated.

Investments

City funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investment of City funds in any instrument or security not authorized for investment under the Act is prohibited. The City will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

Authorized

- Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits of the City.

- Local government investment pools, which (1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, (2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, (3) seek to maintain a $1.00 net asset value, and (4) are authorized by resolution or ordinance of the City Council.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

Not Authorized

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral and collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over 10 years are strictly prohibited.

VII. INVESTMENT PARAMETERS

Maximum Maturities

The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The City attempts to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than two (2) years from the date of purchase; however, the above described certificates of deposit may be collateralized using longer dated investments.

Diversification

The City recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding certificates of deposit that are fully insured and collateralized in accordance with state and federal law), and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the City's total portfolio:

- Certificates of Deposit 75%
- Authorized Pools..... 75%

VIII. SELECTION OF FINANCIAL INSTITUTIONS

Depository

At least every five (5) years, a depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid, and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law,
- The ability to provide requested information or financial statements for the periods specified,
- The ability to meet all requirements in the banking RFP,
- Complete response to all required items on the bid form, and
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.

Authorized Investment Providers

The City shall, at least annually, review, revise, and adopt a list of qualified financial institutions authorized to engage in investment transactions with the City. All investment providers, including financial institutions,

banks, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the City's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the City's policy.

Competitive Bids

It is the policy of the City to require competitive bidding for all individual security purchases and sales except for transactions with local government investment pools. The Director of Finance shall develop and maintain procedures for ensuring a competition in the investment of the City's funds.

Delivery vs. Payment

Securities shall be purchased using the **delivery vs. payment** method with the exception of investment pools. Funds will be released after notification that the purchased security has been received.

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL

Safekeeping and Custodian Agreements

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the City shall be held in the City's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third-party custodian designated by the City and pledged to the City as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve bank or branch of a Federal Reserve bank, a Federal Home Loan Bank, or a third party bank approved by the City.

Collateral Policy

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, the City may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with which the City has a current custodial agreement. The Director of Finance is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

Collateral Defined

The City shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities,
- Direct obligations of the state of Texas or its agencies and instrumentalities,

- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less,
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A, and
- A letter of credit issued to the City by the Federal Home Loan Bank.

Subject to Audit

All collateral shall be subject to inspection and audit by the Director of Finance or the City's independent auditors.

X. PERFORMANCE

Performance Standards

The City's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the City.

Performance Benchmark

It is the policy of the City to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the City shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. The City's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days.

XI. REPORTING

Methods

The Investment Officer shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be provided to the City Council. The report will include the following:

- A listing of individual securities held at the end of the reporting period,
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period,
- Additions and changes to the market value during the period,
- Average weighted yield to maturity of portfolio as compared to applicable benchmark,
- Listing of investments by maturity date,
- Fully accrued interest for the reporting period,
- The percentage of the total portfolio that each type of investment represents, and
- Statement of compliance of the City's investment portfolio with state law and the investment strategy and policy approved by the City Council.

Monitoring Market Value

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

XII. INVESTMENT POLICY ADOPTION

The City's investment policy shall be adopted by resolution of the City Council. It is the City's intent to comply with state laws and regulations. The City's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of the City. The City Council shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.

XIII. INVESTMENT STRATEGY

The City shall maintain an investment portfolio that utilizes specific investment strategy considerations designed to address the unique characteristics of its various fund groups. In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Authorized securities will be of the highest credit quality, and when not matched to liabilities, they will be short-term and liquid. The portfolio will be diversified to avoid market and credit risks. Diversification and full liquidity requirements will be met through the use of investment pools and certificates of deposit. Investment guidelines by fund type are as follows:

A. Investment strategies for operating funds and commingled cash pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles.

B. Investment strategies for debt service funds shall have as their primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date.

C. Investment strategies for debt service reserve funds shall have as their primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short- to intermediate-term maturities.

D. Investment strategies for special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of securities held should not exceed the estimated project completion date.

XIV. APPROVED INVESTMENT PROVIDERS

Local Government Investment Pools

TexPool
TexPool Participant Services
Federated Hermes, Inc.
Management, Inc.
1001 Texas Avenue, Suite 1150
Houston, TX 77002
Phone: (866) 839-7665
Fax: (866) 839-3291

TexSTAR
TexSTAR Participant Services
Hilltop Securities/J.P. Morgan Investment

717 N. Harwood, Suite 3400
Dallas, TX 75201
Phone: (800) 839-7827
Fax: (214) 953-8878

Financial Institutions/Banks

Any bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the Entity.

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

ASK PRICE: The price at which securities are offered by the broker/dealer. The price at which a governmental entity buys a security.

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

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

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

BASIS POINT: A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of one (1) percent of yield. For example, 1/4 of 1 percent is equal to 25 basis points.

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

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

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

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

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

BROKER: A broker brings buyers and sellers together for a commission (fee). The broker takes no position in a trade and does not act as a principal or own securities.

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

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

CALL PRICE: Price at which a bond or preferred stock with a call provision or call feature can be redeemed (repurchased) by the issuer.

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

CALL RISK: The risk to a bondholder that a bond may be redeemed prior to maturity.

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

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

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

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

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

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

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

COLLATERAL POOLING: Approved for Texas banks in 2009, this allows any bank to eliminate individual collateral pledges to public units and substitute by creating a pool (or portfolio) of securities that are pledged to all their clients. It is designed to reflect 102% of *all* entities' funds. The program is monitored by the State Comptroller.

COLLATERALIZATION: The process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): A mortgage-backed bond created from a pool of mortgages which creates different classes of securities (tranches) from one pool with different risk profiles.

COMMERCIAL PAPER (CP): Short-term obligations with maturities ranging from 1 to 270 days issued by banks, corporations, and other borrowers to investors with large temporary cash positions. Such instruments are unsecured and usually discounted, but are generally interest bearing.

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report for the City of Sealy. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EQUITY: Ownership possessed by shareholders in a corporation.

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

FEDERAL CREDIT AGENCIES: Agencies of the Federal government that supply credit to various classes of institutions and individuals; e.g., savings and loans, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The federal agency that insures bank deposits, currently up to $250,000 per deposit as identified by taxpayer identification number.

FEDERAL FUNDS (FED FUNDS): Funds deposited by commercial banks at Federal Reserve Banks, including funds in excess of bank reserve requirements. The target rate is set by the Fed but trades at slightly different rates as the *effective* rate on a daily basis.

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

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

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC, or "FREDDIE MAC"): Publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities backed by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or "FANNIE MAE"): FNMA is a federal corporation working under the auspices of the U.S. Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation, which includes purchases of a variety of adjustable mortgages and secondary loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The Committee meets eight times per year to set U.S. monetary policy.

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

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

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA): Formerly the National Association of Securities Dealers (NASD). A self-regulating industry organization of brokers and dealers who trade securities in the United States. Designated by the Maloney Act of 1933 to establish rules of fair market practices.

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

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

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

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA, or "GINNIE MAE"): GNMA buys Veterans Administration, Farmers Home Administration, and Federal Housing Administration mortgages, then issues bonds on pools of the mortgages. An investor in this bond receives monthly dividends through the

mortgagee's payments of principal and interest. GNMAs are full faith and credit of the U.S. Government, unlike other mortgage based agencies.

GOVERNMENT SECURITIES: Obligations of the U.S. Government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See **TREASURY BILL, TREASURY NOTE**, and **TREASURY BOND**.

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

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

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

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

INTEREST-RATE RISK: A form of investment risk whereby changes in interest rates adversely affect the value of a security portfolio. For example, the value of bond holdings will decline should interest rates increase.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

LIQUID ASSET: An asset that can be converted easily into cash. Some examples are money market fund shares, treasury bills, and bank deposits.

LIQUIDITY: An asset that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if a buyer can be found easily. The spread between the bid and asked price is narrow because the securities are liquid and usually reflect high credit quality such as T-Bills.
LIQUIDITY RISK: A type of investment risk whereby an investment may not be able to be sold quickly at a fair market price when cash is needed. Long-term Treasury Bonds, for example, are publicly traded and have excellent liquidity. Limited partnerships, on the other hand, are often not publicly traded and typically have poor liquidity.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): Professionally managed pool of funds composed of cash deposits from a large group of cities, counties, school districts, and local governments. In Texas, created under the Local Government Cooperation Act. A portfolio of securities is purchased and each pool participant owns a pro rata share in the pool of investments. It can be a mutual fund or a money market fund equivalent.

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

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

MARKET RISK: The risk that the price of a typical security can decrease, leading to possible principal loss if a sale of the security is required before maturity.

MARKET VALUE: The price at which a security is trading in the marketplace and could presumably be purchased or sold.

MASTER REPURCHASE (REPO) AGREEMENT: A written contract covering all repo transactions between two parties to the repurchase or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower. The industry standard is from the Security Industry and Financial Markets Association (SIFMA).

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

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers acceptances, etc.) are issued and traded.

MONEY MARKET ACCOUNT: An interest bearing bank savings account which normally earns interest at a higher interest rate than a regular savings account, but with a minimum required balance and other restrictions. Normally restricted to six withdrawals per month.

MONEY MARKET MUTUAL FUND (MMMF): A specific type of mutual fund that invests solely in money market instruments (short-term debt instruments, such as treasury bills, commercial paper, bankers' acceptances, repos, and federal funds) as defined and registered with the SEC and regulated by the

Investment Company Act of 1940 as 2a-7 funds. They strive to maintain a $1 net share value for participants. Three types of MMMFs are Treasury, Governmental, and Prime. MMMFs are designed for safety and liquidity.

MUTUAL FUND: The fund that pools the resources of investors who buy shares and invests the proceeds in a portfolio of securities designed to achieve the fund's investment objective. All of the owners in the fund shares participate in the gains or losses of the fund. The value of the share is calculated off the market value of the portfolio. These products can only be sold by registered representatives. Mutual funds are also known as an open-end diversified management investment company. Long-term investment funds that pool money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are designed for yield and involve more risk than money market mutual funds. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

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

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

MUNICIPAL BONDS: A bond or debt obligation issued by state or local governments to fund general municipal needs or special projects. See also **REVENUE BONDS.**

NEGATIVE YIELD CURVE: See **INVERSE YIELD CURVE.**

NET ASSET VALUE (NAV): The value of a mutual fund share as determined at the close of each business day. NAV is determined by summing the market value of all securities in the portfolio, deducting expenses, and dividing this total by the number of shares outstanding. All shares redeemed on that day are done so at the NAV for that specific day.

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

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

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

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

OFFER PRICE: The price asked by a seller of securities. The price at which a security will be sold to a governmental entity.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee (FOMC) in order to influence the volume of money and credit in the economy.

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

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

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

PORTFOLIO: Collection of securities held by an investor.

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

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

PREPAYMENT: The risk that changes in interest rates will cause the anticipated maturity of a mortgage-backed security to be shortened. Homeowners prepay all or part of a mortgage when interest rates decline to refinance at lower costs, causing money to be returned to the owner of the mortgage-backed security, who must reinvest at a lower rate.

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

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

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

PRIME RATE: The rate of interest at which a commercial bank offers to lend money to its most creditworthy customers.

PRINCIPAL: The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

PRIVATE ACTIVITY BOND: A taxable municipal bond.

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

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

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

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

PRUDENT PERSON RULE: An investment safety standard used by most governmental investors. The rule states that investments will be made under circumstances then prevailing which persons of discretion and intelligence will purchase, not for speculation, but for investment, recognizing the probable return of principal as well as the return on that investment.

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

QUALIFIED PUBLIC DEPOSITORY: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state and that has segregated for the benefit of the Public Deposit Protection Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. Coupon rate divided by the purchase price.

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

REDEMPTION PRICE: See **CALL PRICE.**

REGULAR SETTLEMENT: Paying for a security one day after the trade date.
REINVESTMENT RISK: The risk that funds will have to be reinvested in a lower interest rate security if the original security is called away.

REPURCHASE AGREEMENT (RP or REPO): An investment agreement involving the purchase of a security and a simultaneous agreement to repurchase that security at a specified price and date. Repurchase agreements are used as a way to earn income on idle cash at or near the fed funds market rate. A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, i.e., increasing bank reserves.

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

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

RISK: A measure of the probability of financial loss.

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

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

SALLIE MAE (SLMA): Securities issued by the Student Loan Marketing Association, an agency of the U.S. Government. Not authorized for public investments since it gave up its GSE designation in 2006.

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

SECURITIES AND EXCHANGE COMMISSION (SEC): A governmental organization established to regulate the U.S. financial markets.

SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION (SIFMA): Formerly the Bond Market Association, a self-regulatory group of brokers/dealers.

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

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

SETTLEMENT DATE: The purchase or sale date of a security on which the money changes hands. See also **TRADE DATE.**

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

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

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

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

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

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

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

SWAP: Trading one asset for another.

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

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

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

TRADE DATE: The date on which the agreement to buy or sell a security is made. See also **SETTLEMENT DATE.**

TREASURY BILL (TB or T-Bill): A marketable, short-term U.S. Government debt security issued at a discount from par value, auctioned by the U.S. Treasury with maturities of 91 days, 180 days, or 365 days.

TREASURY BOND: The bellwether Treasury security. A thirty-year U.S. Government debt security issued at a fixed interest rate with a maturity. The bond is often used to set mortgage rates.

TREASURY NOTE (TN or T-Note): A marketable, medium-term U.S. Government debt security issued at a fixed interest rate with a maturity of one to ten years.

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

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

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

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

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

VOLATILITY: Characteristic of a security, commodity, or market to rise or fall sharply in price within a short-term period.

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

WEIGHTED AVERAGE MATURITY (WAM): The dollar weighted average remaining term to maturity of all assets in a pool or securities portfolio. The maximum WAM is usually based on an entity's cash flow analysis.

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

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

YIELD: A financial ratio that measures the earnings on a capital investment. The ratio is generally expressed as a percentage of the current price.

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

YIELD CURVE: A chart equating time and rates and consisting of the yields of bonds of the same quality but different maturities. This can be used as a gauge to evaluate the future of the interest rates.

YIELD TO CALL (YTC): A financial ratio that measures the rate of return on a callable bond. The yield on a bond assumes redemption of that bond by the issuer at the first possible call date as stated in the indenture agreement.

YIELD TO MATURITY (YTM): A financial ratio that measures the rate of return on a bond's acquisition cost and the value at maturity. The ratio accounts for any interest income from the bond and assumes that the bond is held and redeemed at maturity.

ZERO COUPON BOND: A bond that does not make interest payments but is sold at a deep discount. At the maturity of the bond, the full face amount of the bond is payable. The bond does result in taxable income each year.

INDUSTRY TERMS AND ACRONYMS

Accounting Terms

- Par – Face value of the security
- Par – Price of 100 ($1 for $1)
- Discount – Price less than par
- Premium – Price greater than par
- Principal – Face minus discount or plus premium

Banking Terms

- Time Deposit – Certificate of deposit
- Demand Deposit – Checking account
- Depository – Financial institution
- ACH – Automated Clearing House
- Pre-note – Pre-notification for ACH
- FedWire – Federal Wire System
- Fed – Federal Reserve

Securities Terms

- SLMA – Student Loan Marketing Association
- FNMA – Federal National Mortgage Association ("Fannie Mae")
- TB – Treasury Bill
- TN – Treasury Note
- AGY – U.S. Agency Security
- Disco – U.S. Agency Discount Note
- FHLMC – Federal Home Loan Mortgage Corporation ("Freddie Mac")
- FHLB – Federal Home Loan Bank
- GNMA – Government National Mortgage Association ("Ginnie Mae")
- CMO – Collateralized Mortgage Obligation
- Strip – Principal Only Treasury
- Repo – Repurchase Agreement
- Book-entry – Securities in electronic form
- DVP – Delivery versus payment
- DK – Do not know (Fed wire rejection)
- Fail – Security not delivered as planned
- Bearer Bond – Security with physical value

Trading Terms

- Bid – Price at which one sells a security
- Offer – Price at which one buys a security
- Callable – Security with embedded call
- CP – Commercial paper
- BA – Bankers Acceptance
- MMMF – Money Market Mutual Fund
- Trade Ticket – Trace Documentation

Other Terms

- CPI – Consumer price index
- DTC – Depository Trust Corporation
- FDIC – Federal Deposit Insurance Corporation
- FFCB – Federal Farm Credit Bank
- FHA – Federal Housing Administration
- FINRA – Financial Industry Regulatory Authority
- FOMC – Federal Open Markets Committee
- FRB – Federal Reserve Bank
- MBS – Mortgage backed securities
- PPI – Producer price index
- PTC – Participatory Trust Corporation
- TVA – Tennessee Valley Authority
- TSY – U.S. Treasury

TPIA Training Certificate

VIRTUAL LEARNING CONCEPTS

(in conjunction with Texas Municipal League)

Certificate of Completion

This certification is awarded to

Jennifer Matura

For successfully completing Texas Public Funds Investment Act training.

In full compliance with Texas Government Code Chapter 2256.008 of the Public Funds Investment Act.

PFIA 10 Hour Course

Linda Patterson CPE Sponsor # 007375
Texas Municipal League CPE Sponsor # 2554

03/06/2025	03/06/2027
Issued Date	Expiration Date

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SEALY EDC BOARD AGENDA ITEM NO Discussion and possible action regarding Approval of Task Order No. 26-01 between Sealy EDC and Strand Associates, Inc., to conduct a Downtown Parking Assessment for the Downtown Area pursuant to Texas Local Government Code 505.158, following the Approved SEDC Strategic Plan.

MEETING DATE: March 24, 2026

STAFF REPORT

DESCRIPTION

Staff worked with Strand Associates to develop Task Order No. 26-01 for a Downtown Parking Assessment to evaluate existing parking conditions and identify opportunities to improve parking availability and pedestrian connectivity within the City of Sealy Historic Downtown District.

The downtown study area includes the area generally bounded by State Highway 36, the UP Railroad, West Front Street, 5th Street, Hardeman Street, 2nd Street, and 4th Street. The assessment will evaluate parking conditions on both sides of Highway 36 and review opportunities to increase parking capacity, including the use of existing alleyways and reconfigurations of the current parking areas.

The Sealy Economic Development Board of Directors unanimously approved and recommends the City Council's approval of Task Order No. 26-01 with Strand Associates, Inc., in the amount of $50,000 as previously budgeted and approved by the Sealy Economic Development Board of Directors and Sealy City Council at their March 24 meeting, and is recommending approval by the City Council.

Work will begin upon execution of the task order. With completion in December 2026.

ANALYSIS

Under the proposed task order, Strand Associates will provide engineering and planning services, including:

ENGINEER will provide the following services to OWNER:

1. Attend an initial kickoff meeting with OWNER and gather project-related data.

2. Review and assess the condition of each alleyway within the downtown district using the Pavement System Evaluation and Rating (PASER) system.

3. Assist OWNER and CITY in evaluating corridors based on existing access, high volume trip generators, and existing and potential parking areas. Trip generation studies are not anticipated.

4. Assist OWNER and CITY in developing paving, lighting, drainage, and landscaping standards for potential improvements to the downtown district alleyways.

5. Assist OWNER and CITY in evaluating areas where existing parking could be reconfigured and CITY-owned alleyways within the downtown district that could be utilized for additional parking. Provide two-dimensional parking layouts, based on aerial photography, for up to eight locations. Topographic survey is not anticipated.

6. Assist OWNER and CITY in evaluating potential new routes for pedestrians utilizing existing and potential pedestrian facilities and provide two-dimensional layouts for up to four new pedestrian routes.

7. Attend up to three progress meetings with OWNER.

The assessment will provide preliminary planning guidance to help determine the feasibility, cost considerations, and potential locations for a future public parking and pedestrian connectivity.

Services will begin upon execution of the task order, with completion scheduled for December 18, 2026.

The proposed task order establishes a lump-sum compensation of $50,000 for the engineering services associated with the PASER System analysis, trip generation collection and analysis, design of standards regarding lighting, drainage, landscaping, along with potential improvements to the district alleyways with parking configuration, pedestrian routes, and facilities.

FINANCIAL IMPACT

As budgeted in fiscal year 2025-2026, the Task Order No. 26-01 with Strand Associates, Inc., is in the amount of $50,000.

RECCOMENDATION

The Sealy Economic Development Board of Directors unanimously approved and recommends City Council's approval of Task Order No. 26-01 with Strand Associates, Inc., in the amount of $50,000 for a Parking Assessment for the Downtown Area.

RESOLUTION 2026 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS, APPROVING THE SEALY ECONOMIC DEVELOPMENT CORPORATION'S EXPENDITURE OF FUNDS TO STRAND ASSOCIATES, INC. FOR ENGINEERING SERVICES UNDER TASK ORDER NO. 26-01 RELATED TO A DOWNTOWN PARKING ASSESSMENT TO PROMOTE NEW AND EXPANDED BUSINESS DEVELOPMENT.

* * * * * * * * * * * *

WHEREAS, the Sealy Economic Development Corporation ("SEDC") entered into an Agreement for Technical Services with Strand Associates, Inc., dated July 8, 2024; and

WHEREAS, pursuant to that Agreement, the Sealy Economic Development Corporation ("SEDC") approved Task Order No. 26-01 on March 24, 2026, with Strand Associates, INC. for engineering services related to a downtown parking assessment for the City of Sealy, Texas, in an amount not to exceed Fifty Thousand and No/100 Dollars $50,000.00 for the purpose of promoting new and expanded business development pursuant to Texas Local Government Code, Section 505.158; and

WHEREAS, Task Order No. 26-01 includes services related to evaluating existing downtown parking conditions, opportunities for additional commercial and retail parking, the condition and potential use of alleyways, to promote commercial and retail enterprises, and related pedestrian and improvement concepts within the downtown district increase commercial and retail access; and

WHEREAS, the Sealy City Council Approved and finds that such expenditure is authorized under Task Order No. 26-01 on April 7, 2026, with Strand Associates, INC. for engineering services related to a downtown parking assessment for the City of Sealy, Texas, in an amount not to exceed Fifty Thousand and No/100 Dollars $50,000 to promote new and expanded business development; and

WHEREAS, the City Council finds that the EDC complied with state law regarding such funding;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS:

SECTION 1. The facts and recitations contained in the preamble to the Resolution are true and correct and incorporated herein for all purposes.

SECTION 2. The City Council approves and authorizes the expenditure of funds by the Sealy Economic Development Corporation in an amount not to exceed Fifty Thousand and

No/100 Dollars $50,000 to Strand Associates, INC. for engineering services under Task Order No. 26-01 related to a downtown parking assessment, for the purposes of promoting new and expanded business development.

SECTION 3. Severability. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

SECTION 4. That this Resolution shall be in full force upon its adoption on second and final reading.

PASSED AND APPROVED ON FIRST READING this 7th day of April, 2026.

PASSED AND APPROVED ON SECOND READING this day of , 2026.

Carolyn Bilski, Mayor

ATTEST:

Sandra Vrablec, City Secretary

STRAND ASSOCIATES®
Excellence in Engineering℠

Strand Associates, Inc.®
1906 Niebuhr Street
Brenham, TX 77833
(P) 979.836.7937
www.strand.com

Task Order No. 26-01
Sealy Economic Development Corporation (OWNER)
and Strand Associates, Inc.® (ENGINEER)
Pursuant to Agreement for Technical Services dated July 8, 2024

Project Information

Services Name: City of Sealy, Texas (CITY), Downtown Parking Assessment

Services Description: Perform a parking assessment of CITY downtown district. On the east side of State Highway 36, the downtown district is generally bound by State Highway 36 on the west, the Union Pacific Railroad on the north, West Front Street on the east, and 5th Street on the south. On the west side of State Highway 36, the downtown district is generally bound by Hardeman Street on the west, 2nd Street on the north, State Highway 36 on the east, and 4th Street on the south. The assessment will evaluate existing parking and review opportunities for additional parking, including existing alleyways.

Scope of Services

ENGINEER will provide the following services to OWNER:

1. Attend an initial kickoff meeting with OWNER and gather project-related data.

2. Review and assess the condition of each alleyway within the downtown district using the Pavement System Evaluation and Rating (PASER) system.

3. Assist OWNER and CITY in evaluating corridors based on existing access, high volume trip generators, and existing and potential parking areas. Trip generation studies are not anticipated.

4. Assist OWNER and CITY in developing paving, lighting, drainage, and landscaping standards for potential improvements to the downtown district alleyways.

5. Assist OWNER and CITY in evaluating areas where existing parking could be reconfigured and CITY-owned alleyways within the downtown district that could be utilized for additional parking. Provide two-dimensional parking layouts, based on aerial photography, for up to eight locations. Topographic survey is not anticipated.

6. Assist OWNER and CITY in evaluating potential new routes for pedestrians utilizing existing and potential pedestrian facilities and provide two-dimensional layouts for up to four new pedestrian routes.

7. Attend up to three progress meetings with OWNER.

Compensation

OWNER shall compensate ENGINEER for Services under this Task Order a lump sum of $50,000.

Schedule

Services will begin upon execution of this Task Order, which is anticipated the week of March 30, 2026. Services are scheduled for completion on December 18, 2026.

TASK ORDER AUTHORIZATION AND ACCEPTANCE:

ENGINEER:	OWNER:
STRAND ASSOCIATES, INC.®	SEALY ECONOMIC DEVELOPMENT CORPORATION
Joseph M. Bunker Corporate Secretary	Date
Bill Atkinson Executive Director	Date

r)

SEALY EDC BOARD AGENDA ITEM NO: Discussion and Possible Action regarding Approval of Task Order No. 26-02 between Sealy EDC and Strand Associates, Inc., for the City of Sealy Public Works Facility Relocation Phase I Assessment pursuant to Texas Local Government Code 505.152, following the Approved SEDC Strategic Plan.

MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Staff has worked with Strand Associates to prepare Task Order No. 26-02 for an initial assessment regarding the potential relocation of the City of Sealy Public Works Facility. The current facility, located east of Historic Downtown Sealy, no longer appears ideally situated or sized to support long-term operational needs. The proposed assessment would evaluate potential relocation sites and determine the feasibility of moving the facility to better serve future city growth and operational demands.

This work complements other strategic downtown initiatives currently underway, including the review and update of Chapter 29 for the Historic Downtown District, the development of a Storefront Enhancement Program, and the engineering analysis of downtown alleys and parking. Together, these efforts reflect a coordinated approach to improving the function, appearance, and long-term economic potential of Historic Downtown Sealy.

Because the existing Public Works Facility occupies a potential downtown retail/venue location, and the department also needs a larger and more suitable footprint for operations. This assessment is intended to provide the City and SEDC with proactive planning information rather than waiting and reacting to future space and operational constraints that become more urgent. Additionally, both the City Manager and Public Works Director presented information to the SEDC Board regarding their support of this study. This item is consistent with the SEDC Board of Directors' Strategic Plan and was previously presented to and unanimously supported by the Board.

ANALYSIS

Under the proposed task order, Strand Associates will provide engineering and planning services, including:

- Conducting a kickoff meeting and gathering relevant project data.
- Meeting with SEDC and City staff to review the existing public works facility and discuss operational needs, desired features, and facility types for a new location.
- Evaluating up to three potential relocation sites for the facility. This includes assessing the availability of water, sanitary sewer, and natural gas utilities and developing cost opinions for providing utilities if they are not currently available.
- Evaluating access requirements and potential street modifications necessary to serve each potential site and preparing associated cost opinions.
- Developing up to two conceptual layouts for each site, incorporating selected facility features, internal circulation, paved areas, and employee and visitor parking.
- Participating in up to three progress meetings with SEDC and City staff.

The assessment will provide preliminary planning guidance to help determine the feasibility, cost considerations, and potential locations for a future public works facility that better supports municipal operations.

The Sealy Economic Development Corporation Board of Directors held a significant discussion on this item as it relates to the continued growth and development occurring in Sealy. As that growth continues, the Public Works Department will need additional space to support expanding service demands, operations, equipment, and storage. Because land suitable for these functions is a limited resource, it is important to begin identifying appropriate sites now to accommodate the department's long-term needs.

This effort also presents a unique opportunity to consider the future reprogramming of the existing Public Works facility site in a manner more compatible with surrounding uses, including Joe Scranton Park and Sealy Historical Park. Evaluating relocation options would not only help position Public Works in a more suitable location for future operational growth, but would also support the broader revitalization efforts underway in Historic Downtown Sealy.

Services will begin upon execution of the task order, with completion scheduled for December 18, 2026.

FINANCIAL IMPACT

The proposed task order establishes a lump-sum compensation of $40,000 for the engineering services associated with the Public Works Facility Relocation Phase I assessment. Funding for this work is budgeted within the SEDC Engineering Services line item.

RECOMMENDATION

The Sealy Economic Development Board of Directors unanimously approved and recommends the City Council's approval of Task Order No. 26-02 with Strand Associates, Inc., in the amount of $40,000 to conduct the Public Works Facility Relocation Phase I Assessment.

STRAND ASSOCIATES®
Excellence in Engineering™

Strand Associates, Inc.®
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Brenham, TX 77833
(P) 979.836.7937
www.strand.com

Task Order No. 26-02
Sealy Economic Development Corporation (OWNER)
and Strand Associates, Inc.® (ENGINEER)
Pursuant to Agreement for Technical Services dated July 8, 2024

Project Information

Services Name: City of Sealy, Texas (CITY), Public Works Facility Relocation Phase I

Services Description: Perform an assessment of CITY's public works facility and evaluate potential areas for a new facility. The existing public works facility is located to the east of the downtown district. The assessment will evaluate potential new sites and their feasibility.

Scope of Services

ENGINEER will provide the following services to OWNER:

1. Attend an initial kickoff meeting with OWNER and gather project-related data.

2. Meet with OWNER and CITY to review the existing public works facility and discuss OWNER's and CITY's likes and dislikes. Receive feedback from CITY on public works facility features and building types that are desired at the new location.

3. Assist OWNER and CITY in evaluating up to three new locations for the public works facility. Assess the availability of water, sanitary sewer, and natural gas at each location. Develop cost opinions for these utilities to be provided to each location, if not already present. Assess the need for street modifications and access to the potential locations and develop cost opinions for the street and access modifications.

4. Develop up to two layouts of OWNER and CITY selected facility features and buildings at each site including internal roadways, paved areas, and employee and visitor parking.

5. Attend up to three progress meetings with OWNER and CITY.

Compensation

OWNER shall compensate ENGINEER for Services under this Task Order a lump sum of $40,000.

Schedule

Services will begin upon execution of this Task Order, which is anticipated the week of March 30, 2026. Services are scheduled for completion on December 18, 2026.

TASK ORDER AUTHORIZATION AND ACCEPTANCE:

ENGINEER:		OWNER:	
STRAND ASSOCIATES, INC.®		SEALY ECONOMIC DEVELOPMENT CORPORATION	
Joseph M. Bunker Corporate Secretary	Date	Bill Atkinson Executive Director	Date

H. Business

ITEM #1

BUSINESS

Discussion and Possible Action regarding Approval of a Contract with Chaparral Creative, LLC for Ongoing Communication Support.

SUBMITTED BY: Karissa McCullough

MEETING DATE: April 7th, 2026

STAFF REPORT

DESCRIPTION

The City of Sealy continues to expand its communications efforts to better inform residents, support local businesses, and enhance transparency across all departments. As digital communication channels evolve, there is an increased need for strategic, consistent, and professionally managed messaging.

Chaparral Creative, LLC, a Texas-based marketing and communications agency, specializes in providing services to municipalities and government entities. The firm has proposed a flexible, bundled hourly services agreement tailored to meet the City's ongoing communications needs.

ANALYSIS

The proposed agreement with Chaparral Creative, LLC provides the City of Sealy with a flexible and cost-effective approach to managing its growing communications and marketing needs. As the City continues to expand services, initiatives, and public engagement efforts, the demand for timely, accurate, and professional communication has increased significantly.

Currently, communications responsibilities are distributed across staff, which can create inconsistencies in messaging, delays in public information, and limited capacity for strategic outreach. Engaging a specialized firm allows the City to centralize and professionalize its communications efforts while supporting staff with subject-matter expertise.

The bundled hourly model offers several advantages over a traditional fixed-scope contract. Most notably, it allows the City to allocate resources dynamically based on changing priorities. For example, hours may be concentrated on a website refresh during one period and shifted toward social media engagement, public information campaigns, or emergency communications as needed. This flexibility reduces inefficiencies and ensures the City is only paying for services it actively uses.

The services included in the proposal directly support several key City objectives, including:

- Improving transparency and accessibility of public information
- Enhancing community engagement and trust
- Modernizing the City's digital presence and user experience

Chaparral Creative's experience working with municipalities and understanding of public sector communication requirements, including transparency standards and public information considerations, further strengthens their ability to effectively serve the City.

Overall, this agreement represents a balanced approach that provides professional level support, financial efficiency, and operational flexibility while aligning with the City's strategic communication goals.

FINANCIAL IMPACT

Monthly Bundle Options:

- 10 Hours/Month: $1,050
- 15 Hours/Month: $1,417.50
- 20 Hours/Month: $1,750
- 20+ Hours/Month: Custom pricing

Chaparral Creative provides the ability to roll over unused hours for up to 60 days minimizes the risk of lost value and allows for better workload balancing across months.

RECOMMENDATION

Staff recommends approval of the professional services agreement with Chaparral Creative, LLC based on multiple requests to improve the City's communication.

APPROVED BUDGET
AS OF: OCTOBER 1ST, 2025

10 -GENERAL FUND
HUMAN RESOURCES

DEPARTMENTAL EXPENDITURES	2022-2023 ACTUAL	2023-2024 ACTUAL	2024-2025 CURRENT BUDGET	2024-2025 YEAR-TO-DATE ACTUAL	2024-2025 PROJECTED YEAR END	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET
PERSONNEL							
10-545-51010 Salaries & Wages	0	0	0	0	0	65,350	65,350
10-545-51011 PTO Liability	0	0	0	0	0	0	0
10-545-51015 Longevity Pay	0	0	0	0	0	20	20
10-545-51017 Certification Pay	0	0	0	0	0	0	0
10-545-51020 Social Security	0	0	0	0	0	5,000	5,000
10-545-51030 Retirement Contributions	0	0	0	0	0	10,195	10,195
10-545-51040 Group Insurance	0	0	0	0	0	13,450	13,450
10-545-51050 Workers' Compensation	0	0	0	0	0	153	153
10-545-51060 Unemployment Compensation	0	0	0	0	0	0	0
TOTAL PERSONNEL	0	0	0	0	0	94,168	94,168

545-51010 Salaries & Wages
NEXT YEAR NOTES:
HR/PURCHASING COORDINATOR - $65,000
SALARY ADJ X1 - $325

545-51030 Retirement Contributions
NEXT YEAR NOTES:
CY 2025 - 15.10%
CY 2026 - 15.60%

545-51040 Group Insurance
NEXT YEAR NOTES:
NO PREMIUM INCREASE FY2026

545-51050 Workers' Compensation
NEXT YEAR NOTES:
WC RATE FY26: $0.0041

OPERATIONS							
10-545-52000 General Office Supplies	0	0	0	0	0	1,500	1,500
10-545-52010 Office Copy Supplies	0	0	0	0	0	500	500
10-545-52020 Data Processing Supplies	0	0	0	0	0	1,250	1,250
10-545-52100 Wearing Apparel	0	0	0	0	0	75	75
10-545-52370 Employee Relations Supplie	0	0	0	0	0	7,000	7,000
10-545-52420 Employee Development Suppl	0	0	0	0	0	500	500
10-545-53020 Consultant Services	0	0	0	0	0	10,000	10,000
10-545-53030 Legal Services	0	0	0	0	0	10,000	10,000
10-545-53040 Medical Services	0	0	0	0	0	2,000	2,000
10-545-53095 General Administration	0	0	0	0	0	10,500	10,500
10-545-53300 Dues & Subscriptions	0	0	0	0	0	2,000	2,000
10-545-53310 Travel & Training	0	0	0	0	0	1,500	1,500
10-545-53320 Newspaper Advertising	0	0	0	0	0	500	500
10-545-53330 Postage & Shipping	0	0	0	0	0	500	500
10-545-53340 Printing & Binding	0	0	0	0	0	250	250
TOTAL OPERATIONS	0	0	0	0	0	48,075	48,075

545-52000 General Office Supplies
NEXT YEAR NOTES:
DESK CALENDAR, HANGING FILE FOLDERS, LABOR LAW POSTERS (CITY HALL, PLANNING, PD, BARN), LABEL MAKER REFILLS, PERSONNEL FOLDERS, MEDICAL FOLDERS, BINDERS FOR HANDBOOKS, MISC

* approval of Chaparral contract would require a budget amendment to transfer these funds to City Secretary Dept.

Digital Communication Strategy
City of Sealy, Texas

Prepared by: Chaparral Creative, LLC

For: City of Sealy, TX

Date: December 2025

Executive Summary

The City of Sealy is modernizing its communication approach to better serve residents, businesses, and visitors. This Digital Marketing Strategy provides a clear roadmap for building a consistent, accessible, and community-focused digital presence across all platforms.

The plan outlines how Sealy will strengthen transparency, improve civic engagement, share timely and reliable information, and create a unified communications voice across departments. It also establishes best practices for branding, social media, website performance, content planning, and community interaction.

This strategy equips the City with practical tools and long-term guidelines that strengthen communication, improve community trust, and support the City's commitment to accessible, resident-focused service.

This strategy outlines both contracted Phase 1 deliverables and recommended future phases for consideration [illegible]ng City approval.

1

Transparency

Open, honest communication about city operations, decisions, and initiatives

2

Engagement

Active participation in civic life through accessible information and opportunities

3

Trust

Building confidence through consistent, reliable, and authentic messaging

4

Modernization

Contemporary digital presence that meets residents where they are

Brand Positioning for the City of Sealy

The City of Sealy's brand identity reflects our community's character: welcoming, reliable, progressive, and deeply rooted in Texas values. Our municipal brand is built on core values of service, integrity, community, growth, and accessibility. These values guide every communication, from social media posts to official announcements, ensuring that residents recognize and trust the voice of their city government.

Our communication style balances professionalism with approachability. We speak as knowledgeable public servants who are also neighbors and community members. The tone is clear and direct, avoiding bureaucratic jargon while maintaining appropriate authority. We are informative without being dry, friendly without being casual, and always respectful of the diverse perspectives within our community. This voice should be consistent whether we're announcing a city council meeting, celebrating a local business, or providing emergency weather updates.

Five messaging pillars anchor all city communications. Transparency means we proactively share information about city operations, decisions, and challenges. Community emphasizes our role in bringing people together and celebrating what makes Sealy special. Safety demonstrates our commitment to protecting residents and preparing for emergencies. Growth showcases economic development, infrastructure improvements, and forward progress. Service highlights the dedicated work of city staff and the resources available to residents. Every piece of content should connect to at least one of these pillars.

Voice Guidelines

- Professional yet personable
- Clear and accessible language
- Respectful of all community members
- Authoritative but not bureaucratic

Visual Consistency

- Navy blue and deep red primary colors
- Clean, modern typography
- High-quality photography of real Sealy locations
- Consistent logo usage across platforms

Departmental Alignment

- Unified messaging framework for all departments
- Shared content calendar and approval process
- Cross-departmental collaboration on major initiatives
- Consistent branding in all public-facing materials

Audience Profiles

Understanding who we serve is fundamental to effective communication. The City of Sealy's audiences have distinct needs, preferences, and expectations. By tailoring our approach to each group while maintaining consistent brand values, we ensure that every resident, business owner, visitor, and stakeholder receives relevant, timely, and useful information.

Residents and Families

Residents look for clear updates on services, safety, utilities, events, and quality-of-life initiatives. They want easy access to forms, schedules, and reliable city information that helps them navigate daily life.

Local Businesses

Business owners need straightforward guidance on permits, regulations, economic development opportunities, and ways to partner with the City. Communication should support a business-friendly environment and highlight local commerce.

Visitors and Regional Travelers

Visitors seek information about events, attractions, dining, and lodging. They value welcoming, visually appealing content that showcases Sealy's character and encourages exploration.

Community Partners

Schools, nonprofits, civic groups, and regional organizations need coordinated communication for joint initiatives, funding opportunities, facility use, and community programs. They value transparency and collaboration.

City Staff and Officials

Internal audiences need clear guidance on policies, messaging, and communication expectations. They require tools and alignment to represent the City consistently and effectively.

Media and Regional Agencies

Journalists and media partners need timely, accurate information, press releases, and points of contact. They value professionalism and accessible updates that support regional visibility.

Digital Presence Audit Overview

A comprehensive evaluation of the City of Sealy's digital presence reveals both strengths to build upon and opportunities for significant improvement. This audit examines website functionality, accessibility compliance, search visibility, social media effectiveness, and overall user experience. The findings inform Phase 1 of our strategic implementation and establish benchmarks for measuring progress.

Current State Assessment

The city's website serves as the primary digital hub for information and services. While functional, opportunities exist to enhance navigation, improve mobile responsiveness, and streamline access to frequently requested information. Accessibility evaluation reveals areas where compliance with ADA standards can be strengthened, ensuring all residents can access city information regardless of ability.

Search engine optimization analysis shows that residents searching for city services, meeting information, or local resources may struggle to find relevant pages. Improved SEO practices, metadata optimization, and content structure will increase visibility and make information more discoverable.

Social Media Analysis

Current social media presence demonstrates engagement potential but lacks consistent posting rhythm, strategic content planning, and cohesive visual identity. Platform usage varies, with opportunities to expand reach and deepen community connection through more intentional content strategy and community management.

The audit identifies specific improvements: clearer homepage messaging, intuitive departmental navigation, mobile-optimized design, faster page load times, improved search functionality, accessible document formats, and streamlined pathways to common tasks like paying bills or reporting issues.

01

Website Usability Enhancement

Improve navigation, mobile experience, and information architecture

02

Accessibility Compliance

Ensure ADA compliance and inclusive design across all digital properties

03

SEO Optimization

Increase search visibility and discoverability of city information

04

Social Media Strategy

Develop consistent presence with strategic content and community engagement

Website Audit: Findings and Recommendations

A thorough audit of the City of Sealy's current digital properties provides a baseline for strategic planning. This report details key findings across SEO, technical health, traffic analytics, and backlink profiles, identifying critical areas for improvement to enhance online visibility and user experience.

Overall SEO Performance

While the City of Sealy's online presence maintains foundational authority, SEO analysis reveals a plateau in organic growth and declining traffic despite increased keyword visibility. This highlights an urgent need for deeper content and targeted on-page SEO strategies to convert searches into visits.

Authority Score	Organic Keywords	Organic Traffic
30	~1K (up 5.54%)	8K (down 25.58%)

The growing keyword count alongside declining traffic suggests content gaps and optimization opportunities.

Position Tracking

Keyword rankings remain stable, but stagnant visibility growth necessitates strategic content development. Expanding our content strategy to target service-based and citizen-task queries is crucial for improving our search footprint.

Overall Visibility 24.03%	**Top 3 Keywords** 22
Top 10 Keywords 42	**Top 100 Keywords** 62

While current rankings are consistent, growth has stagnated, requiring a more proactive approach to content for search relevance.

Technical Site Health

The city's website operates at 75% health, indicating numerous technical issues that impede search engine crawling, user experience, and accessibility. Rectifying these high-priority errors is essential for improving search indexing, ADA compliance, and overall usability.

Common issues include broken links, duplicate meta descriptions, missing H1 tags, uncompressed images, and inaccessible PDFs.

Traffic Analytics

While average visit duration is good, the significant decline in visits and unique visitors, coupled with an increased bounce rate, points to underlying navigation and content discoverability problems.

1.4K

Visits

down 57.55%

1.4K

Unique Visitors

down 53.17%

65.43%

Bounce Rate

up 15.96%

6 Min

Avg. Visit Duration

up 36.9%

> Users who successfully navigate to the correct pages are highly engaged, but overall navigation difficulties, outdated content, and poor search visibility are causing high bounce rates and a significant decline in overall traffic.

Backlink & Domain Health

The current backlink profile consists largely of low-authority domains, limiting SEO authority transfer to the city's website. Strategic acquisition of high-quality backlinks is critical for improving domain strength and search rankings.

Referring Domains: 345 (down 3.9%)

A majority of existing referring domains have low authority (0-20 score). To improve domain health, we must focus on increasing high-quality backlinks from reputable sources.

- Texas government directories
- Regional tourism sites
- Chambers of commerce
- News and media outlets

Broken Link Remediation

A detailed review of the City of Sealy website identified numerous broken and outdated links across high-traffic pages, including utility payments, community resources, emergency alerts, meeting archives, and departmental pages. These issues negatively impact user experience, accessibility, search performance, and resident trust. Addressing broken links will be a priority technical fix to ensure residents can reliably access critical information and services.

#	Broken Link	Link Text	Page Where Found	Broken Link Checker	Server Response
1	https://4.municipal.cc/sealywebportal/	Pay Utility Bill Online	https://www.ci.sealy.tx.us/residents/frequently_asked_questions_(faq).php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fresidents%2Ffrequently_asked_questions_(faq).php&c&line=759	500
2	https://www.blinn.edu/sealy-campus/index.html	Blinn College - Sealy Campus	https://www.ci.sealy.tx.us/welcome/resource_links.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fwelcome%2Fresource_links.php&c&line=993	404
3	http://www.vjgordonmemoriallibrary.org/	Gordon Memorial Library	https://www.ci.sealy.tx.us/welcome/resource_links.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fwelcome%2Fresource_links.php&c&line=1003	Bad Host
4	http://sealycommunityfoundation.weebly.com/	Sealy Community Foundation	https://www.ci.sealy.tx.us/welcome/resource_links.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fwelcome%2Fresource_links.php&c&line=1023	404
5	https://4.municipal.cc/sealywebportal/	Pay Utility Bill Online	https://www.ci.sealy.tx.us/residents/city_wide_events.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fresidents%2Fcity_wide_events.php&c&line=755	500
6	http://www.txdps.state.tx.us/	Texas Department of Public Safety	https://www.ci.sealy.tx.us/welcome/resource_links.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fwelcome%2Fresource_links.php&c&line=1110	Bad Host
7	https://4.municipal.cc/sealywebportal/	Pay Utility Bill	https://www.ci.sealy.tx.us/how_do_i/index.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fhow_do_i%2Findex.php&c&line=754	500
8	http://www.ci.sealy.tx.us/https://www.texasdisposal.com/waste-wizard	Waste Wizard Page	https://www.ci.sealy.tx.us/departments/solid_waste_services/index.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fdepartments%2Fsolid_waste_services%2Findex.php&line=862	404

9	http://www.ci.sealy.tx.us/https://www.texasdisposal.com/waste-wizard	Pay Utility Bill	https://www.ci.sealy.tx.us/how_do_i/index.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fhow_do_i%2Ffind_city_hall.php&c&line=754	500
10	https://www.ci.sealy.tx.us/https:/www.texasdisposal.com/waste-wizard		http://www.ci.sealy.tx.us/https://www.texasdisposal.com/waste-wizard	https://www.brokenlinkcheck.com/srcview/view-link.php?url=http%3A%2F%2Fwww.ci.sealy.tx.us%2Fhttps%3A%2F%2Fwww.texasdisposal.com%2Fwaste-wizard&c&line=2	404
11	http://www.ci.sealy.tx.us/page/video_archive		https://www.ci.sealy.tx.us/government/watch_a_meeting.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fgovernment%2Fwatch_a_meeting.php&line=2953	404
12	http://www.ci.sealy.tx.us/page/video_archive		https://www.ci.sealy.tx.us/government/watch_a_meeting.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fgovernment%2Fwatch_a_meeting.php&c&line=3059	404
13	http://www.ci.sealy.tx.us/page/video_archive		https://www.ci.sealy.tx.us/government/watch_a_meeting.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fgovernment%2Fwatch_a_meeting.php&c&line=3862	404

14	https://www.ci.sealy.tx.us/page/video_archive		http://www.ci.sealy.tx.us/page/video_archive	https://www.brokenlinkcheck.com/srcview/view-link.php?url=http%3A%2F%2Fwww.ci.sealy.tx.us%2Fpage%2Fvideo_archive&c&line=2	404
15	http://www.thc.state.tx.us/preserve/texas-historic-sites-atlas	Texas Historical Commission - Texas Historic Sites Atla	https://www.ci.sealy.tx.us/welcome/about_sealy/historical_facts/index.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fwelcome%2Fabout_sealy%2Fhistorical_facts%2Findex.php&c&line=775	Timeout
16	https://austincounty.regroup.com/networks/austincounty/embed_login_register1_address?noaa_alert=true	Regroup	https://www.ci.sealy.tx.us/residents/sign_up_for_alerts.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fresidents%2Fsign_up_for_alerts.php&c&line=768	Bad Host
17	https://texasprepares.org/	TexasPrepares.org	https://www.ci.sealy.tx.us/residents/emergency_updates.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fresidents%2Femergency_updates.php&c&line=817	522
18	https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm	Certificate of Interested Parties (TEC Form 1295)	https://www.ci.sealy.tx.us/departments/finance_department/vendor_registration/index.php	https://www.brokenlinkcheck.com/srcview/view-link.php?url=https%3A%2F%2Fwww.ci.sealy.tx.us%2Fdepartments%2Ffinance_department%2Fvendor_registration%2Findex.php&c&line=842	404

Key Opportunities to Improve

Based on the audit findings, we've identified four key areas for strategic intervention to significantly boost the City of Sealy's digital presence and user experience.

Technical SEO Improvements

- Fix broken links and redirects
- Add alt text to all images
- Add structured data (schema)
- Ensure all PDFs are accessibility compliant

Content Expansion

- Update outdated pages
- Improve internal linking
- Add informative pages for key services
- Add FAQs for top-searched terms

User Experience & Navigation

- Simplify homepage flows
- Improve mobile paths for high-demand tasks
- Restructure departmental navigation

Strengthen Authority & Visibility

- Create landing pages for events and services
- Improve metadata across pages
- Grow backlinks from high-authority partners

Priority Fixes (Phase 1: Weeks 1-8)

The initial phase of our strategy will focus on these critical actions to establish a strong foundation for future digital growth and improved online service delivery.

Resolve High-Priority Errors

Address all critical technical issues flagged by the site audit to improve crawlability and indexing.

Improve Homepage Navigation

Simplify user journeys for key tasks and information, making the site more intuitive.

Update Page Titles and Meta Descriptions

Optimize metadata across essential pages for better search visibility and click-through rates.

Refresh Service Pages and Add Missing Content

Ensure all service-related pages are accurate, comprehensive, and provide clear calls to action.

Add Schema Markup

Implement structured data to help search engines better understand page content and enhance search result presentation.

Strengthen Authoritative Backlinks

Begin outreach to secure high-quality backlinks from relevant government, tourism, and business entities.

Core Pillars of the Digital Marketing Strategy

Seven strategic pillars guide city communication, ensuring alignment with community needs and priorities. This approach ensures clear, consistent, and balanced messaging across all platforms.

Civic Engagement

Encouraging participation in city meetings, events, and decisions. Facilitating engagement with local government.

Trust and Transparency

Sharing clear information on city operations, budgets, and projects. Keeping the community informed.

Public Safety

Timely updates on emergencies, weather alerts, and safety initiatives to protect residents.

Quality of Life

Highlighting parks, programs, and community activities that enhance Sealy's appeal.

Economic Development

Promoting business growth, development projects, and job opportunities to strengthen the local economy.

Infrastructure and Services

Practical updates on city services, utilities, construction, and improvements for smooth city operation.

Resident-Focused Communication

Providing clear, accessible information on services, resources, and support for residents.

Social Media Strategy

Social media is a key communication tool for the City of Sealy, providing timely updates and fostering community connection. This strategy outlines platform roles, content, and engagement expectations for a consistent online presence.

Facebook

The City's primary platform for residents. Share event announcements, service updates, meeting notices, safety alerts, and community highlights. Post **3–5 times per week**, encouraging interaction.

Instagram

A visual platform for showcasing Sealy's character, events, and behind-the-scenes moments. Post **2–4 times per week** using strong imagery and stories to connect with younger residents and visitors.

LinkedIn

A professional platform for economic development updates, job openings, project milestones, and City achievements. Post **1–2 times per week**, focusing on workforce and professional initiatives.

Content Categories

- Service & department updates
- Event & meeting announcements
- Staff & volunteer spotlights
- Safety & weather alerts
- Project & business updates
- Community highlights

Community Management

- Respond to comments promptly
- Monitor tags and mentions
- Direct concerns to departments
- Encourage positive engagement
- Maintain professionalism
- Escalate crisis situations
- Final approval of content calendars and major communications will be coordinated through the City's designated Public Information Officer, with input from City leadership as required.

1

Visual Standards

Use high-quality photos and consistent branding.

2

Seasonal Adjustments

Increase posting for major events, seasons, and city initiatives.

3

Performance Tracking

Monitor engagement and growth to refine messaging.

Sample Eight-Week Content Calendar

This sample calendar demonstrates how to balance informational content, community engagement, and strategic messaging across a typical month. It provides a practical template that city staff can adapt based on actual events, priorities, and seasonal considerations. The calendar ensures consistent posting rhythm while maintaining variety in content types and themes.

Week 1

City Council meeting reminder with agenda highlights
Platform: Facebook, Instagram, LinkedIn

Staff spotlight featuring public works employee
Platform: Facebook, Instagram, LinkedIn

Weekend event promotion for farmers market
Platform: Facebook, Instagram

Week 2

Utility billing reminder and payment options
Platform: Facebook

Infrastructure project update with progress photos
Platform: Facebook, Instagram, LinkedIn

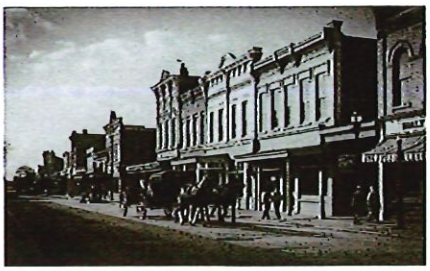
Local business feature highlighting downtown shop
Platform: Facebook, Instagram, LinkedIn

Community event photo recap
Platform: Facebook, Instagram

Week 3

Public safety tip for severe weather preparedness
Platform: Facebook, Instagram

Parks and recreation program registration announcement
Platform: Facebook, Instagram



Throwback Thursday historical photo of downtown Sealy
Platform: Facebook, Instagram

Week 4

City services reminder: trash collection schedule changes
Platform: Facebook

Upcoming events preview for next month
Platform: Facebook, Instagram

Economic development announcement about new business
Platform: Facebook, Instagram, LinkedIn

Community engagement post asking residents about favorite local spots
Platform: Facebook, Instagram

Week 5

Road construction update with timeline and detour information
Platform: Facebook

Library spotlight featuring new programs or services
Platform: Facebook

Pet safety reminder from local animal control
Platform: Facebook, Instagram, LinkedIn

Week 6

Reminder: deadline for community feedback on park improvements
Platform: Facebook

Small business success story or welcoming a new business
Platform: Facebook

Public Works crew highlight with behind the scenes photo
Platform: Facebook, Instagram

Weekend roundup highlighting events happening in Sealy
Platform: Facebook, Instagram

Week 7

Weather preparedness tip for seasonal heat or cold
Platform: Facebook, Instagram

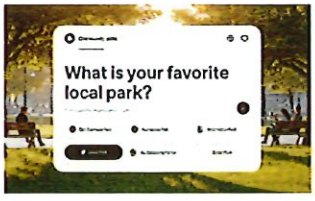
Spotlight on a city service: how to submit a service request
Platform: Facebook, Instagram, LinkedIn

Local park highlight with amenities photo **Platform:** Facebook, Instagram, LinkedIn

Week 8

City Council meeting preview with key agenda topics
Platform: Facebook, LinkedIn, Instagram

Economic development update: current projects in progress
Platform: Facebook, Instagram



Community poll asking residents a light engagement question
Platform: Facebook, Instagram, LinkedIn

Seasonal safety reminder for weather, holidays, or traffic
Platform: Facebook, Instagram

Brand Guide: City of Sealy, Texas

This Brand Guide defines the visual and verbal identity for the City of Sealy, Texas, ensuring consistent and trustworthy communication. It reflects our values as a welcoming, dependable, and community-focused city rooted in Texas heritage.

1. Brand Overview

The City of Sealy's brand identity is built on community strength, dependable service, and a welcoming spirit, rooted in Texas heritage. We blend modern civic engagement with traditional values to make Sealy a great place to live, work, and visit.

2. Color Palette

Our color palette evokes trust, stability, and vibrancy, providing a professional and approachable aesthetic.

Sealy Navy

#0F4C81

Primary brand color. Use for headers and essential text.

Sealy Red

#C1272D

Accent color. Use for calls-to-action and highlights.

Charcoal Gray

#2F2F2F

Dark neutral. Use for body text and secondary graphics.

Light Gray

#F7F7F7

Light neutral. Ideal for backgrounds and borders.

White

#FFFFFF

Essential for backgrounds and readability.

3. Typography

Consistent typography ensures readability and reinforces our professional image. We use Montserrat for all headings and Open Sans for body text.

Montserrat

Heading Example

Subheading Example

Open Sans

This is an example of body text. It is clear, legible, and suitable for paragraphs across all our communication channels. Maintaining a consistent font size and line height is crucial for optimal reader experience.

4. Voice and Tone

Our communication reflects the City of Sealy's values: always professional, yet approachable. We strive for clarity, embodying a community-minded spirit, demonstrating respect, and fostering trustworthiness in every message.

Professional & Clear

"The City Council meeting on October 26th will include a public hearing on proposed zoning amendments. All residents are encouraged to review the agenda on our website."

Approachable & Community-Minded

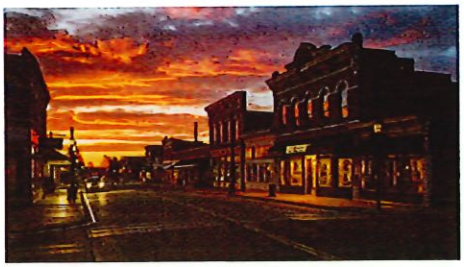
"Join us this Saturday for the annual Sealy Fall Festival! Enjoy local vendors, live music, and family activities in Downtown Sealy. We can't wait to see you there!"

Respectful & Trustworthy

"Your feedback is invaluable. Please share your thoughts on the proposed park improvements through our online survey, accessible until November 15th. Thank you for your civic participation."

5. Photography Guidelines

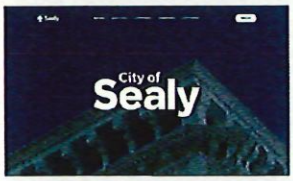
Photography should authentically represent Sealy. Focus on real people, places, and events within our city, using natural lighting to convey warmth and authenticity. Avoid generic stock photos.



6. Brand Applications

Our brand assets should be consistently applied across various platforms, maintaining a clean layout with ample white space for a modern, civic-focused aesthetic.

Website Headers



Social Media Graphics

Signage & Print

7. Do's and Don'ts

A quick reference to ensure our brand remains strong and consistent.

DO

- ✓ Use official brand colors (Sealy Navy, Sealy Red, etc.).
- ✓ Maintain clean layouts with ample white space.
- ✓ Ensure ADA contrast standards for all text.
- ✓ Utilize high-quality, authentic photos of Sealy.
- ✓ Follow typography guidelines for Montserrat and Open Sans.

DON'T

- × Use colors outside the approved brand palette.
- × Crowd layouts with too much text or graphics.
- × Use pixelated, low-resolution, or generic stock images.
- × Deviate from established font usage and hierarchy.

Website Optimization and Brand Identity

Website Optimization Strategy

Optimizing the city website focuses on user experience, accessibility, and clear information. Restructuring the homepage will prioritize common resident needs like bill payment and service access, using intuitive navigation and clear calls-to-action.

Critical mobile responsiveness ensures proper display on all devices with fast load times. Accessibility compliance guarantees all residents, including those with disabilities, can access information and services.

Enhanced search functionality and improved content organization will make services easier to find. Departmental pages will clearly explain services and provide direct paths to common tasks.

Brand Identity Framework

A consistent brand identity across all city communications builds recognition and trust. Voice and tone guidelines ensure a distinctive, professional yet approachable communication style across all platforms.

Visual consistency involves standardized logo, color, typography, and photography styles. All departments will use unified design elements, with photography featuring real Sealy locations and people to foster authentic connection.

Messaging consistency ensures key information is communicated uniformly across platforms, adapting format to each channel's strengths while maintaining a single core message.

User Experience

Intuitive navigation and clear information architecture

Mobile Optimization

Responsive design for all devices and screen sizes

Accessibility

ADA compliance and inclusive design principles

Search Visibility

SEO optimization and improved discoverability

Community Engagement, Crisis Communications, and Implementation

Effective community engagement fosters active civic participation through diverse touchpoints like public meetings, surveys, and community partnerships. This builds trust by valuing resident input and addressing community priorities.

Crisis and emergency communications require speed, clarity, and coordination. Protocols include immediate alerts via social media and website banners, clear safety instructions, regular updates, and coordination with emergency services. Communication is calm, authoritative, and empathetic.

Phase 1: Weeks 1-8

Strategic foundation: brand development, website audit, accessibility, and initial content plan.

Phase 2: Months 3-6

Recommended for future implementation pending City approval and contract extension.

Ongoing partnership: social media management, content creation, community engagement, and performance reporting.

Phase 3: Months 7-12

Recommended for future implementation pending City approval and contract extension.

Strategy refinement based on data, seasonal campaign implementation, and expanded digital presence.

Ongoing

Recommended for future implementation pending City approval and contract extension.

Continuous optimization, feedback integration, and strategy evolution to meet changing needs.

Performance metrics provide accountability. Monthly reporting tracks social media, website traffic, and community sentiment. Quarterly reviews assess progress, identify successes, and inform adjustments, ensuring a data-driven, responsive strategy.

This Digital Marketing Strategy commits to transparent, accessible, and engaging communication. Strategic implementation will strengthen community trust, improve civic participation, and position Sealy as a model for municipal communications excellence.

CHAPARRAL CREATIVE, LLC

MARKETING & COMMUNICATIONS SERVICES PROPOSAL

Prepared for

City of Sealy, Texas

April 2, 2026

Chaparral Creative, LLC
Graham, Texas
(940) 532-6021
krisad@chaparralcreative.com
chaparralcreative.com

Introduction

Thank you for the continued opportunity to partner with the City of Sealy. Chaparral Creative, LLC is a Texas-based digital marketing and communications agency with specialized experience serving municipalities, economic development corporations, and government entities across the state.

This proposal outlines a flexible, bundled hourly services model designed to provide the City with professional marketing and communications support while maintaining full discretion over how hours are allocated each month. All services are delivered with an understanding of the unique communications requirements, transparency standards, and community engagement expectations of municipal government.

As a preferred partner, the City of Sealy receives a 30% government discount on all bundled hourly rates, reflecting our commitment to supporting the public sector with accessible, high-quality marketing and communications services.

Scope of Services

Hourly bundle time may be used at the City's discretion for any combination of the following services:

Social Media Support, Planning & Execution

Strategic planning, drafting, scheduling, and publishing of social media content across designated platforms. This includes content calendar development, content and graphic coordination, engagement monitoring, and alignment with City priorities, seasonal initiatives, public notices, and community events. Support will also include performance review and strategic recommendations.

Data and Analytics

Setup of Google Analytics, Google Search Console, and other data monitoring systems to ensure that decisions are made based on true user experience and are data informed. Ongoing monitoring and reporting will be provided to help the City track website performance, audience behavior, and content effectiveness.

Website Refresh

Assist with the Revize website refresh based on the direction of the City of Sealy. This may include content organization, page layout recommendations, copy updates, imagery coordination, and quality assurance to ensure the refreshed site meets the City's communication goals and accessibility standards.

Templates for Routine Social Posts

Creation of branded, reusable templates for recurring communications such as meeting reminders, holiday closures, event promotions, emergency alerts, and public service announcements. Templates are designed for consistency and ease of internal use, enabling City staff to maintain a professional and cohesive brand presence across all communications.

Monthly Message from the Mayor

Drafting, editing, and formatting a professionally written monthly message reflecting current initiatives, community updates, and leadership priorities. Content may be adapted for website publication, email newsletters, and social media distribution.

Monthly Business Spotlight

Based on direction from the City of Sealy, Chaparral Creative will interview a local business and create a spotlight article and an accompanying graphic to feature on the website and social media. These spotlights are designed to promote local commerce, strengthen community ties, and highlight the economic vitality of Sealy.

Website Updates (As Needed)

Content updates to existing website pages including announcements, event postings, public notices, meeting summaries, service updates, and other information changes. This includes formatting for readability, consistency with brand standards, and accessibility best practices.

Consulting & Staff Support

Strategic communications consulting for internal staff, department heads, and leadership as requested. This may include messaging guidance, internal communications strategy, campaign planning, or communications training support.

Flexible Use of Hours

The City maintains full discretion in determining how monthly bundle hours are allocated among services. Hours may be concentrated on a single initiative or distributed across multiple communication needs, depending on priorities at that time. This model is designed to provide maximum flexibility while ensuring the City has consistent access to professional marketing and communications support.

Investment: Bundled Hourly Options

Chaparral Creative is proud to offer a 30% government discount on all bundled hourly rates for the City of Sealy. This discount reflects our commitment to making professional marketing and communications services accessible and affordable for public sector partners.

Monthly Hours	Standard Rate	Gov. Discount Rate	Standard Total	Discounted Total	Monthly Savings
10 hours	$150.00/hr	**$105.00/hr**	$1,500.00	**$1,050.00**	$450.00
15 hours	$135.00/hr	**$94.50/hr**	$2,025.00	**$1,417.50**	$607.50
20 hours	$125.00/hr	**$87.50/hr**	$2,500.00	**$1,750.00**	$750.00
20+ hours	Custom	**Custom**	Custom	**Custom**	Maximum Savings

Bundled Hour Benefits:

- 30% government discount applied to all hourly rates
- Unused hours roll over for up to 60 days
- Flexible usage across any service listed in the Scope of Services
- Priority scheduling for bundled hour clients
- Monthly usage reports and time tracking provided

Monthly Investment Summary (with Government Discount)

Bundle	Effective Rate	Monthly Investment
10 Hours/Month	$105.00/hour	**$1,050.00**
15 Hours/Month	$94.50/hour	**$1,417.50**
20 Hours/Month	$87.50/hour	**$1,750.00**
20+ Hours/Month	Custom Rate	**Contact for Pricing**

Terms and Conditions

Agreement Term

This engagement shall commence on the date of the final signature (the “Effective Date”) and continue for a period of six (6) months from the Effective Date (the “Initial Term”). After the Initial Term, the agreement may be renewed by mutual written consent and will continue on a month-to-month basis, subject to termination by either party with thirty (30) days written notice.

Exhibits

Exhibit A, titled 'Phase 2: Ongoing Communications Support (Hourly Bundle Options)', which is attached hereto or provided in connection with this proposal, is hereby incorporated by reference and made part of this agreement.

Payment Terms

Monthly fees are due on the first (1st) of each month, beginning on the Effective Date. Invoices will be submitted in accordance with the City's standard accounts payable processes. Chaparral Creative will accommodate purchase order requirements and Net 30 payment terms as applicable to municipal procurement.

Hour Tracking and Reporting

Chaparral Creative will maintain detailed time tracking records for all work performed under this agreement. A monthly usage report will be provided to the City's designated point of contact, detailing hours used by service category, remaining balance, and any rollover hours from the prior month.

Rollover Policy

Unused hours from any given month may roll over and be used within the following sixty (60) days. Hours that remain unused after the 60-day rollover period will expire. Rollover hours will be applied before current-month hours.

Intellectual Property

All original creative assets, designs, content, templates, and strategy documents produced by Chaparral Creative for the City of Sealy will become the property of the City of Sealy upon full payment. Chaparral Creative retains the right to showcase work in its portfolio unless otherwise agreed upon in writing.

Third-Party Costs

This proposal does not include third-party costs such as website hosting, domain registration, paid advertising spend, stock photography, software subscriptions, or premium plugin licensing. Any third-party costs will be communicated and approved by the City before any purchase is made.

Confidentiality

Both parties agree to maintain the confidentiality of proprietary information shared during the course of this engagement, subject to applicable public information and open records requirements under Texas law.

Government Discount

The 30% government discount reflected in this proposal is available exclusively to municipal, county, state, and federal government entities and their affiliated agencies. This discount is applied to Chaparral Creative's standard published hourly bundle rates and cannot be combined with other promotional offers.

Proposal Acceptance

To accept this proposal, please indicate the selected bundled hourly option below, sign, and return to Chaparral Creative, LLC. Upon execution, this agreement shall be effective as of the date of the final signature and continue for six (6) months thereafter. This proposal is valid for thirty (30) days from the date of issue.

- ☐ **10 Hours/Month — $1,050.00/month**
- ☐ **15 Hours/Month — $1,417.50/month**
- ☐ **20 Hours/Month — $1,750.00/month**
- ☐ **20+ Hours/Month — Custom Pricing (contact for details)**

City of Sealy, Texas

_____
Signature

_____
Printed Name and Title

_____
Date

Chaparral Creative, LLC

_____
Signature

_____
Krisa De La Cruz, CEO

_____
Date

"Exhibit A"

Phase 2: Ongoing Communications Support (Hourly Bundle Options)

Following the completion of the Strategic Foundation phase, the City may elect to continue with ongoing communications support through a flexible hourly bundle structure. These bundles are designed to provide consistent, professional support while allowing the City full discretion in how hours are allocated each month.

Scope of Services

Hourly bundle time may be used at the City's discretion for any combination of the following services:

- **Social Media Support, Planning & Execution**
  Strategic planning, drafting, scheduling, and publishing of social media content across designated platforms. This includes content calendar development, content and graphic coordination, engagement monitoring, and alignment with City priorities, seasonal initiatives, public notices, and community events. Support will also include performance review and strategic recommendations.

- **Data and Analytics**
  Setup of Google Analytics, Google Search Console, and other data monitoring systems to ensure that decisions are made based on true user experience and are data informed.

- **Website Refresh**
  Assist with the Revize website refresh based on the direction of the City of Sealy.

- **Templates for Routine Social Posts**
  Creation of branded, reusable templates for recurring communications such as meeting reminders, holiday closures, event promotions, emergency alerts, and public service announcements. Templates are designed for consistency and ease of internal use.

- **Monthly Message from the Mayor**
  Drafting, editing, and formatting a professionally written monthly message reflecting current initiatives, community updates, and leadership priorities. Content may be adapted for website publication, email newsletters, and social media distribution.

- **Monthly Business Spotlight**
  Based on direction from the City of Sealy, Chaparral will interview a local business and create a spotlight article (and an acompanying graphic) to feature on the website and social media.

- **Websites Updates (as needed)**
  Content updates to existing website pages including announcements, event postings, public notices, meeting summaries, service updates, and other information changes. This includes formatting for readability, consistency with brand standards, and accessibility best practices.

- **Consulting & Staff Support**
  Strategic communications consulting for internal staff, department heads, and leadership as requested. This may include messaging guidance, internal communications strategy, campaign planning, or communications training support.

Flexible Use of Hours

The City maintains full discretion in determining how monthly bundle hours are allocated among services. Hours may be concentrated on a single initiative or distributed across multiple communication needs, depending on priorities at that time.

"Exhibit A - Continued"

Hourly Bundle Investment Options
As a municipal partner, the City receives a 30% Government Discount on all hourly bundle packages. The discounted rates below reflect preferred government pricing.

Monthly Hours	Government Rate (30% Discount Applied)	Discounted Monthly Total	Standard Rate (Reference Only)
10 Hours	$105/hour	**$1,050.00/month**	$150/hour ($1,500/month)
15 Hours	$94.50/hour	**$1,417.50/month**	$135/hour ($2,025/month)
20 Hours	$87.50/hour	**$1,750.00/month**	$125/hour ($2,500/month)
20+ Hours	Custom government pricing available	Custom pricing	Custom pricing

Hour Rollover Policy: Unused hours roll over for up to 60 days.
No Long-Term Contracts: Month-to-month flexibility.
Priority Scheduling: Bundle clients receive priority placement for requested work.

ITEM #2

AGENDA ITEM NO:
SUBMITTED BY: Patrick Parsons, Public Works Director
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Discussion and Possible Action regarding improvements to the Mark A. Chapman Park and the Abe and Irene Levine Family Park playground equipment.

ANALYSIS

Vendor proposals were submitted by companies that have been vetted through government purchasing cooperatives, making the proposed purchase and installation of playground equipment compliant with Texas procurement laws. Comparable proposals were received from Adventure Playground, All Play, Lone Star Recreation, and Miracle. Total project costs and key distinctions are summarized below:

- **Adventure Playground** – $422,049.39
  Both parks with synthetic turf; no option provided for poured-in-place (PIP) surfacing at Levine Park.
- **All Play** – $598,840
  Levine Park with PIP surfacing and Chapman B&PW Park with synthetic turf. Includes ADA-compliant sidewalks at Chapman B&PW Park, as requested.
- **Lone Star Recreation** – $584,461.72
  Levine Park with PIP and Chapman B&PW Park with synthetic turf; does not include sidewalks.
- **Miracle** – $547,301.24
  Both parks with synthetic turf.

While Adventure Playground and Miracle offer lower upfront costs, both rely entirely on synthetic turf and do not provide the same level of inclusivity as PIP surfacing at Levine Park. The most comparable proposals are All Play and Lone Star Recreation, as both include PIP at Levine Park and synthetic turf at Chapman B&PW Park. The primary distinction is that All Play includes ADA-compliant sidewalks at Chapman B&PW Park, which increases cost but ensures a more complete and accessible design.

Warranties offered by all vendors are substantially similar and were not a significant differentiating factor.

All Play further distinguished its proposal by incorporating themed design elements and enhanced programming. The Chapman B&PW Park playground is proposed as a baseball-themed design, while the Abe & Irene Levine Park playground aligns with the City's branding through a red, white, and blue train-themed concept. Additionally, All Play included features specifically designed for children ages 8–12, addressing a gap in existing park amenities.
When a city undertakes a full playground replacement, the project must be brought into ADA compliance. Both All Play and Lone Star proposals meet this requirement. However, beyond basic compliance, the proposed All Play design with additional sidewalks provides meaningful access to the playground activities themselves, supporting both mobility access and inclusive play. The Levine Park equipment is also designed to accommodate children with sensory as well as physical needs.

Shade was one of the top priorities identified in the community survey. Staff prefers the full shade structures included in the All Play proposal over the multiple triangular shade elements proposed by Lone Star, as they provide more consistent and functional coverage.

When evaluated against community survey priorities, the All Play proposal best aligns with resident feedback, including:

- Improving and maintaining existing parks
- Providing safer, modern playground equipment
- Replacing wood fiber with more durable surfacing
- Including toddler-specific and 8–12-year-old play areas
- Ensuring accessible and inclusive design
- Providing seating and rest areas for seniors and parents
- Expanding shade coverage

A comparison of surfacing options highlights important lifecycle considerations. Synthetic turf has a lower upfront installation cost but requires ongoing grooming and infill maintenance and will likely require partial or full replacement within 8 to 10 years. A realistic 10-year cost estimate includes approximately $6,000 per playground per year in years 1–3, $10,000 per year in years 4–7, and $50,000 or more for replacement in years 8–10. Turf should be treated as a depreciating asset with both annual maintenance and capital replacement reserves.
Poured-in-place (PIP) surfacing is fully ADA accessible and requires less daily maintenance, but it has the highest upfront cost. Estimated costs include approximately $3,000 per year in years 1–4, a major maintenance event of

$15,000–$25,000 in years 5–7, and $3,000–$5,000 annually thereafter. To avoid mid-cycle funding spikes, staff recommends setting aside $8,000–$10,000 annually per playground.
Engineered wood fiber (EWF), currently used at City parks, has the lowest upfront cost but the highest ongoing maintenance burden and does not provide true ADA accessibility to the play equipment itself. It requires constant replenishment, currently costing the City approximately $10,000–$20,000 annually across all parks. Survey participants expressed dissatisfaction with EWF and requested safer, more durable alternatives.
Additional survey feedback included requests for improved lighting along walking paths, which are being addressed through separate projects at Jacqueline A. Cryan Memorial Park and Chapman B&PW Park pond areas. The Economic Development Corporation (EDC) will also be adding seating and shade structures along the walking path at Jacqueline A. Cryan Memorial Park. Longer-term community requests—including a dog park, additional shade, improved landscaping, and other amenities—will be considered in future planning efforts. Staff will continue to utilize community engagement tools to guide future investments.

City leadership met with representatives of Sealy ISD regarding the Abe & Irene Levine Park, which is located on school district property. ISD representatives stated that they will discuss the City's responsibility of accountability to the taxpayers when investing these funds in playground equipment placed on leased land, and felt confident in the board's support of amending the lease agreement for a term at least equal to the lifespan of the new playground equipment and confirmed the need for a fully ADA-accessible playground to serve students with both physical and sensory needs.

At the March 24th EDC meeting, the Executive Director updated the board on the City's request for partnership funding to take advantage of cost efficiencies associated with replacing playground equipment at both parks simultaneously. They will schedule a special meeting on April 15th to discuss a potential funding partnership so that the project can bring back to City Council at the April 21st meeting.

The projected lifespan of new playground equipment is approximately 15 years; however, both existing playgrounds are at or exceeding 20-25 years of age. Due to safety concerns, the Chapman B&PW playground has been closed due to damages resulting from Winter Storm Fern, and portions of the Levine Park equipment have already been removed.

These replacements address deferred maintenance that should have been undertaken approximately 10 years ago. As with other inherited infrastructure needs, the City is working to incrementally budget for and restore amenities. The past lack of historical asset inventory and lifecycle planning has required the development of new capital planning tools in recent years. While progress has been made, there remains a significant backlog.

If full funding is not secured, the City may be required to remove additional unsafe equipment and leave portions of these parks without playground amenities for an extended period.

Long-Term Capital Planning Considerations:
Based on the City's playground equipment capital improvement needs, based on projected life cycles and environmental exposure factors, additional future replacements should be anticipated, including:

- Mark Frederick Park – 2031
- Sealy Homestead Park – 2035
- Chapman B&PW Park (small playground) – 2040
- Scranton Park – 2042

In addition to equipment replacement, ongoing annual capital funding will be necessary to support surfacing maintenance and avoid future funding gaps.

Additional near-term facility needs include:

- Picnic table replacement at Abe & Irene Levine Park
- Installation of proper framing and surfacing under swings at Levine Park

These items should be incorporated into ongoing maintenance planning and future capital improvement programming.

RECOMMENDATION

Based on proposal comparability, lifecycle cost considerations, ADA accessibility, Parks Board recommendation, staff evaluation, and alignment with community survey results, staff recommends approval of the All Play proposal, pending the EDC's approval of funding partnership at their 4-15-26 special meeting.

FINANCIAL IMPACTS

Staff budgeted $200,000.00 in the 2025-2026 fiscal year to replace the equipment at Levine Park however the equipment at B&PW park is in need of immediate replacement.

Category	Criteria	Adventure Playground - Levine	Adventure Playground - B&PW
Cost	**Total Project Cost**	**$ 204,833.40**	**$ 217,215.99**
Cost	Surface Cost w/ Install	$ 72,482.40	$ 73,890.19
Cost	Equipment Cost w/ Install	$ 87,779.30	$ 93,897.80
Cost	Shade Structures w/ Install	$ 18,679.70	$ 25,290.00
Cost	Estimated Annual Maintenance Cost	$ 2,000.00	$ 2,000.00
Playground Equipment	Manufacturer/Brand	APS	APS
Playground Equipment	Age Range Served	5-12 yrs	5-12 yrs
Playground Equipment	ADA Accessibility Features	Yes	Yes
Playground Equipment	Customization	Yes	Yes
Surfacing	Type	Synthetic Grass	Synthetic Grass
Surfacing	Fall Height	96"	120"
Surfacing	Maintenance Requirements	Brushing/grooming, debris removal, infill top-off & minor seam/edge repairs, as needed	Brushing/grooming, debris removal, infill top-off & minor seam/edge repairs, as needed
Surfacing	5' Sidewalk	NA	Yes
	Benches	No	No
	Shade Structures over benches	No	No

Category	Criteria	All Play - Levine & BPW
Cost	**Total Project Cost**	**$ 598,840.00**
Cost	Surface Cost w/ Install	$ 187,797.00
Cost	Equipment Cost w/ Install	$ 398,853.00
Cost	Shade Structures w/ Install	Included in equip. cost
Cost	Estimated Annual Maintenance Cost	$ 2,000.00
Playground Equipment	Manufacturer/Brand	Little Tikes
Playground Equipment	Age Range Served	
Playground Equipment	ADA Accessibility Features	Yes
Playground Equipment	Customization	Yes
Surfacing	Type	Synthetic Grass - B&PW PIP Rubber - Levine
Surfacing	Fall Height	
Surfacing	Maintenance Requirements	Brushing/grooming, debris removal, infill top-off & minor seam/edge repairs, as needed
Surfacing	5' Sidewalk	Yes
	Benches	Yes
	Shade Structures over benches	No

Category	Criteria	Lone Star Rec - B&PW	Lone Star Rec - Levine
Cost	**Total Project Cost**	**$ 199,060.37**	**$ 385,401.35**
Cost	Surface Cost w/ Install	$ 113,687.00	$ 148,207.00
Cost	Equipment Cost w/ Install	$ 94,595.00	$ 259,731.00
Cost	Shade Structures w/ Install	Included in equip. cost	Included in equip. cost
Cost	Estimated Annual Maintenance Cost	$ 2,000.00	$ 2,000.00
Playground Equipment	Manufacturer/Brand	Lone Star Rec	Lone Star Rec
Playground Equipment	Age Range Served	5-12 yrs	2-5 Yrs & 5-12 yrs
Playground Equipment	ADA Accessibility Features	Yes	Yes
Playground Equipment	Customization	Yes	Yes
Surfacing	Type	PIP Rubber	PIP Rubber
Surfacing	Fall Height	96"	48" & 88"
Surfacing	Maintenance Requirements	Brushing/grooming, debris removal, infill top-off & minor seam/edge repairs, as needed	Brushing/grooming, debris removal, infill top-off & minor seam/edge repairs, as needed
Surfacing	5' Sidewalk	No	No
	Benches	No	No
	Shade Structures over benches	No	No

Category	Criteria	Miracle - B&PW - MOD 1	Miracle - Levine 1
Cost	**Total Project Cost**	**$ 266,674.22**	**$ 280,627.02**
Cost	Surface Cost w/ Install	$ 92,700.00	$ 123,850.00
Cost	Equipment Cost w/ Install	$ 99,150.20	$ 105,598.02
Cost	Shade Structures w/ Install	$ 28,350.00	
Cost	Estimated Annual Maintenance Cost	$ 2,000.00	$ 2,000.00
Playground Equipment	Manufacturer/Brand	Miracle	Miracle
Playground Equipment	Age Range Served	5-12 yrs	5-12 yrs
Playground Equipment	ADA Accessibility Features	Yes	Yes
Playground Equipment	Customization	Yes	Yes
Surfacing	Type	Synthetic Grass	Synthetic Grass
Surfacing	Fall Height		
Surfacing	Maintenance Requirements	Brushing/grooming, debris removal, infill top-off & minor seam/edge repairs, as needed	Brushing/grooming, debris removal, infill top-off & minor seam/edge repairs, as needed
Surfacing	5' Sidewalk	Yes	NA
	Benches	Yes	No
	Shade Structures over benches	Yes	No

All Play Warranty	Details
1. LIMITED WARRANTY FOR AS LONG AS YOU OWN THE PRODUCT:	Aluminum deck posts, steel deck posts, stainless steel hardware, cast aluminum parts, and KidBuilder® steel clamps.
2. LIMITED 15 YEAR WARRANTY:	All rigid steel playground components, decks, steps, and weldments, rotationally molded and sheet plastic components, plastic lumber, roof panels, and stainless steel slides, except as otherwise specified below.
3. LIMITED 10 YEAR WARRANTY:	Fabric shade steel frames, Naturtek™ products, Shadesure™ & Colourshade FR fabrics (Note Exception: Limited Five (5) Year Warranty on Shadesure™ fabrics in colors Red, Yellow, Electric Purple, Zesty Lime, Cinnamon, & Olive.)
4. LIMITED 8 YEAR WARRANTY:	Fiberglass signage, precast PolyFiberCrete or precast concrete products. Integrated Shade fabric and components against rot, UV deterioration and defects in materials and workmanship (Note Exception: Limited Three (3) Year Warranty for fabric in shade of red).
5. LIMITED 5 YEAR WARRANTY:	Clever Climbers™ products, including, but not limited to polyethylene slides, enclosures, main structure, decks, and plastic components. PVC coating and PE coating against cracking or peeling. Park and Site Amenities (i.e. benches, tables, trash receptacles, etc.). GFRP (Glass Fiber Reinforced Polymer) Products. Steel core cable nets and rope fittings and connections (Note Exception: Warranty does not cover normal wear and tear such as fraying or facing of cable coating). Accessible swing seats latch and hinge mechanism. Concerto products (Note Exception: Warranty does not cover mallets or Tall Chime cable assemblies).
6. LIMITED 3 YEAR WARRANTY:	KidTiles®, Playground Sculptures, products flexible belting, plastic border timbers and accessories, and electronic panel speakers, sound chips, and circuit boards.
7. LIMITED 1 YEAR WARRANTY:	Learning Lab Sensory Tables and Tot Tree plastic components. Belt Swing Seats, and Bucket Tot Swing Seats. All other products, components and custom pieces that are not specifically listed above, including, without limitation, all moving parts, such as swing hangers and bearings, swivels, chains, whirls, springs and flexible components, and all high wear items, such as trolleys, cables, wheels, and bumper stops related to rail and cable ride products.
8. LIMITED 6 MONTH WARRANTY:	PlaySoleil™ solar-powered light.

Lone Star	Details
100-Year Limited Warranty	On all PlayBooster® and PlayShaper® aluminum posts, stainless steel fasteners, clamps, beams & caps against structural failure due to corrosion/natural deterioration or manufacturing defects, & on PlayBooster steel posts against structural failure due to material or manufacturing defects.
15-Year Limited Warranty	On all Evos® & Weevos® steel arches, all plastic components (including TuffTimbers™ edging), all aluminum & steel components not covered above, Mobius® climbers, Rhapsody® Outdoor Musical Instruments, decks & TenderTuff™ coatings (except Wiggle Ladders, Chain Ladders & Swing Chain) against structural failure due to material or manufacturing defects.
10-Year Limited Warranty	On concrete products against structural failure due to natural deterioration or manufacturing defects. Does not cover minor chips, flaking, hairline cracks or efflorescence.
8-Year Limited Warranty	On Aeronet® climbers and climbing cables against defects in materials or manufacturing defects.
5-Year Limited Warranty	On Rhapsody® cables & mallets against defects in materials or manufacturing defects & on polycarbonate panels against defects in materials or manufacturing defects.

3-Year Limited Warranty	On all other parts, i.e. all swing seats & hangers, all swing chain & cables, ZipKrooz® cables, Track Ride trolleys & bumpers, Mobius Climber handholds, Wiggle Ladders, Chain Ladders, moving equipment, belting material, LSI Flexx™ flexible cable netting, HeathBeat® resistance mechanisms, Seesaws, etc., against failure due to corrosion/natural deterioration or manufacturing defects.

Miracle Warranty	Details
1. LIMITED WARRANTY FOR AS LONG AS YOU OWN THE PRODUCT:	Aluminum deck posts, steel deck posts, VersaLok® fastening system, cast aluminum parts, & stainless steel hardware.
2. LIMITED 15 YEAR WARRANTY:	All rigid steel playground components, decks, steps, & weldments, rotationally molded & sheet plastic components, plastic lumber, roof panels, & stainless steel slides, except as otherwise specified below.
3. LIMITED 10 YEAR WARRANTY:	Fabric shade steel frames, Shadesure™ & Colourshade FR fabrics (Note Exception: Limited Five (5) Year Warranty on Shadesure™ fabrics in colors Red, Yellow, Electric Purple, Zesty Lime, Cinnamon, & Olive.)
4. LIMITED 8 YEAR WARRANTY:	Fiberglass signage, accessible swing seats, precast PolyFiberCrete or precast concrete products. Play Terrain Synthetic Turf safety surfacing against deterioration of specified attenuation performance & appearance. Integrated shade fabric & components against rot, UV deterioration & defects in materials & workmanship (Note Exception: Limited Three (3) Year Warranty for fabric in shades of red).
5. LIMITED 5 YEAR WARRANTY:	Heavy duty diamond barrier mesh & Kidrox™ Climbing Rocks. Mira-Therm™ PVC coating & PE coating against cracking or peeling. Park & Site Amenities (i.e. benches, tables, trash receptacles, etc.). GFRP (Glass Fiber Reinforced Polymer) Products. Steel core cable nets & rope fittings & connections (Note Exception: Warranty does not cover normal wear & tear such as fraying or facing of cable coating).
6. LIMITED 3 YEAR WARRANTY:	Flexible belting, plastic border timbers & accessories, & electronic panel speakers, sound chips, & circuit boards.
7. LIMITED 1 YEAR WARRANTY:	Slashproof Swing Seats, 360° Bucket Tot Swing Seats, & Tuff Net no climbing mesh. Pool slide support structures, stairways, landings & railings. All other products, components & custom pieces that are not specifically listed above, including, without limitation, all moving parts, such as swing hangers & bearings, swivels, chains, whirls, springs & flexible components, & all high wear items, such as trolleys, cables, wheels, & bumper stops related to rail & cable ride products.

Adventure Playground

Levine - Synthetic Grass

$204,833.40

B&PW - Synthetic Grass

$217,215.99

Total - $422,049.39

10845 Church Lane
Houston,TX 77043
Office: 713.935.9684
Fax: 713.935.9633
apsplay.com

ADVENTURE Playground Systems

QUOTE

Quote Number: Q-021908

Bill To
City of Sealy
1499 Miller Rd
(Sealy Skate Park)
Sealy, Texas 77474
Brooke Kalser
Phone: (979) 885-3511
bkalser@ci.sealy.tx.us

Ship To
Abe & Irene Levine Family Park
Brooke Kalser
Phone: (979) 885-3511
410 Main Street
Sealy, Texas 77474

Date :	10/24/2025
Price Valid Until :	12/31/2025
Reference :	Layout A.3 Synthetic Grass
Sales Person :	Chris Contreras
Deposit :	$ 112,659.00 (55%)

SKU	Item & Description	Qty	Regular Price	Discount	Amount
Buy Board					
1	Buy Board Contract Number # 781-25 Parks and Recreation Equipment, Products, and Installation SKU : BUYBOARD *Buy Board Membership Pending	0.00	0.00	0.00	0.00
Abe & Irene Levine Family Park 410 Main St Sealy, Texas					
2	Labor to Remove exsiting Composit Playground Systems (Qty 21) Concrete footers	21.00	200.00	0.00	4,200.00
3	Labor to remove exsiting swing set (Qty 8) concrete footers	8.00	200.00	0.00	1,600.00
4	Labor to remove exsiting EWF (Qty 92) yards	92.00	42.00	0.00	3,864.00
New Playground Area					
5	EPS Oak Path Playground Ages: 5-12 years Capacity: 60-65 kids Structure Size: 25'10 x 30'11" Use Zone: 34'3" x 42'11" Fall Height: 96" Color: TBD	1.00	66,052.00	10.00%	59,446.80
6	Assembly and Installation of EPS Oak Path Playground	1.00	23,119.00	0.00	23,119.00

SKU	Item & Description	Qty	Regular Price	Discount	Amount
7	Heavy Duty A- Frame Two Bay Swing Set @ 8' ft SKU : SW-HD02 TWO BAY (4 SWINGS)w/ powdercoat	1.00	3,515.00	10.00%	3,163.50
8	Assembly and Installation of Heavy Duty A- Frame Two Bay Swing Set	1.00 Each	2,050.00	0.00	2,050.00
Hip Roof Shade Structure					
9	Hip Roof Shade Structure Size: 30' x 37' @ 10 ' EH 4 posts,1 Top Frame design 1,110 sq/ft Surfacing: EWF Covering: Playground Area Color: TBD	1.00 Each	11,693.00	10.00%	10,523.70
10	Rebar Cages-Large SKU : RC-L Large Rebar Cage for Shade Structure Footer	4.00 Each	285.00	0.00	1,140.00
11	Assembly and Installation of Shade Structure	1.00 Each	7,016.00	0.00	7,016.00
Safety Surfacing Synthetic Grass					
12	Select Fill Dirt (Qty 92) yards 7 Trucks	1.00	2,760.00	0.00	2,760.00
13	Installation of Select Fill	92.00	40.00	0.00	3,680.00
14	Synthetic Grass - Playground Fescue SKU : Playground Series Pile/Face Weight: Approx. 55 Ounces Pile Height: Approx. 1.375 Inches Machine Gauge: 3/8 Inch Thatch Color: Tan & Green	4,320.00 Sq/Ft	2.65	5.00%	10,875.60
15	Geo-Textile Liner SKU : LINER Additional sq./ft. Required for Overlapping	4,440.00 Sq/Ft	0.22	0.00	976.80
16	Poly Stakes SKU : SA-006 Number of Pieces: 6 Per Bag.	52.00 Bags	4.50	0.00	234.00
17	Envirofill Turf Infill SKU : SSG-07 Bag Weight: 50 Lbs. Distribution Rate: 3 Lbs. Per Sq. Ft.	222.00 Bag	25.00	0.00	5,550.00
18	Foam Pad at 2" Over Aggregate SKU : AAG - 2 Aggregate Installation over Aggregate Critical Fall Height 9 Ft.	173.00 Each	72.00	0.00	12,456.00

SKU	Item & Description	Qty	Regular Price	Discount	Amount
19	**Installation of Synthetic Grass Over Aggregate** SKU : SGA Installation of foam pads, infill, geo-liner, poly stakes, and artificial grass over compacted aggregate.	3,700.00 Sq/Ft	8.50	0.00	31,450.00
20	**Drainage to Storm** SKU : Drainage to Storm Installation of a French drain within EWF or Grass box with the extension of pipe to connect to the existing storm drains within a distance of 30' feet from mulch or grass box. *Additional costs will incur if the distance for the location of the storm drain is further than 25' from the surfacing box.	3.00 Each	1,500.00	0.00	4,500.00
	Equipment and Services				
21	**Private Line Locator Service** SKU : INST-01 Pricing is subject to change per concealed conditions. Concealed conditions include without limitation, water, gas, sprinkler, electrical and sewage lines, post-tension cables, and steel rebar. If additional concealed conditions are discovered once work has commenced, which were not visible at the time this estimate is invoiced, Adventure Playground Systems will stop work and indicate the unforeseen concealed conditions to the customer or owner so that Adventure Playground Systems can execute a change for any additional work. In any event, any damage caused by or to unforeseen concealed conditions is the sole responsibility of the customer or owner and Adventure Playground Systems shall not be held liable for any such damage. Additional labor costs and/or equipment rentals, and any costs directly related to the aforementioned concealed conditions that are required for the continuation of the installation will be added to the invoice as a change order.	1.00 Each	595.00	0.00	595.00
22	**Permit Service Fee** SKU : INST-02 Customer to provide copies of: Civil site plans, architectural drawings, grading, storm, and drainage plans. If new construction: A copy of the warranty deed and a copy of the existing building permit will be required for permitting.	1.00 Each	750.00	0.00	750.00
23	**Permits** SKU : INST-06 To Be Determined by City/County *Additional charges may apply to invoice if revisions are requested by City or County.	1.00 Each	0.00	0.00	0.00
24	**Engineered Stamped Drawings** SKU : INST-03	1.00 Each	800.00	0.00	800.00
25	**Bobcat or Equivalent Rental** SKU : INST-04 Adventure Playground Systems, Inc. is not liable for damage done by normal construction operations to any existing concrete, landscape, or natural grass unless it is specified and quoted as a separate line item in this proposal.	1.00 Each	750.00	0.00	750.00

SKU	Item & Description	Qty	Regular Price	Discount	Amount
26	Container, Dump Truck, or Equivalent for Removal of Materials SKU : INST-07	13.00 Each	575.00	0.00	7,475.00
27	Crane or Equivalent Rental SKU : INST-05 *Pricing Subject to Change *Access and Mobilization to be determined during the site visit	1.00 Each	1,410.00	0.00	1,410.00
28	Site/Civil Plans Omission Please note this estimate has been prepared without reviewing the customer's site/civil plans entailing utility easements, building lines, property lines, storm, drainage swales, etc. The location and size of the shade/metal structure may be subject to change. Additional costs may incur.	0.00	0.00	0.00	0.00
29	Wind & Snow Load Disclaimer Please note that APS Shade Structures above are designed for Wind Loads up to 95 mph with 3-second gusts up to 110 mph. Additional charges may incur if the design must be revised to withstand higher wind loads for your respective area. Shade structures are not intended for snow or ice loads. The shade fabric must be removed prior to snow/ice conditions and only re-installed after frost/snow and ice conditions have passed.	0.00	0.00	0.00	0.00
30	This estimate does not include cutting through bedrock Additional costs may incur as a change order to invoice if bedrock is at the site of footer installation.	0.00	0.00	0.00	0.00
31	Terms & Conditions • 55% deposit due with order • Balance due on project completion	0.00	0.00	0.00	0.00
				Sub Total	200,385.40
				Shipping charge	4,448.00
				Total	**$204,833.40**

Payment Notes:

A deposit of 55% percent is due to Adventure Playground Systems, Inc. upon the signing of this proposed contract as consideration of down payment on the invoice total. The remaining balance is due upon completion of work unless other specified terms are agreed to within the legal terms of a Project Contract.

Allow up to 8 weeks for preparation of plans, drawings, and permit submittals, if required, after acceptance of the proposal. The shipping date for manufactured products will be approximately 10-12 weeks after approval of submitted documentation, provided that the following conditions have been completed and approved by the customer:

1. Project product submittals reviewed, approved, and returned.
2. Color selection sheet (signed and dated)
3. Physical project address obtained
4. All contact names and phone numbers for the project
5. Exemption certificate (if applicable)

6. Deposit received per agreed payment terms

Allow adequate time for processing and procuring construction permits if required.
Allow approximately 6 to 8 weeks for installation of project completion from the date of deposit, plus additional time for permitting if required.

We strongly recommend that the required fall surfacing be installed under all play and fitness equipment. Choose a safety surface that meets the U.S. Consumer Product Safety Commission recommendations for surfacing under playgrounds.

TERMS & CONDITIONS:

1. Any alteration or deviation from the above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the contract.

2. Changes to the design, color selection, or overall equipment order are not permitted once the order has been placed, unless previously authorized in writing by Adventure Playground Systems, Inc. No returns of merchandise will be accepted unless previously authorized in writing by Adventure Playground Systems, Inc. All returns are subject to a restocking fee of 25% plus freight charges incurred for return to original shipment origination.

3. Ownership Title for all equipment is reserved by Adventure Playground Systems, Inc. until payment in full is received. The right to enter the property and repossess said equipment is hereby granted to Adventure Playground Systems, Inc. If payment is not rendered in accordance with the terms above. All payments made prior to repossession under this contract shall be forfeited to Adventure Playground Systems, Inc. as the cost incurred to procure, provide and recover the equipment. Repossession of product does not waive any damages or costs due as awarded by the courts.

4. All collections or litigation concerning this contract shall be governed by the laws of the State of Texas, with the venue in Harris County.

5. Adventure Playground Systems, Inc. warrants the merchandise on this proposal to the manufacturer's published standards as to material and workmanship. See catalog and/or attached drawings for specific layouts, warranty terms, and specifications.

6. Adventure Playground Systems, Inc. reserves the right to review the contract for final acceptance by management.

7. A service charge of 1.5% per month will be assessed on the outstanding past due balance over 45 days from the completion date.

8. Payments made to Adventure Playground Systems, Inc. by credit card will incur a processing fee of 2.5% percent of the transaction amount paid. Other forms of payment options are available without a processing fee by check, cash, cashier's check, money order, or bank wire transfer.

9. Installation services include all labor and equipment required to complete the job. Installation charges are quoted based on a worksite that is accessible by truck, with no fencing, tree, landscaping, or utility obstacles and level ground surface area (+/- 1-2% max slope). Any site work not expressly detailed in this proposal is excluded. Additional installation charges will incur for unlevel groundwork sites, removal of utilities, landscaping, existing equipment and/or abnormal substrates, (ie. rock, asphalt, landfill, etc.)

10. Price quoted includes Adventure Playground Systems, Inc. standard insurance coverages. Any charges by Adventure Playground Systems, Inc. insurance carrier or agents for adding General Contractor or Owner as additional insured, waivers of subrogation, or changes to standard coverage shall be added to contract invoice charges. No performance bond or payment bond shall be provided by Adventure Playground Systems, Inc. unless specified and quoted as a separate line item in the proposal.

11. Adventure Playground Systems, Inc. is not liable for damages to underground utilities and/or irrigation systems during installation. It is the customer's responsibility to locate all underground utilities unless it is specified and quoted as a separate line item in the proposal.

12. Adventure Playground Systems, Inc. is not liable for damage done by normal construction operations to any existing landscape or natural grass unless it is specified and quoted as a separate line item in this proposal.

13. Building permits required by local or state authorities and municipalities are not included and are the responsibility of the owner of the property unless specified and quoted as a separate line item in the proposal. If Adventure Playground Systems, Inc. is to handle required permitting, please provide our office with necessary drawings and site documentation as requested per the project details (ie. legal site plans, survey plats, deed restrictions, etc).

14. This proposal may be withdrawn by Adventure Playground Systems, Inc. if not accepted within fourteen (14) days of issuance. Pricing is subject to change.

The pricing, specifications, terms, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. If the contract is placed with an attorney for suit or collection through probate, bankruptcy, or other legal proceedings, the customer agrees to pay all expenses and reasonable attorney fees incurred. Any verbal instructions, agreements, or promises are not valid unless written and made part of this contract. I have read, understand and agree to all of the terms and conditions set forth in this proposal.

Authorized Signature: _____

Date Signed: _____

10845 Church Lane
Houston,TX 77043
Office: 713.935.9684
Fax: 713.935.9633
apsplay.com

ADVENTURE Playground Systems

QUOTE

Quote Number: Q-021921

Bill To
City of Sealy
1499 Miller Rd
(Sealy Skate Park)
Sealy, Texas 77474
Brooke Kaiser
Phone: (979) 885-3511
bkaiser@ci.sealy.tx.us

Ship To
Mark A Chapman # 4
Brooke Kaiser
Phone: (979) 885-3511
1008 Main street (West area of town)
Sealy, Texas 77474

Date :	10/24/2025
Price Valid Until :	12/31/2025
Reference :	Layout B.3 Synthetic Grass
Sales Person :	Chris Contreras
Deposit :	$ 119,469.00 (55%)

SKU	Item & Description	Qty	Regular Price	Discount	Amount
Buy Board					
1	Buy Board Contract Number # 781-25 Parks and Recreation Equipment, Products, and Installation SKU : BUYBOARD *Buy Board Membership Pending	0.00	0.00	0.00	0.00
Mark A Chapman # 4 1008 Main Street (west area of town)					
2	Labor to remove and dispose of Exsiting Composite Playground system (Qty 24) Concrete footers	24.00	200.00	0.00	4,800.00
3	Labor to remove and dispose of Exsiting swing set A - Frame (Qty 6) Concrete footers	6.00	200.00	0.00	1,200.00
4	Labor to remove Exsiting EWF (Qty 86) yards	86.00	42.00	0.00	3,612.00
5	Labor to remove Exsiting Polytimbers (Qty 62)	62.00	8.00	0.00	496.00
New Playground					

SKU	Item & Description	Qty	Regular Price	Discount	Amount
6	Patterson Place -2 Ages: 5-12 years Capacity: 60-65 kids Structure Size: 23'1" x 36'9" Use Zone: 35' x 54'10" Fall Height: 120" Color: TBD	1.00	70,947.00	10.00%	63,852.30
7	Assembly and Installation of Patterson Place -2	1.00	24,832.00	0.00	24,832.00
8	Heavy Duty A- Frame Two Bay Swing Set @ 8' ft SKU : SW-HD02 TWO BAY (4 SWINGS)w/ powdercoat	1.00	3,515.00	10.00%	3,163.50
9	Assembly and Installation of Heavy Duty A- Frame Two Bay Swing Set	1.00 Each	2,050.00	0.00	2,050.00
Shade Structure					
10	Hip Roof Shade Structure Size: 26' x 48' @ 12' EH 4 Post, 1 Top Frame Design 1,248 sq/ft Surfacing: EWF Covering: Playground Color: TBD	1.00 Each	16,100.00	10.00%	14,490.00
11	Rebar Cages-Large SKU : RC-L Large Rebar Cage for Shade Structure Footer	4.00 Each	285.00	0.00	1,140.00
12	Assembly and Installation of Shade Structure	1.00 Each	9,660.00	0.00	9,660.00
Safety Surfacing Synthetic Grass					
13	Synthetic Grass - Playground Fescue SKU : Playground Series Pile/Face Weight: Approx. 55 Ounces Pile Height: Approx. 1.375 Inches Machine Gauge: 3/8 Inch Thatch Color: Tan & Green	4,035.00 Sq/Ft	2.65	5.00%	10,158.11
14	Geo-Textile Liner SKU : LINER Additional sq./ft. Required for Overlapping	4,314.00 Sq/Ft	0.22	0.00	949.08
15	Poly Stakes SKU : SA-006 Number of Pieces: 6 Per Bag.	50.00 Bags	4.50	0.00	225.00
16	Envirofill Turf Infill SKU : SSG-07 Bag Weight: 50 Lbs. Distribution Rate: 3 Lbs. Per Sq. Ft.	216.00 Bag	25.00	0.00	5,400.00

SKU	Item & Description	Qty	Regular Price	Discount	Amount
17	Foam Pad at 2" Over Aggregate SKU : AAG - 2 Aggregate Installation over Aggregate Critical Fall Height 9 Ft.	168.00 Each	72.00	0.00	12,096.00
18	Installation of Synthetic Grass Over Aggregate SKU : SGA Installation of foam pads, infill, geo-liner, poly stakes, and artificial grass over compacted aggregate.	3,595.00 Sq/Ft	8.50	0.00	30,557.50
19	Concrete Curbing- Above Grade SKU : CURB Above Grade Above Grade 6" wide x 6" ~ Synthetic Grass	250.00 Linear Ft.	36.00	0.00	9,000.00
20	Concrete ADA Accessible ADA Ramp- Half SKU : APS Concrete	1.00 Each	595.00	0.00	595.00
21	Concrete Sidewalk SKU : CSW Extention 26 sq/ft. Concrete Sidewalk at 4 inch depth with 3000 psi concrete, 3/8 inch rebar at 18 inch on center, forms, materials, and labor turnkey with broom finish surfacing. Concrete required 28 days curing time.	26.00 Sq/Ft	15.75	0.00	409.50
22	Drainage to Storm SKU : Drainage to Storm Installation of a French drain within EWF or Grass box with the extension of pipe to connect to the existing storm drains within a distance of 30' feet from mulch or grass box. *Additional costs will incur if the distance for the location of the storm drain is further than 25' from the surfacing box.	3.00 Each	1,500.00	0.00	4,500.00
Equipment and Services					
23	Private Line Locator Service SKU : INST-01 Pricing is subject to change per concealed conditions. Concealed conditions include without limitation, water, gas, sprinkler, electrical and sewage lines, post-tension cables, and steel rebar. If additional concealed conditions are discovered once work has commenced, which were not visible at the time this estimate is invoiced, Adventure Playground Systems will stop work and indicate the unforeseen concealed conditions to the customer or owner so that Adventure Playground Systems can execute a change for any additional work. In any event, any damage caused by or to unforeseen concealed conditions is the sole responsibility of the customer or owner and Adventure Playground Systems shall not be held liable for any such damage. Additional labor costs and/or equipment rentals, and any costs directly related to the aforementioned concealed conditions that are required for the continuation of the installation will be added to the invoice as a change order.	1.00 Each	595.00	0.00	595.00

SKU	Item & Description	Qty	Regular Price	Discount	Amount
24	Permit Service Fee SKU : INST-02 Customer to provide copies of: Civil site plans, architectural drawings, grading, storm, and drainage plans. If new construction: A copy of the warranty deed and a copy of the existing building permit will be required for permitting.	1.00 Each	750.00	0.00	750.00
25	Permits SKU : INST-06 To Be Determined by City/County *Additional charges may apply to invoice if revisions are requested by City or County.	1.00 Each	0.00	0.00	0.00
26	Engineered Stamped Drawings SKU : INST-03	1.00 Each	800.00	0.00	800.00
27	Bobcat or Equivalent Rental SKU : INST-04 Adventure Playground Systems, Inc. is not liable for damage done by normal construction operations to any existing concrete, landscape, or natural grass unless it is specified and quoted as a separate line item in this proposal.	1.00 Each	750.00	0.00	750.00
28	Container, Dump Truck, or Equivalent for Removal of Materials SKU : INST-07	15.00 Each	575.00	0.00	8,625.00
29	Crane or Equivalent Rental SKU : INST-05 *Pricing Subject to Change *Access and Mobilization to be determined during the site visit	1.00 Each	1,410.00	0.00	1,410.00
30	Site/Civil Plans Omission Please note this estimate has been prepared without reviewing the customer's site/civil plans entailing utility easements, building lines, property lines, storm, drainage swales, etc. The location and size of the shade/metal structure may be subject to change. Additional costs may incur.	0.00	0.00	0.00	0.00
31	Wind & Snow Load Disclaimer Please note that APS Shade Structures above are designed for Wind Loads up to 95 mph with 3-second gusts up to 110 mph. Additional charges may incur if the design must be revised to withstand higher wind loads for your respective area. Shade structures are not intended for snow or ice loads. The shade fabric must be removed prior to snow/ice conditions and only re-installed after frost/snow and ice conditions have passed.	0.00	0.00	0.00	0.00
32	This estimate does not include cutting through bedrock Additional costs may incur as a change order to invoice if bedrock is at the site of footer installation.	0.00	0.00	0.00	0.00

SKU	Item & Description	Qty	Regular Price	Discount	Amount
33	Terms & Conditions • 55% deposit due with order • Balance due on project completion	0.00	0.00	0.00	0.00

Sub Total	216,115.99
Shipping charge	1,100.00
Total	**$217,215.99**

Payment Notes:

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Allow up to 8 weeks for preparation of plans, drawings, and permit submittals, if required, after acceptance of the proposal. The shipping date for manufactured products will be approximately 10-12 weeks after approval of submitted documentation, provided that the following conditions have been completed and approved by the customer:

1. Project product submittals reviewed, approved, and returned.
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5. Exemption certificate (if applicable)
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Allow adequate time for processing and procuring construction permits if required.
Allow approximately 6 to 8 weeks for installation of project completion from the date of deposit, plus additional time for permitting if required.

We strongly recommend that the required fall surfacing be installed under all play and fitness equipment. Choose a safety surface that meets the U.S. Consumer Product Safety Commission recommendations for surfacing under playgrounds.

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9. Installation services include all labor and equipment required to complete the job. Installation charges are quoted based on a worksite that is accessible by truck, with no fencing, tree, landscaping, or utility obstacles and level ground surface area (+/- 1-2% max slope). Any site work not expressly detailed in this proposal is excluded. Additional installation charges will incur for unlevel groundwork sites, removal of utilities,

landscaping, existing equipment and/or abnormal substrates, (ie. rock, asphalt, landfill, etc.)

10. Price quoted includes Adventure Playground Systems, Inc. standard insurance coverages. Any charges by Adventure Playground Systems, Inc. insurance carrier or agents for adding General Contractor or Owner as additional insured, waivers of subrogation, or changes to standard coverage shall be added to contract invoice charges. No performance bond or payment bond shall be provided by Adventure Playground Systems, Inc. unless specified and quoted as a separate line item in the proposal.

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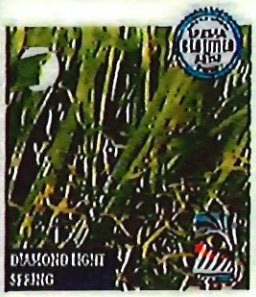
The pricing, specifications, terms, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. If the contract is placed with an attorney for suit or collection through probate, bankruptcy, or other legal proceedings, the customer agrees to pay all expenses and reasonable attorney fees incurred. Any verbal instructions, agreements, or promises are not valid unless written and made part of this contract. I have read, understand and agree to all of the terms and conditions set forth in this proposal.

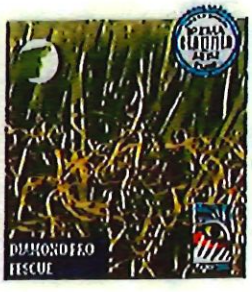
Authorized Signature: _____

Date Signed: _____

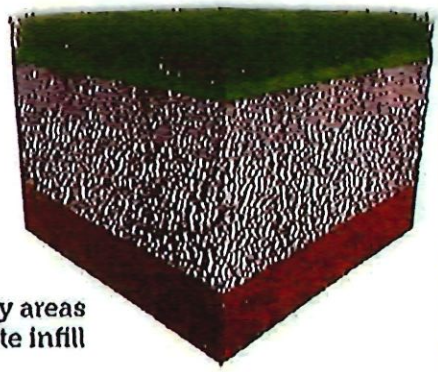
Synthetic Grass

INITIAL COST	$$
MAINTENANCE	Low
COLOR	None
CUSTOMIZABLE	No
EASILY CONTAINED	Yes
LIFETIME COST	$
LONGEVITY	10-15 Yrs
WARRANTY	8+ Yrs





Synthetic Grass is rapidly growing in popularity as a safe, clean, durable surface option that puts the natural look back into any play environment. Our synthetic grass options create a contemporary, clean and soft area children enjoy. They are designed to outlast regular grass and can withstand the roughest and toughest of play while exceeding all of the industry quality and safety standards. It is installed over a recycled foam pad cushion layer that maintains GMax scores to protect against impact injuries. Our padding can cushion falls from six feet to over 8 feet and meets American Society for Testing and Materials standards. Pair that with our signature antimicrobial, temperature reducing Durafill infill and your playground will look brand new while maintaining a fun, safe environment for children for years to come!



Benefits

- Allergen and Insect Free
- Cooler Surface Temperatures
- Excellent Drainage
- Durable & Low Maintenance
- ADA Accessible
- 1-2 Inch Blade Height
- Polyurethane Coated Backing
- Heat & Frost Resistant
- UV Stabilized
- Great option for nature inspired play areas
- Raking is recommended to distribute infill & discourage blade compaction.

Specifications

- Installed by trained and certified installation crews
- Two types of infill available
- ASTM F1292 Compliant for various Fall Heights.
- Raking is recommended to distribute infill and discourage blade compaction

www.apsplay.com

1.888.935.2112

All Play

B&PW & Levine

Synthetic Grass & PIP

Total: 598,840.00

Proposal

All Play, Inc.
13903 Van Wall
Houston, Texas 77040-5445
Phone: (713) 939-9888 * Fax: (713) 939-0304
1-800-842-9888

PROPOSAL SUBMITTED TO: City of Sealy		PHONE: 979-627-6115 FAX:	DATE: 3/20/2026
STREET: 415 Main Street		JOB NAME: B & PW Park / Levine Park	
CITY, STATE AND ZIP CODE: Sealy, TX 77474		JOB LOCATION/SHIP TO: 1008 Main Street, Sealy, TX 77474 / 415 Main Street, Sealy, TX 77474	
SALES PERSON: Patrick Stallings - (281) 299-9450	JOB CONTACT: Brooke Kaiser	E-MAIL: bkaiser@cl.sealy.tx.us	JOB PHONE: 979-627-6115 - Brooke

QTY	DESCRIPTION	UNIT PRICE	AMOUNT
	B&PW Park		
1	Little Tikes Commerical Playground Equipment in Drawing "B&PW 2026"	$ 91,881.00	$ 91,881.00
1	Approx. 3500 SF or Artifical Playground Turf - Includes:	$ 77,000.00	$ 77,000.00
	Playground Padding for 6'-8' CFH		
	Crushed Stone Base		
	Sand Infill		
	Installation		
1	Approx. 215 LF of 5' Concrete Sidewalk	$ 22,000.00	$ 22,000.00
	Levine Park		
1	Little Tikes Commerical Playground Equipment in Drawing "Levine 2026"	$ 198,257.00	$ 198,257.00
	Includes: (10) 6' Ingroumd Benches		
1	Approx. 3850 SF of Poured-in-Place Rubber Safety Surfacing System	$ 88,797.00	$ 88,797.00
	2160 SF @ 2" Thick		
	1960 @ 3.75" Thick		
	Crushed Stone Base		
	50% Standard Color / 50% Black		
	Aromatic Binder		
	B&PW Park		
1	Installation of the new playground equipment in Drawing "B&PW 2026"	$ 27,159.00	$ 27,159.00
	Levine Park		
1	Installation/General Construction of the new playground equipment in darwing	$ 81,556.00	$ 81,556.00
	"Levine 2026"		
	Pricing better than BuyBoard Contract #781-25		
1	Fall Surfacing Surcharge: Surcharge is based on current market pricing and price	$0.00	$0.00
	may be increased based on market conditions at time of installation		
	Tax Exempt or Resale Certificate Must Be Provided For Purchases Not Subject To Sales Tax.	SUB TOTAL	$ 586,650.00
	CAUTION: Never install playground equipment over a hard surface such as asphalt or concrete. Serious injury can result from falls to a hard surface. Choose a surface which will meet the U.S. Consumer Product Safety Commission recommendations for surfaces under playgrounds.	S&H (Freight)	$ 11,950.00
		BRP	$ 240.00
		TAX	Exempt
	The ESTIMATED installation date for this equipment is _____ days from the date this fully executed proposal is received by All Play with applicable monies due.	TOTAL	$ 598,840.00

We hereby propose to furnish material and labor -- complete in accordance with above specifications, for the sum of Five Hundred Ninety Eight Thousand Eight Hundred Fourty Dollars $ 598,840.00

Payment Terms:

$ 396,226.50 Prepaid with order
$ 202,613.50 Balance Due Upon Completion

Authorized Signature: Patrick Stallings
Patrick Stallings

Note: This proposal may be withdrawn by us if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL -- The above prices, specifications and Conditions are satisfactory and are hereby accepted. You are authorized To do the work as specified. Payment will be made as outlined above. I Have read, understand, and agree to all Additional Terms and Conditions As outlined on the following page.

Signature_____

Date of Acceptance:_____ Title_____

Proposal

All Play, Inc.

13903 Van Wall
Houston, Texas 77040-5445
Phone: (713) 939-9888 * Fax: (713) 939-0304
1-800-842-9888

ADDITIONAL TERMS AND CONDITIONS

1. ALL PLAY, INC. ("API") hereby submits these specifications and estimates for equipment/items as detailed in this proposal.
2. Prices quoted include a discount based on cash/check method of payment.
3. Payment Terms are as specified on pg. 1. API reserves the right to place a service charge on all amounts not paid ("past due") in accordance with the Payment Terms at the highest rate permitted by law. You further agree to pay API's expenses of collection of any past due amounts, including reasonable attorney's fees and court costs.

A copy of the signed check for the balance due must be faxed to our office prior to ship date for the installers to be dispatched.

4. Quoted installation services detailed in this proposal shall include all labor, supervision, materials, supplies, equipment, tools and necessarily related insurances normally required to deliver and install the items as detailed in this proposal. API will field dress any rutting or disturbances caused by API's use of equipment to access the project site, however, unless otherwise detailed in this proposal re-sodding, re-seeding and finished grade services/repairs are not included.
5. Lead-time quoted is based upon the time your order is processed at the factory.
6. A 30% cancellation fee will be assessed on equipment orders that are cancelled more than ten (10) days from the date purchaser executes this Proposal. If the equipment has already been shipped when the order is cancelled, freight charges from and returning to the manufacturer will be charged the customer in addition to the 30% cancellation fee.
7. API's receipt of the Proposal, as signed by you, as an authorized agent of the Owner, below indicates your understanding and acceptance of the terms and conditions stated herein and shall be construed as a written acceptance of API's proposal.
8. All items are shipped F.O.B. knocked down and will require unloading and assembly by purchaser unless installation is purchased.
9. All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. Owner is to carry fire, tornado and other necessary insurance. Our workers are covered by Workmen's Compensation Insurance.
10. Signing of final walk through or opening of playground constitutes completion, and payment is due at that time.
11. Plastisol and rotationally molded plastic components will have irregularities as a normal byproduct of the manufacturing process and cannot be controlled.
12. FORCE MAJEURE: Customer agrees that API will not be liable for any whole or partial failure, interference with, hindrance of or delay in performing an obligation under these Terms & Conditions that is due to any of the following causes beyond its reasonable control, whether foreseeable or not: acts of God, accidents, riots, war, terrorist acts, epidemic, pandemic, quarantine, civil commotion, breakdown of communication facilities, breakdown of web host, breakdown of internet service provider, natural catastrophes, governmental orders, ordinances, rules, regulations, acts or omissions, changes in laws or regulations, national strikes, fire, explosion, generalized lack of availability of raw materials or energy or API's inability to deliver or to install any Equipment.
13. Permit application(s), processing and/or fees are excluded and/or are the responsibility of others.
14. All Play, Inc. is not responsible for underground utilities and/or all other covered systems. Surcharges will incur for abnormal substrate, *i.e.*, concrete, asphalt or landfill.
15. RELEASE AND INDEMNITY

SHOULD YOU ELECT NOT TO PURCHASE FALL SURFACING MATERIAL AND/OR INSTALLATION SERVICES FROM API, THE FOLLOWING PROVISIONS SHALL APPLY:

(A.) YOU HEREBY AGREE TO RELEASE API AND ALL OF ITS SHAREHOLDERS, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AFFILIATES ("RELEASED PARTIES") FROM ANY AND ALL CLAIMS OR DEMANDS YOU HAVE OR MAY HAVE AGAINST THE RELEASED PARTIES RELATED TO OR ARISING FROM THE FALL SURFACING MATERIAL THAT IS ULTIMATELY USED AT THE JOB LOCATION OR YOUR FAILURE TO INSTALL FALL SURFACING MATERIAL AT THE JOB LOCATION. THESE RELEASED CLAIMS EXPRESSLY INCLUDE CLAIMS FOR NONCOMPLIANCE WITH THE U.S. CONSUMER PRODUCT SAFETY COMMISSION'S RECOMMENDATIONS AND CLAIMS RELATED TO FAULTY, INADEQUATE, OR IMPROPER FALL SURFACING.

(B.) BECAUSE YOU HAVE EITHER CHOSEN NOT TO PURCHASE FALL SURFACING MATERIALS FROM API, OR YOU HAVE MADE OTHER INSTALLATION ARRANGEMENTS, YOU FURTHER AGREE TO INDEMNIFY AND HOLD HARMLESS THE RELEASED PARTIES FROM ANY AND ALL CLAIMS AND DAMAGES WHICH MAY RESULT FROM EQUIPMENT NOT INSTALLED IN COMPLIANCE WITH MANUFACTURER SPECIFICATIONS AND THE U.S. CONSUMER PRODUCT SAFETY COMMISSION'S RECOMMENDATIONS AND/OR ANY DEFECT IN THE FALL SURFACING MATERIALS USED AT THE JOB LOCATION, INCLUDING DESPITE API'S RECOMMENDATION OTHERWISE, YOUR USE OF NO FALL SURFACING AT ALL.

16. This Agreement shall be interpreted under Texas law. Any and all disputes arising under or relating to this Proposal shall be brought and resolved in in Harris County, Houston, Texas. This provision is mandatory and to the exclusion of all other venues. Purchaser acknowledges and agrees that API reserves the right to institute arbitration proceedings to resolve disputes arising under or relating to this Agreement.

This Proposal constitutes the entire agreement between the parties on the subjects addressed herein. All prior agreements, negotiations and understandings with respect to the subject matter hereof, whether written or oral, are cancelled and superseded by this Proposal. No party is relying on any oral or other written representation or communication not otherwise contained in this Proposal.

I have read, understand, and agree to all Additional Terms and Conditions as outlined in this Proposal.

Signature_____

Date of Acceptance:_____

Title_____

ALL PLAY

B & PW Park
City of Sealy

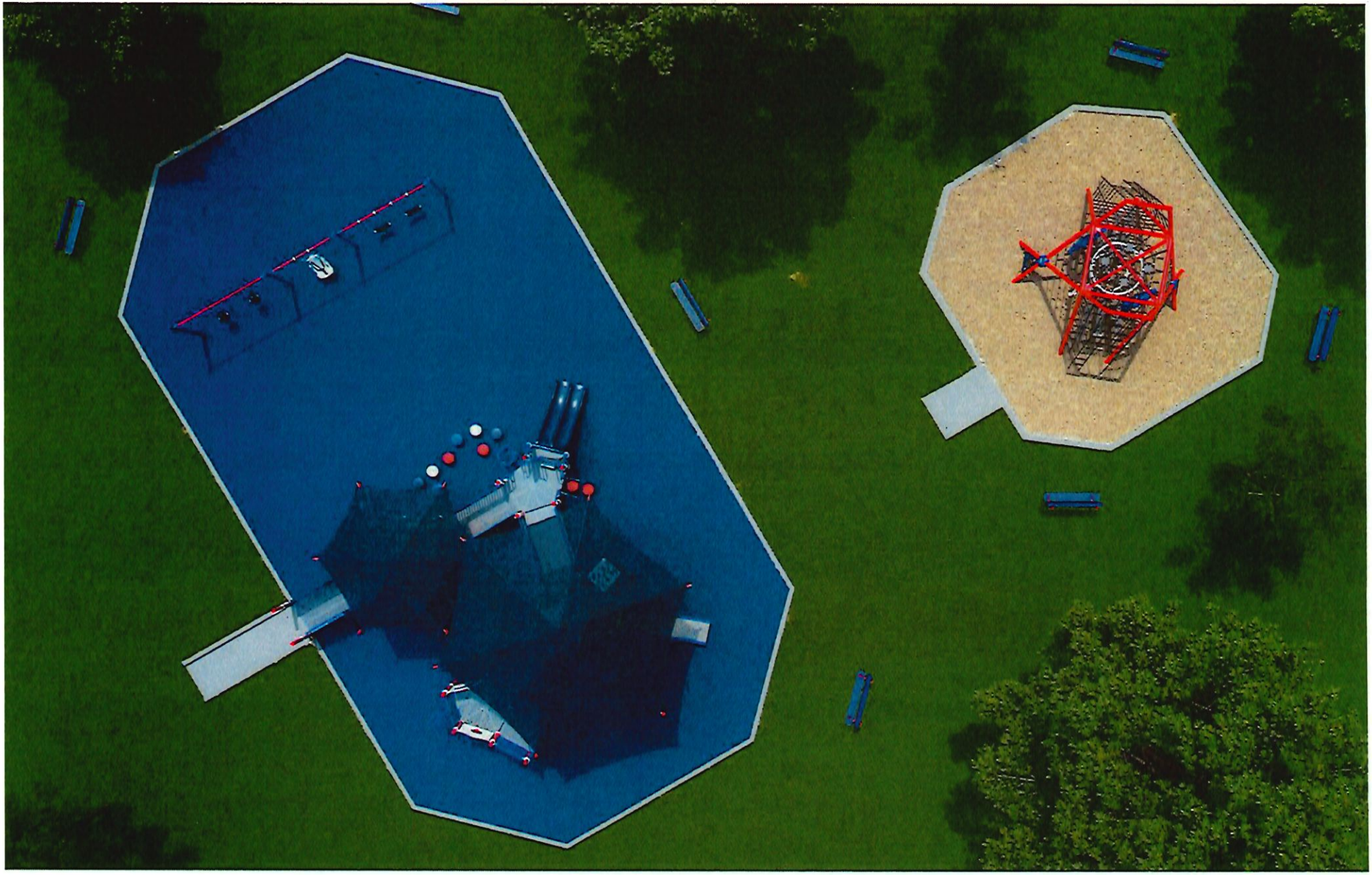
ALL PLAY

SEALY TEXAS
A History of Excellence. A Future of Progress

little tikes. COMMERCIAL

Levine Park
City of Sealy

All Play - Levine



Shaw Industries Group, Inc.
Corporate Sustainability
PO Drawer 2128 Mail Drop: 071-01
Dalton, GA 30722-2128

May 10, 2023

SHAW GRASS PFAS STATEMENT

Dear Valued Customer:

Shaw has a longstanding commitment to sustainability and the responsible manufacture of our products. This includes a strong focus on the material chemistry of our products. This commitment applies to our brands and is inclusive of Shaw Grass.

PFAS chemicals are one of many substances that we require our supply partners to disclose the presence of in raw materials, components, and finished goods purchased by Shaw. Based on information provided to date by suppliers, Shaw Grass does not use PFAS chemicals currently listed on California's Proposition 65 regulations or identified as target analytes in USEPA Methods for analysis of PFAS (specifically Methods 533, 537, 3827 and Draft Method 1633) to manufacture the components of its turf products.

We are committed to continuously improving the performance and material health profile of our Shaw Grass products. If you have any questions, please email us at sustainability@shawinc.com

Corporate Sustainability & Product Stewardship
Shaw Industries Group, Inc.
(CRH)

Lone Star

B&PW - Pour in Place Rubber

$199,060.37

Levine - Pour in Place Rubber

$385,401.35

Total - $584,461.72

Lone Star Recreation of Texas, LLC
10701 Corporate Drive Suite 390
Stafford, TX 77477
Phone: 281-970-9010

PROPOSAL

Quote # 13319

Date: 3/19/2026
Proposal Expires: 4/18/2026

Contact: Brooke Kaiser
Company: City of Sealy
Phone: 979-627-6115
Email: bkaiser@cl.sealy.tx.us

Ship To: Landscape Structures, Inc.
Certified Installer

Terms
INCO Terms: F.O.B. Manufacturing Plant
Estimated Mfg. Lead Time: 6-8 Weeks A.R.O.
Payment Methods: ACH (Preferred Method) or Check
Payment Terms: Ref. Schedule of Payments

Bill To: City of Sealy
415 Main
PO Box 517
Sealy, TX 77474

Installation Site: B&PW Park
145 Lux Rd
Sealy, TX 77474

Design Number: 1205988-01-01

Proposal Prepared By
Contact: Mary Shannon
Phone: 281-970-9010
Email: Mary.Shannon@LoneStarRecreation.com

Sales
Contact: Auston Fertak
Phone: 281-970-9010
Email: Auston.Fertak@LoneStarRecreation.com

QTY	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED AMT
		B&PW Park		
1	EQUIPMENT CP016776A 174018A 176038A 177351A 177344A 177345A	Smart Play® 5-12 Years, Freestanding DTR SP Tree Tops w/Steel Post DB Only Belt Seat w/ ProGuard Chains for 8' Beam Height (2) Full Bucket Seat w/Chains ProGuard Chains for 8' Beam Height Molded Bucket Seat w/ ProGuard Chains for 8' Beam Height Single Post Swing Frame 52" Bury 8' Beam Height Only Single Post Swing Frame 52" Bury Additional Bay 8' Beam Height	$ 69,554.00	$ 69,554.00
1	INSTALLATION	Installation of Landscape Structures equipment refrenced above by Manufacturer Trained and Certified CPSI Installer w/ 12 month labor warranty	$ 25,041.00	$ 25,041.00
1	CONSTRUCTION	Excavation of Existing Surface, Drainage and Curb Installation	$ 26,386.00	$ 26,386.00
1	SURFACE	Delivered & Installed approx. 3,052 sf w/ Flush to Curb @ 3.75" DuraPlay Safety Surfacing 50/50 Colors w/ Aromatic Binder Subbase: Stone Drainage: By LSRT Dumpster: Included Site Security: By Others **Price does not include on-site testing	$ 87,301.00	$ 87,301.00

Pricing is for the above listed equipment only: NO installation, subgrade, drainage, additional contract terms, additions or deletion, change orders, insured addendum, off loading of equipment, storage of product, site security, retainage, or any applicable taxes, bonds, permits or freight are included unless listed as separate line items.

Individual line items invoiced according to Schedule of Payments. Freight charges will be included with initial invoice.

Tax Exemption Certificate must be supplied with order if applicable

Change orders, cancellation, and/or rescheduling of services will be subject to available schedule and payment for incurred time, expenses, freight, and/or fees.

LSRT reserves the right to apply payments to past due invoices first before applying payments to specific orders.

1.5% per month late payment fee will be applied for late payments

LSRT Terms and Conditions apply unless Subcontract is on file.

10701 Corporate Drive Suite 390
Stafford, TX 77477
Phone: 281-970-9010

PROPOSAL

Quote # 13319

Date: 3/19/2026
Proposal Expires: 4/18/2026

Contact: Brooke Kaiser
Company: City of Sealy
Phone: 979-627-6115
Email: bkaiser@ci.sealy.tx.us

Ship To: Landscape Structures, Inc.
Certified Installer

Terms
INCO Terms: F.O.B. Manufacturing Plant
Estimated Mfg. Lead Time: 6-8 Weeks A.R.O.
Payment Methods: ACH (Preferred Method) or Check
Payment Terms: Ref. Schedule of Payments

Bill To: City of Sealy
415 Main
PO Box 517
Sealy, TX 77474

Installation Site: D&PW Park
145 Lux Rd
Sealy, TX 77474

Design Number: 1205988-01-01

Proposal Prepared By
Contact: Mary Shannon
Phone: 281-970-9010
Email: Mary.Shannon@LoneStarRecreation.com

Sales
Contact: Auston Fertak
Phone: 281-970-9010
Email: Auston.Fertak@LoneStarRecreation.com

QTY	ITEM NO.	DESCRIPTION	% of PRICE	CONTRACT PRICE
1	EQUIPMENT	Equipment Total		$ 69,554.00
		30% Deposit	$ 20,866.20	
		70% Net 30 from Shipment	$ 48,687.80	
1	INSTALLATION	Installation Total		$ 25,041.00
		30% Mobilization Due 30 Days In Advance	$ 7,512.30	
		70% Due Upon Completion Net 30	$ 17,528.70	
1	CONSTRUCTION	Construction Total		$ 26,386.00
		30% Mobilization Due 30 Days In Advance	$ 7,915.80	
		70% Due Upon Completion Net 30	$ 18,470.20	
1	SURFACE	Surface Total		$ 87,301.00
		30% Mobilization Due 30 Days In Advance	$ 26,190.30	
		70% Due Upon Completion Net 30	$ 61,110.70	
1	DISCOUNT	LSI Special Discount (Equipment Only)		$ (3,376.40)
		100% with Final Bill	$ (3,376.40)	
1	DISCOUNT	BuyBoard Discount (Contract #781-25)		$ (10,245.23)
		100% with Final Bill	$ (10,245.23)	
1	FREIGHT	Freight for Equipment		$ 4,400.00
		100% with Order	$ 4,400.00	
			Subtotal	$ 199,060.37
			Sales Tax	EXEMPT
			Total	$ 199,060.37

By signing this proposal, the customer is agreeing to the scope of work and terms.

Accepted by Customer _____ Date _____

Print Name _____ PO/Ref. # _____ Title _____

Pricing is for the above listed equipment only; NO installation, subgrade, drainage, additional contract terms, additions or deletion, change orders, insured addendum, off loading of equipment, storage of product, site security, retainage, or any applicable taxes, bonds, permits or freight are included unless listed as separate line items.

Individual line items invoiced according to Schedule of Payments. Freight charges will be included with Initial Invoice.

Tax Exemption Certificate must be supplied with order if applicable

Change orders, cancellation, and/or rescheduling of services will be subject to available schedule and payment for incurred time, expenses, freight, and/or fees.

LSRT reserves the right to apply payments to past due invoices first before applying payments to specific orders.

1.5% per month late payment fee will be applied for late payments

LSRT Terms and Conditions apply unless Subcontract is on file.

LONE STAR Recreation

ADDITIONAL TERMS AND CONDITIONS

Entire Agreement: This document, including the proposal and any referenced attachments in the proposal, if any, contains the entire agreement and understanding between the parties with respect to the transaction contemplated. This document sets forth all of the promises, agreements, conditions, and understandings between the parties respecting the subject matter hereof, and replaces and supersedes all negotiations, conversations, discussions, correspondence, memorandums, and oral agreements between the parties, as well as any prior writings. Except as set forth in this document, including any attached exhibits, if any, there are no other agreements, representations, warranties, or covenants by or among the parties hereto with respect to the subject matter hereof. This document, including any attached exhibits, if any, supersedes all other agreements, written or oral, between the parties with respect to the transaction contemplated.

Modification: No alteration, amendment, modification, or waiver of any provision of this Agreement shall be valid or effective unless it is in writing and signed by all parties. No oral agreement or course of conduct to the contrary, shall be deemed an alteration, amendment, modification, waiver, or cancellation. No evidence of any alteration, amendment, modification, or waiver shall be offered or received in evidence in any proceeding, mediation, or litigation between the parties hereto arising out of or affecting this Agreement, or the rights or obligations of the parties hereunder, unless such alteration, amendment, modification, or waiver is in writing, duly executed by both parties. Any waiver or consent shall be effective only in the specific instance and for the purpose for which it was given.

Severability: If any provision of this Agreement is determined to be invalid or not enforceable, or is prohibited by law for any reason, the invalidity shall not affect the validity of the remaining provisions of this Agreement. The rest of the Agreement will be unaffected.

No Waiver of Rights: No waiver by any party of any of its rights or remedies hereunder shall be considered a waiver of any other subsequent right or remedy of that party. The waiver by any party of a breach of any provision of this Agreement shall not be taken or held to be a waiver of the provision itself. Any course of performance shall not be deemed to amend or limit any provision of this Agreement. The failure of any party at any time to require performance by another party of any provision of this Agreement shall not affect in any way the full right to require the performance at any subsequent time. No delay or omission in the exercise of enforcement by either party of any rights or remedies shall ever be construed as a waiver of any right or remedy of that party. No exercise or enforcement of any rights or remedies shall ever be held to exhaust any right or remedy of any party. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant, or agreement contained herein or therein and in any documents delivered in connection herewith or therewith. Forbearance or neglect on the part of either party to insist upon strict compliance with the terms of this Agreement shall not be construed as or constitute a waiver thereof.

Relationship of Parties: Nothing contained in this Agreement shall be deemed or construed by the parties, or by any third party, to create the relationship of employer/employee, partnership, or joint venture between the parties hereto, it being understood and agreed that no provision contained herein shall be deemed to create any relationship between the parties hereto other than as client and independent contractor.

Compliance with Laws: The parties hereto shall each comply with the provisions of all applicable federal, state, county, and local laws, ordinances, regulations, and codes.

Collaborative Dispute Resolution: The parties hereto shall cooperate with each other to affect the purpose and intent of this Agreement. If a dispute arises concerning this Agreement that cannot be resolved collaboratively, either with or without the assistance of collaborative counsel, the parties will try in good faith to settle the dispute through mediation conducted by a mediator to be mutually selected. The parties will share the cost of the mediator equally, but each party shall remain solely responsible for their own attorneys' fees and costs. The parties will cooperate fully with the mediator and will attempt to reach a mutually satisfactory resolution of the dispute. If the dispute is not resolved within thirty (30) days after it is referred to the mediator, the parties agree that the dispute can proceed to the courts of Harris County, Texas, governed by the laws of the State of Texas for Collaborative Law.

Governing Law: This Agreement, and the rights and obligations of the parties hereunder, is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas applicable to contracts made and to be performed wholly within Texas, without regard to any choice or conflict of laws rules, shall govern the validity, construction, enforcement, and interpretation of this Agreement. Any litigation arising from this Agreement will be brought in the courts of Harris County.

Attorneys' Fees: Excluding mediation, in the event that an action, litigation, or proceeding results from or arises out of this Agreement or the performance thereof, including any appeal or the collection of any judgment, the parties agree to reimburse the prevailing party's reasonable attorney's fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled, as allowable by law. A prevailing party is defined as a party who secures a judgment in its own favor through a legal process other than mediation.

Successors and Assigns: Except as specifically provided in this Agreement, no party may assign, delegate, or transfer any of its rights or obligations under this Agreement, in whole or in part, without the prior written consent of the other, which consent will not be unreasonably withheld. The terms hereof are contractual in nature and are not mere recitals, and the obligations created by this Agreement shall be binding upon the successors, legal representatives, and permitted assigns of the parties hereto, forever.

Force Majeure: Neither party shall be liable, nor held in breach of contract, for any loss, damage, and/or any delay in performance that may be suffered as a direct or indirect result of either party being prevented, hindered, or delayed in its performance by circumstances beyond that party's reasonable control due to force majeure, including among others, strikes; lock outs, accidents; trade or labor disputes; natural disasters, including explosions, fire, flood, storm, wind, or drought; war, terrorism, riots, civil commotion, government action, embargoes, and/or acts of civil or military authorities; shortages of transportation, facilities, fuel, energy, labor, or materials; acts of God (specifically including hurricanes and inclement weather that shuts down city services); or any delay or failure resulting from a cause or causes outside either party's reasonable control. If timely completion is prevented by any cause of force majeure, then such failure or delay shall not constitute default.

Escalation: During the performance of this agreement, if the price of materials, equipment or energy are significantly increased, through no fault of Lone Star Recreation of Texas, the price shall be equitably adjusted by an amount reasonably necessary to cover any such significant increases. As used herein, a significant price increase shall mean any increase exceeding 5% from the date of the contract signing. Such price escalations shall be documented through change order, quotes, invoices, and/or receipts in accordance with the agreed contract procedure. Where the delivery of material, equipment, or energy is delayed, through no fault of the contractor, as a result of the shortage or unavailability, contractor shall not be liable for any additional costs or damages associated with such delay(s).

Gender and Numbers: Unless the context clearly indicates, whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

No Third-Party Rights: This Agreement is solely for the benefit of the parties hereto and their respective successors and assigns, if any, and no other person or entity shall have any right, benefit, priority, or interest hereunder, or because of the existence of this Agreement.

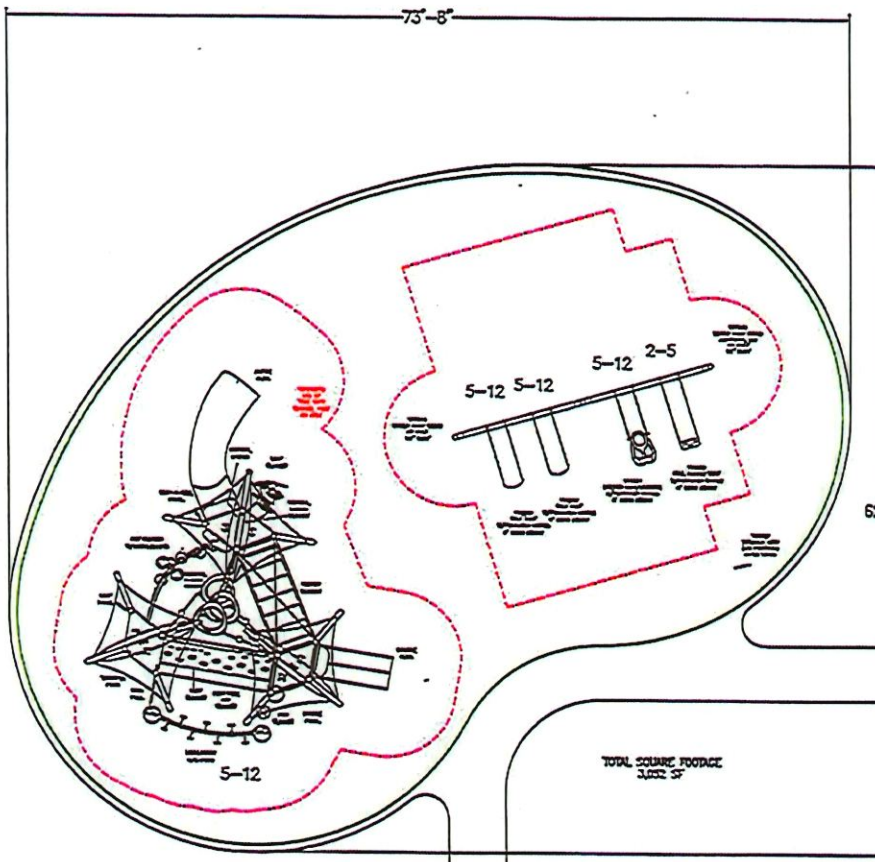
Headings: The section headings contained in this Agreement are for convenience and reference purposes only and shall not affect the meaning, interpretation, or construction of this Agreement, and in no way define, describe, extend, or limit the scope or intent of this Agreement, or the intent of any provisions hereof.

Voluntary Agreement & Advice of Counsel: The parties confirm and agree that each (i) has relied on its own judgment and has not been induced to sign or execute this Agreement by promises, agreements, or representations not expressly stated herein, (ii) has freely and willingly executed this Agreement and hereby expressly disclaims reliance on any fact, promise, undertaking or representation made by any other party, save and except for the express agreements and representations contained in this Agreement, (iii) was not in a significantly disparate bargaining position with regard to any other party, and (iv) has been represented by legal counsel in this matter or has voluntarily waived that right.

Multiple parts: This Agreement may be executed by the parties hereto in any number of separate counterparts, each and all of which taken together shall be deemed for all purposes to be one agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart signed by the party to be charged.

Electronic Signatures: This Agreement may be executed by the parties hereto with electronic signatures, each of which shall be deemed for all purposes to be an original signature.

Limited Liability: Owner understands and agrees that LSRT's inspections, maintenance, or service calls shall not take the place of or release Owner from its duty or create any duty other than those expressly assumed herein. Owner is responsible for performing daily visual inspections and/or daily regular maintenance.



landscape structures

IPEMA CERTIFIED

THIS PLAY AREA & PLAY EQUIPMENT IS DESIGNED FOR AGES 5-12 YEARS UNLESS OTHERWISE NOTED ON PLAN.

IT IS THE MANUFACTURERS OPINION THAT THIS PLAY AREA DOES CONFORM TO THE A.D.A. ACCESSIBILITY STANDARDS, ASSUMING AN ACCESSIBLE PROTECTIVE SURFACING IS PROVIDED, AS INSTALLED, OR WITHIN THE DESIGN USE ZONE.

THIS CONCEPTUAL PLAN WAS BASED ON INFORMATION AVAILABLE TO US, PRIOR TO CONSTRUCTION, SHOULD SITE CONDITIONS INCLUDING SITE GRADING, "EXISTING" GRADES UNDER, BUT, CONCRETE, AND BARRIER, EQUIPMENT SHOULD BE CHANGED, ENLARGED, OR TURNED IN THE FIELD, PLEASE VERIFY ALL DIMENSIONS OF PLAY AREA, SIZE, CONDITIONS, AND LOCATION OF ALL EXISTING UTILITIES, STRUCTURES, AND SITE FURNISHINGS PRIOR TO ORDERING. PLANS SHOULD NOT PASS THE, NOT ATTEMPTED ZONE.

CHOOSE A PROTECTIVE SURFACING MATERIAL THAT HAS A CRITICAL HEIGHT VALUE TO MEET THE IMPACT ATTENUATION REQUIREMENTS FOR THE EQUIPMENT (SEE ASTM F1292 AND THE CONSUMER SAFETY PERFORMANCE SPECIFICATIONS FOR PLAYGROUND EQUIPMENT FOR PUBLIC USE). SECTION 15 CURRENT REVISION). THE REQUIREMENT MUST BE MET, REGARDLESS OF THE SOIL BEING USED UNDER THE SURFACE. IF MORE THAN ONE SURFACE IS USED IN THE PLAY AREA, THE CRITICAL HEIGHT MUST BE MET FOR EACH SURFACE.

AREA OF ACCESSIBLE/PROTECTIVE SURFACING (POURED-IN-PLACE SHOWN)

DESIGNED BY:
SAC
COPYRIGHT 3/19/2018
LANDSCAPE STRUCTURES, INC.

Date	Previous Drawing #	Initials

5-12 PLAY COUNT

Smart Play (5-12 years) Max Fall Height: 96 inches

TOTAL ELEVATED PLAY COMPONENTS	10		
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY RAMP	0	REQUIRED	0
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY TRANSFER	5	REQUIRED	5
TOTAL ACCESSIBLE GROUND LEVEL COMPONENTS SHOWN	3	REQUIRED	3
TOTAL DIFFERENT TYPES OF GROUND LEVEL COMPONENTS	6	REQUIRED	4

2-5 PLAY COUNT

TOTAL ELEVATED PLAY COMPONENTS	0		
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY RAMP	0	REQUIRED	0
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY TRANSFER	0	REQUIRED	0
TOTAL ACCESSIBLE GROUND LEVEL COMPONENTS SHOWN	1	REQUIRED	1
TOTAL DIFFERENT TYPES OF GROUND LEVEL COMPONENTS	1	REQUIRED	1

SCALE IN FEET: 0' 5' 10' 20'

NORTH

B&PW Park
Sealy, TX

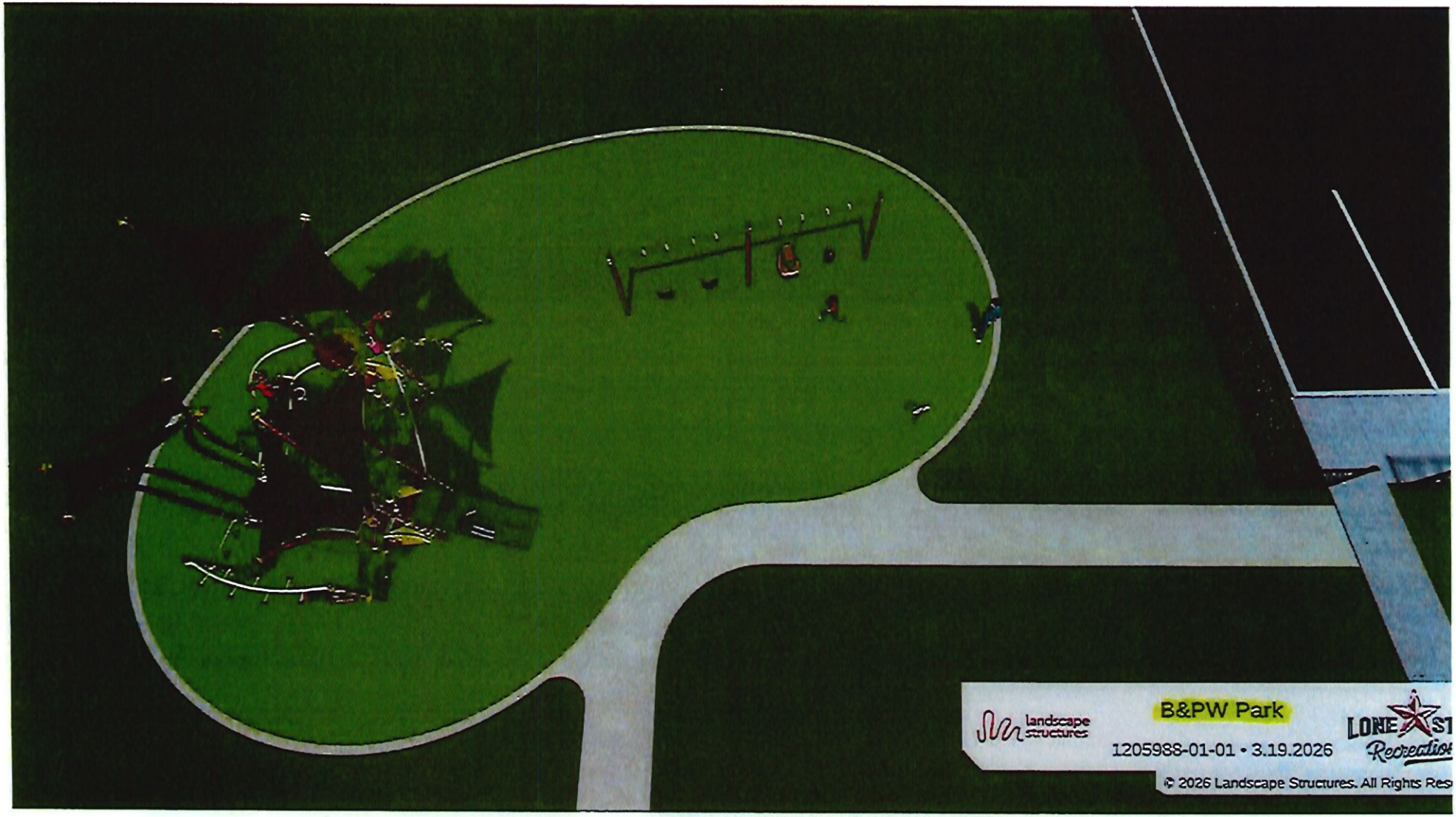
Lone Star Recreation of Texas
Auston Fertak

DESIGN TYPE:
SmartPlay/ Freestanding

DRAWING #:
1205988-01-01

ISO 14001:2015

ISO 9001:2015 Certified


landscape structures
B&PW Park
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LONE ST
Recreation
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© 2026 Landscape Structures. All Rights Res

Lone Star Recreation of Texas, LLC
10701 Corporate Drive Suite 390
Stafford, TX 77477
Phone: 281-970-9010

PROPOSAL

Quote # 13278-03

Date: 3/19/2026
Proposal Expires: 4/18/2026

Contact: Brooke Kaiser
Company: City of Sealy
Phone: 979-627-6115
Email: bkaiser@ci.sealy.tx.us

Ship To: Landscape Structures, Inc.
Certified Installer

Terms
INCO Terms: F.O.B. Manufacturing Plant
Estimated Mfg. Lead Time: 6-8 Weeks A.R.O.
Payment Methods: ACH (Preferred Method) or Check
Payment Terms: Ref. Schedule of Payments

Bill To: City of Sealy
415 Main
PO Box 517
Sealy, TX 77474

Installation Site: Abe & Ireve Levine Family Park
410 Main
Sealy, TX 77474

Design Number: 1204600-02-01

Proposal Prepared By
Contact: Mary Shannon
Phone: 281-970-9010
Email: Mary.Shannon@LoneStarRecreation.com

Sales
Contact: Auston Fertak
Phone: 281-970-9010
Email: Auston.Fertak@LoneStarRecreation.com

QTY	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED AMT
		City of Sealy Playground		
1	EQUIPMENT	PlayBooster® 2-5 Years, Smart Play® 5-12 Years, Freestanding	$ 191,683.00	$ 191,683.00
	345314A	Mini Summit Climber 40"Dk DB		
	345283A	Color Splash Panel Above Deck		
	345300B	Image Reach Panel at Grade		
	123331B	Double Slide 40"Dk DB		
	368212A	FlowWinder Slide 40" DK 48"		
	120711A	Pod Climber 16" DB		
	154884A	CoolToppers Single Post Pyramid Roof DB Only		
	323661A	Volo w/Shade DB Only1		
	247179A	Curva Spinner DB Only		
	164075B	Double Bobble Rider DB		
	173591A	OmniSpin Spinner Surface Mount		
	168099A	Cozy Dome DB		
1	INSTALLATION	Installation of Landscape Structures equipment refrenced above by Manufacturer Trained and Certified CPSI Installer w/ 12 month labor warranty	$ 68,048.00	$ 68,048.00
1	SURFACE	Delivered & Installed approx. 4,550 sf w/ Flush to Curb @ 2" and 3.25" DuraPlay Safety Surfacing 50/50 Colors w/ Aromatic Binder Subbase: Compacted Dirt and Stone Drainage: By LSRT Dumpster: Included Site Security: By Others **Price does not include on-site testing	$ 148,207.00	$ 148,207.00

Pricing is for the above listed equipment only: NO installation, subgrade, drainage, additional contract terms, additions or deletion, change orders, insured addendum, off loading of equipment, storage of product, site security, retainage, or any applicable taxes, bonds, permits or freight are included unless listed as separate line items.

Individual line items invoiced according to Schedule of Payments. Freight charges will be included with initial invoice.

Tax Exemption Certificate must be supplied with order if applicable

Change orders, cancellation, and/or rescheduling of services will be subject to available schedule and payment for incurred time, expenses, freight, and/or fees.

LSRT reserves the right to apply payments to past due invoices first before applying payments to specific orders.

1.5% per month late payment fee will be applied for late payments

LSRT Terms and Conditions apply unless Subcontract is on file.

Lone Star Recreation of Texas, LLC
10701 Corporate Drive Suite 390
Stafford, TX 77477
Phone: 281-970-9010

PROPOSAL

Quote # 13278-03

Date: 3/19/2026
Proposal Expires: 4/18/2026

Contact: Brooke Kaiser
Company: City of Sealy
Phone: 979-627-6115
Email: bkaiser@ci.sealy.tx.us

Ship To: Landscape Structures, Inc.
Certified Installer

Terms
INCO Terms: F.O.B. Manufacturing Plant
Estimated Mfg. Lead Time: 6-8 Weeks A.R.O.
Payment Methods: ACH (Preferred Method) or Check
Payment Terms: Ref. Schedule of Payments

Bill To: City of Sealy
415 Main
PO Box 517
Sealy, TX 77474

Installation Site: Abe & Ireve Levine Family Park
410 Main
Sealy, TX 77474

Design Number: 1204600-02-01

Proposal Prepared By
Contact: Mary Shannon
Phone: 281-970-9010
Email: Mary.Shannon@LoneStarRecreation.com

Sales
Contact: Auston Fertak
Phone: 281-970-9010
Email: Auston.Fertak@LoneStarRecreation.com

QTY	ITEM NO.	DESCRIPTION	% of PRICE	CONTRACT PRICE
1	EQUIPMENT	Equipment Total		$ 191,683.00
		30% Deposit	$ 57,504.90	
		70% Net 30 from Shipment	$ 134,178.10	
1	INSTALLATION	Installation Total		$ 68,048.00
		30% Mobilization Due 30 Days In Advance	$ 20,414.40	
		70% Due Upon Completion Net 30	$ 47,633.60	
1	SURFACE	Surface Total		$ 148,207.00
		30% Mobilization Due 30 Days In Advance	$ 44,462.10	
		70% Due Upon Completion Net 30	$ 103,744.90	
1	DISCOUNT	LSI Special Discount (Equipment Only)		$ (9,305.00)
		100% with Final Bill	$ (9,305.00)	
1	DISCOUNT	BuyBoard Discount (Contract #781-25)		$ (19,931.65)
		100% with Final Bill	$ (19,931.65)	
1	FREIGHT	Freight for Equipment		$ 6,700.00
		100% with Order	$ 6,700.00	
			Subtotal	$ 385,401.35
			Sales Tax	EXEMPT
			Total	$ 385,401.35

By signing this proposal, the customer is agreeing to the scope of work and terms.

Accepted by Customer Date

Print Name PO/Ref. # Title

Pricing is for the above listed equipment only; NO installation, subgrade, drainage, additional contract terms, additions or deletion, change orders, insured addendum, off loading of equipment, storage of product, site security, retainage, or any applicable taxes, bonds, permits or freight are included unless listed as separate line items.

Individual line items invoiced according to Schedule of Payments. Freight charges will be included with initial invoice.

Tax Exemption Certificate must be supplied with order if applicable

Change orders, cancellation, and/or rescheduling of services will be subject to available schedule and payment for incurred time, expenses, freight, and/or fees.

LSRT reserves the right to apply payments to past due invoices first before applying payments to specific orders.

1.5% per month late payment fee will be applied for late payments

LSRT Terms and Conditions apply unless Subcontract is on file.

LONE STAR Recreation

ADDITIONAL TERMS AND CONDITIONS

Entire Agreement: This document, including the proposal and any referenced attachments in the proposal, if any, contains the entire agreement and understanding between the parties with respect to the transaction contemplated. This document sets forth all of the promises, agreements, conditions, and understandings between the parties respecting the subject matter hereof, and replaces and supersedes all negotiations, conversations, discussions, correspondence, memorandums, and oral agreements between the parties, as well as any prior writings. Except as set forth in this document, including any attached exhibits, if any, there are no other agreements, representations, warranties, or covenants by or among the parties hereto with respect to the subject matter hereof. This document, including any attached exhibits, if any, supersedes all other agreements, written or oral, between the parties with respect to the transaction contemplated.

Modification: No alteration, amendment, modification, or waiver of any provision of this Agreement shall be valid or effective unless it is in writing and signed by all parties. No oral agreement or course of conduct to the contrary, shall be deemed an alteration, amendment, modification, waiver, or cancellation. No evidence of any alteration, amendment, modification, or waiver shall be offered or received in evidence in any proceeding, mediation, or litigation between the parties hereto arising out of or affecting this Agreement, or the rights or obligations of the parties hereunder, unless such alteration, amendment, modification, or waiver is in writing, duly executed by both parties. Any waiver or consent shall be effective only in the specific instance and for the purpose for which it was given.

Severability: If any provision of this Agreement is determined to be invalid or not enforceable, or is prohibited by law for any reason, the invalidity shall not affect the validity of the remaining provisions of this Agreement. The rest of the Agreement will be unaffected.

No Waiver of Rights: No waiver by any party of any of its rights or remedies hereunder shall be considered a waiver of any other subsequent right or remedy of that party. The waiver by any party of a breach of any provision of this Agreement shall not be taken or held to be a waiver of the provision itself. Any course of performance shall not be deemed to amend or limit any provision of this Agreement. The failure of any party at any time to require performance by another party of any provision of this Agreement shall not affect in any way the full right to require the performance at any subsequent time. No delay or omission in the exercise of enforcement by either party of any rights or remedies shall ever be construed as a waiver of any right or remedy of that party. No exercise or enforcement of any rights or remedies shall ever be held to exhaust any right or remedy of any party. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant, or agreement contained herein or therein and in any documents delivered in connection herewith or therewith. Forbearance or neglect on the part of either party to insist upon strict compliance with the terms of this Agreement shall not be construed as or constitute a waiver thereof.

Relationship of Parties: Nothing contained in this Agreement shall be deemed or construed by the parties, or by any third party, to create the relationship of employer/employee, partnership, or joint venture between the parties hereto, it being understood and agreed that no provision contained herein shall be deemed to create any relationship between the parties hereto other than as client and independent contractor.

Compliance with Laws: The parties hereto shall each comply with the provisions of all applicable federal, state, county, and local laws, ordinances, regulations, and codes.

Collaborative Dispute Resolution: The parties hereto shall cooperate with each other to effect the purpose and intent of this Agreement. If a dispute arises concerning this Agreement that cannot be resolved collaboratively, either with or without the assistance of collaborative counsel, the parties will try in good faith to settle the dispute through mediation conducted by a mediator to be mutually selected. The parties will share the cost of the mediator equally, but each party shall remain solely responsible for their own attorneys' fees and costs. The parties will cooperate fully with the mediator and will attempt to reach a mutually satisfactory resolution of the dispute. If the dispute is not resolved within thirty (30) days after it is referred to the mediator, the parties agree that the dispute can proceed to the courts of Harris County, Texas, governed by the laws of the State of Texas for Collaborative Law.

Governing Law: This Agreement, and the rights and obligations of the parties hereunder, is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas applicable to contracts made and to be performed wholly within Texas, without regard to any choice or conflict of laws rules, shall govern the validity, construction, enforcement, and interpretation of this Agreement. Any litigation arising from this Agreement will be brought in the courts of Harris County.

Attorneys' Fees: Excluding mediation, in the event that an action, litigation, or proceeding results from or arises out of this Agreement or the performance thereof, including any appeal or the collection of any judgment, the parties agree to reimburse the prevailing party's reasonable attorney's fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled, as allowable by law. A prevailing party is defined as a party who secures a judgment in its own favor through a legal process other than mediation.

Successors and Assigns: Except as specifically provided in this Agreement, no party may assign, delegate, or transfer any of its rights or obligations under this Agreement, in whole or in part, without the prior written consent of the other, which consent will not be unreasonably withheld. The terms hereof are contractual in nature and are not mere recitals, and the obligations created by this Agreement shall be binding upon the successors, legal representatives, and permitted assigns of the parties hereto, forever.

Force Majeure: Neither party shall be liable, nor held in breach of contract, for any loss, damage, and/or any delay in performance that may be suffered as a direct or indirect result of either party being prevented, hindered, or delayed in its performance by circumstances beyond that party's reasonable control due to force majeure, including among others, strikes; lock outs, accidents; trade or labor disputes; natural disasters, including explosions, fire, flood, storm, wind, or drought; war, terrorism, riots, civil commotion, government action, embargoes, and/or acts of civil or military authorities; shortages of transportation, facilities, fuel, energy, labor, or materials; acts of God (specifically including hurricanes and inclement weather that shuts down city services); or any delay or failure resulting from a cause or causes outside either party's reasonable control. If timely completion is prevented by any cause of force majeure, then such failure or delay shall not constitute default.

Escalation: During the performance of this agreement, if the price of materials, equipment or energy are significantly increased, through no fault of Lone Star Recreation of Texas, the price shall be equitably adjusted by an amount reasonably necessary to cover any such significant increases. As used herein, a significant price increase shall mean any increase exceeding 5% from the date of the contract signing. Such price escalations shall be documented through change order, quotes, invoices, and/or receipts in accordance with the agreed contract procedure. Where the delivery of material, equipment, or energy is delayed, through no fault of the contractor, as a result of the shortage or unavailability, contractor shall not be liable for any additional costs or damages associated with such delay(s).

Gender and Numbers: Unless the context clearly indicates, whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

No Third-Party Rights: This Agreement is solely for the benefit of the parties hereto and their respective successors and assigns, if any, and no other person or entity shall have any right, benefit, priority, or interest hereunder, or because of the existence of this Agreement.

Headings: The section headings contained in this Agreement are for convenience and reference purposes only and shall not affect the meaning, interpretation, or construction of this Agreement, and in no way define, describe, extend, or limit the scope or intent of this Agreement, or the intent of any provisions hereof.

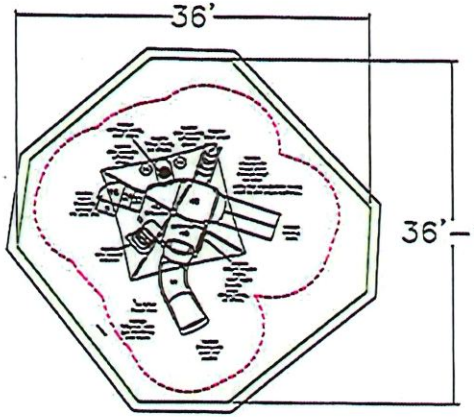
Voluntary Agreement & Advice of Counsel: The parties confirm and agree that each (i) has relied on its own judgment and has not been induced to sign or execute this Agreement by promises, agreements, or representations not expressly stated herein, (ii) has freely and willingly executed this Agreement and hereby expressly disclaims reliance on any fact, promise, undertaking or representation made by any other party, save and except for the express agreements and representations contained in this Agreement, (iii) was not in a significantly disparate bargaining position with regard to any other party, and (iv) has been represented by legal counsel in this matter or has voluntarily waived that right.

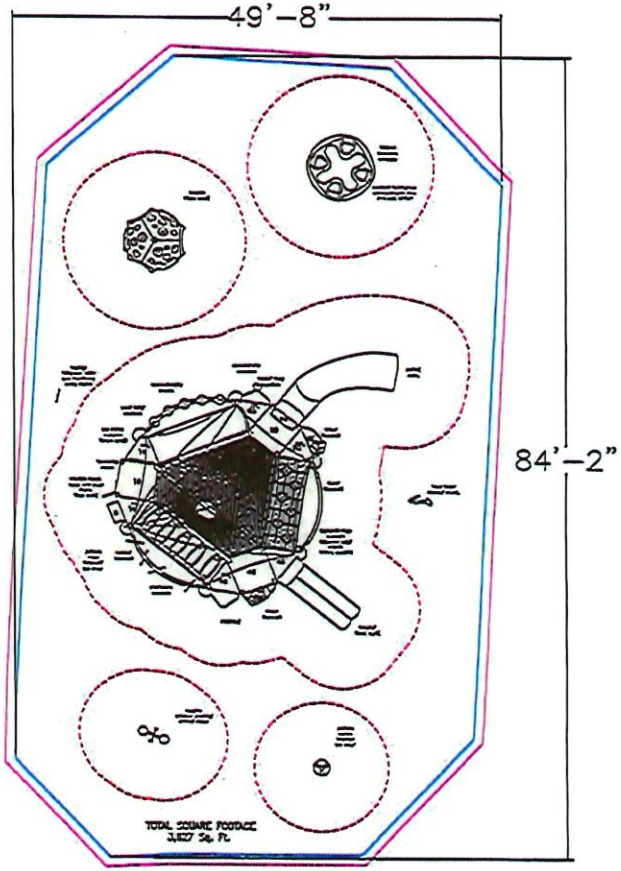
Multiple parts: This Agreement may be executed by the parties hereto in any number of separate counterparts, each and all of which taken together shall be deemed for all purposes to be one agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart signed by the party to be charged.

Electronic Signatures: This Agreement may be executed by the parties hereto with electronic signatures, each of which shall be deemed for all purposes to be an original signature.

Limited Liability: Owner understands and agrees that LSRT's inspections, maintenance, or service calls shall not take the place of or release Owner from its duty or create any duty other than those expressly assumed herein. Owner is responsible for performing daily visual inspections and/or daily regular maintenance.

*NOTE: PLEASE VERIFY ALL DIMENSIONS OF PLAY AREA, SIZE, ORIENTATION, AND LOCATIONS OF ALL EXISTING UTILITIES, EQUIPMENT, AND SITE FURNISHINGS PRIOR TO ORDERING. SLIDES SHOULD NOT FACE THE HOT AFTERNOON SUN.





2-5 AREA

TOTAL ELEVATED PLAY COMPONENTS	6		
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY RAMP	0	REQUIRED	0
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY TRANSFER	6	REQUIRED	3
TOTAL ACCESSIBLE GROUND LEVEL COMPONENTS SHOWN	2	REQUIRED	2
TOTAL DIFFERENT TYPES OF GROUND LEVEL COMPONENTS	2	REQUIRED	2

5-12 AREA

TOTAL ELEVATED PLAY COMPONENTS	15		
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY RAMP	0	REQUIRED	0
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY TRANSFER	12	REQUIRED	8
TOTAL ACCESSIBLE GROUND LEVEL COMPONENTS SHOWN	9	REQUIRED	5
TOTAL DIFFERENT TYPES OF GROUND LEVEL COMPONENTS	8	REQUIRED	8

landscape structures

THE PLAY AREA & PLAY EQUIPMENT IS DESIGNED FOR AGES 2-5 & 5-12 YEARS UNLESS OTHERWISE NOTED ON PLAN.

IT IS THE MANUFACTURERS OPINION THAT THE PLAY AREA DOES CONFORM TO THE ADAAG ACCESSIBILITY STANDARDS, ASSUMING AN ACCESSIBLE PROTECTIVE SURFACING IS PROVIDED, AS INDICATED, OR WITHIN THE ENTIRE USE ZONE.

THIS CONCEPTUAL PLAN WAS BASED ON INFORMATION AVAILABLE TO US, PRIOR TO CONSTRUCTION, BOTH SITE INFORMATION INCLUDING THE ORIGINAL TOPOGRAPHY, EXISTING UTILITIES, DATA, DIMENSIONS, AND BOUNDARY LINES SHOULD BE VERIFIED, CHANGES, AS STAKED IN THE FINAL DESIGN. PLEASE VERIFY ALL DIMENSIONS OF PLAY AREA, SIZE, ORIENTATION, AND LOCATION OF ALL EXISTING UTILITIES, EQUIPMENT, AND SITE FURNISHINGS PRIOR TO ORDERING. SLIDES SHOULD NOT FACE THE HOT AFTERNOON SUN.

CHOOSE A PROTECTIVE SURFACING MATERIAL THAT HAS A CRITICAL HEIGHT VALUE TO MEET THE MINIMUM FALL HEIGHT FOR THE EQUIPMENT (ASTM F1487 STANDARD CONSUMER SAFETY PERFORMANCE SPECIFICATION FOR PLAYGROUND EQUIPMENT FOR PUBLIC USE), ENTER A CURRENT REFERENCE. THE SURFACING MUST BE WELL DRAINED. IF THE SOIL DOES NOT DRAIN NATURALLY IT MUST BE TILED OR SLOPED 1/4" TO 1/4" FOR TEST TO A STORM SEWER OR A FRENCH DRAIN.

AREA OF ACCESSIBLE/PROTECTIVE SURFACING (POURED-IN-PLACE SHOWN)

DESIGNED BY:
KAP

COPYRIGHT © 2013/2008 LANDSCAPE STRUCTURES, INC.
601 7th STREET SOUTH — P.O. BOX 190
HOUSTON, MINNESOTA 55943
PH: 1-800-328-0033 FAX: 1-800-972-8881

Date	Previous Drawing #	Initials

SCALE IN FEET:
0' 5' 10' 20'

City of Sealy
Option 2
Sealy, TX
levine

Lone Star
Recreation of Texas
Mary Shannon

SmartPlay

1204600-02-01

ISO 14001:2015 RE TITLE

ISO 9001:2015 Certified

landscape structures
City of Sealy
Levine
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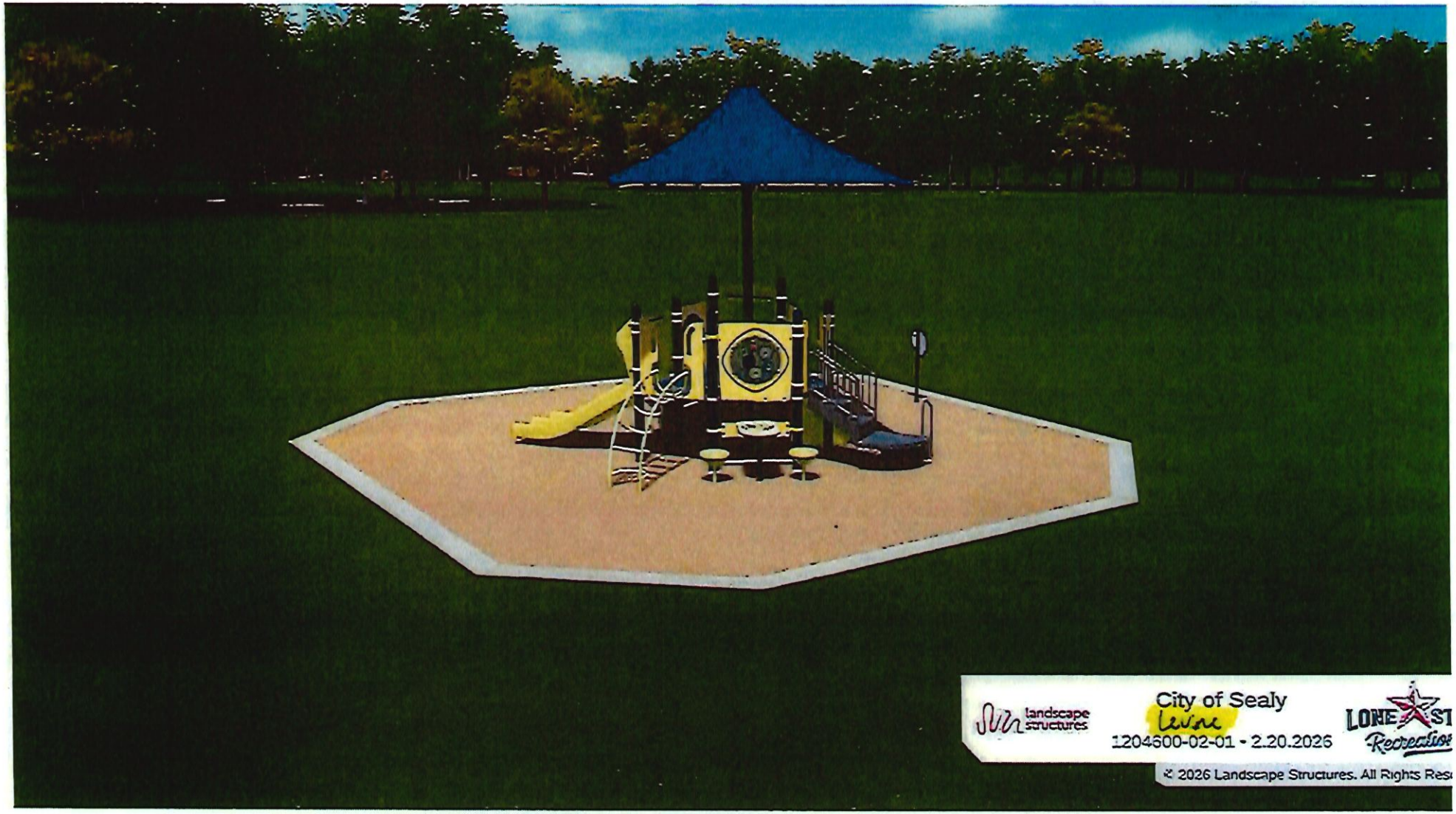

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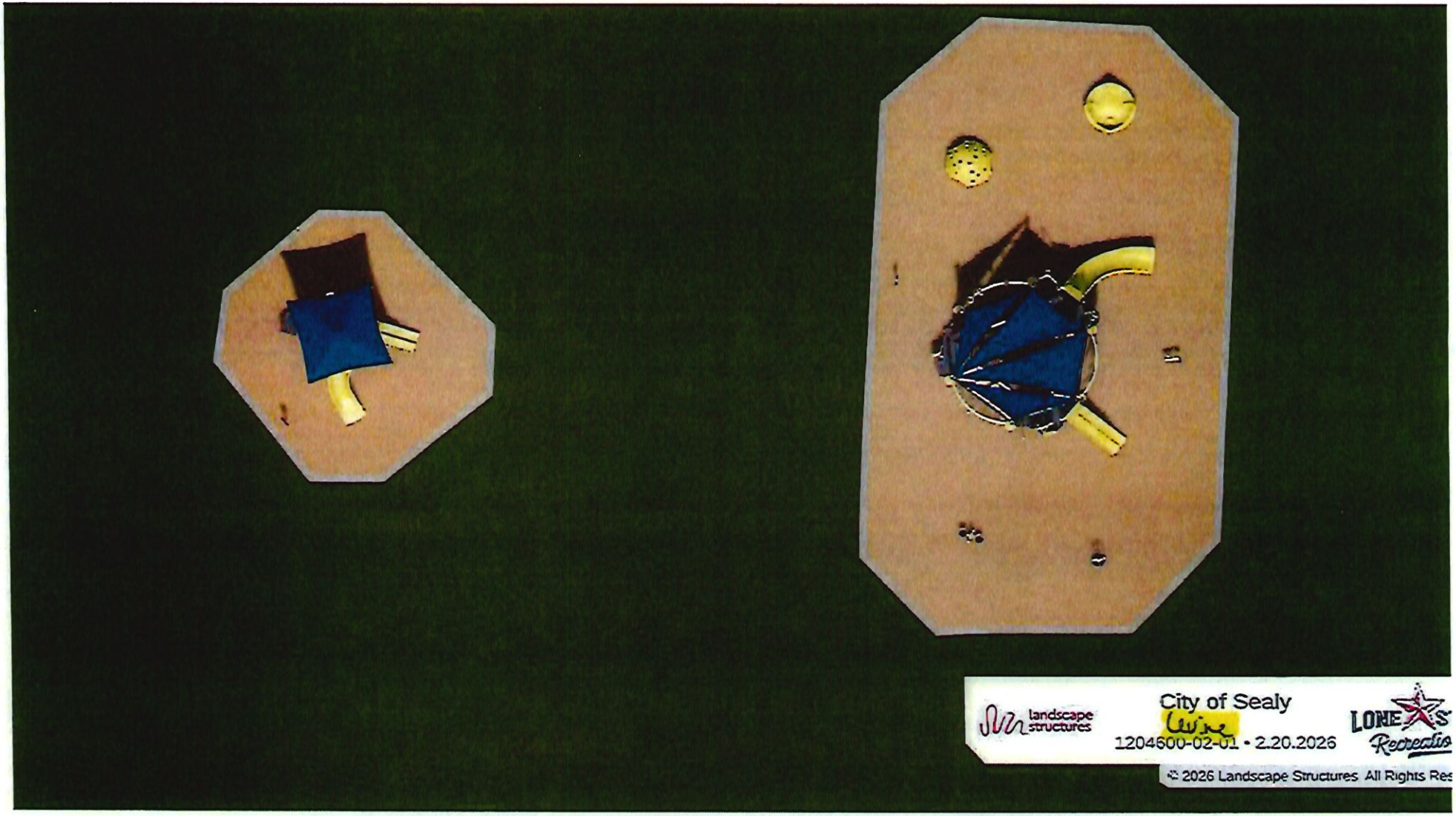
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Miracle

Levine - Synthetic Grass - Abe & Irene 1

$280,627.02

Miracle Recreation Equip. Co.
878 E. US Hwy 60
Monett, MO 65708
1-888-458-2752

QUOTE: OE25010444
CUSTOMER: 7747A03
PROJECT: 25011532
DESIGN NAME: Abe and Irene 1

Prepared For:

SEALY, CITY OF
415 MAIN STREET
SEALY, TX 77474
409-885-3511 Ext. (phone)

Project Name & Location:

Abe and Irene Levine 1

Prepared by:

MAY RECREATION EQUIPMENT & DESIGN LP
Matt Wanner
3 SUNSPREE PLACE
THE WOODLANDS, TX 77382
281-363-1908 (phone)

Ship To Address:

Matt Wanner
Reliant Installations, Inc.
2144 Farm to Market 359
Brookshire, TX 77423, USA
(713) 725-9332 (phone)

End User:

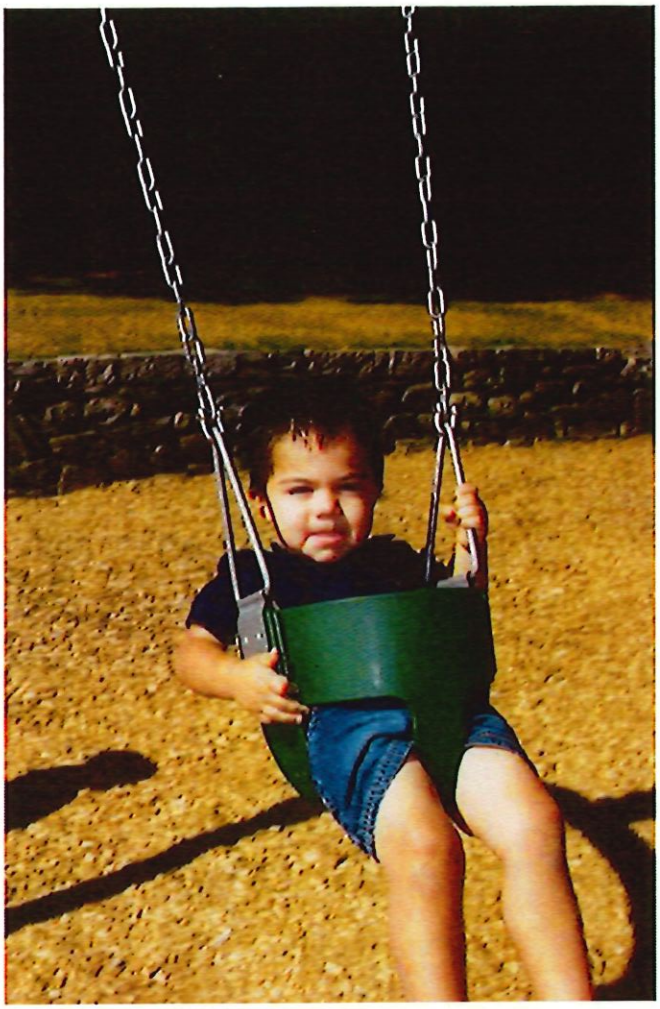
SEALY, CITY OF
415 MAIN STREET
SEALY, TX 77474, USA

Quote Number: OE25010444
Quote Date: 3/27/2026
Valid For: 30 Days From Quote Date

PlayArea_1

Product line: KidsChoice
Age group: 2-12_ASTM

Miracle 2 Bay Swing with tot seats, generation seat and belt **$6574.00**



PlayArea_4
Product line: KidsChoice
Age group: 5-12_ASTM

Part Number	Description	Qty	Weight	Unit Price	Total

4501	CONCERTO TALL CHIMES	1.00	130.00	6,498.00	6,498.00

4508	CONCERTO 5-CONGAS	1.00	80.00	4,819.00	4,819.00

PlayArea_8

714S734 **$112,838.00**
Product line: KidsChoice
Age group: 5-12_ASTM

TC7406

$24,562.20

Product line: TotsChoice
Age group: 2-5_ASTM

RiskSign_Included

Product line: Freestanding
Age group:

Components

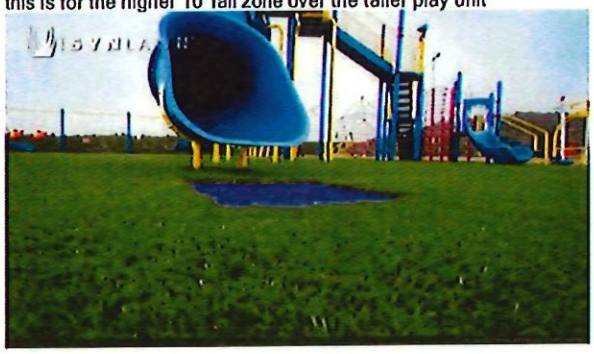
Part Number	Description	Qty	Weight	Unit Price	Total

787Z	RISK MANAGEMENT SIGN - ENGLISH (NO PRICE)	1.00	0.00	0.00	0.00

Additional Items

Part Number	Description	Qty	Weight	Unit Price	Total
105295	BAG ZIPLOCK 12" X 14" X 4MIL(OFFICE USE)	1.00	0.00	0.00	0.00
925961	THUMB DRIVE 2GB - MREC	1.00	0.00	0.00	0.00
926458	LABEL,GENERATION SWG, 2YR-12YR, MR	1.00	0.00	1.20	1.20
INSTALL BOOK	INSTALL BOOK FOR PP ORDERS	1.00	0.00	0.00	0.00

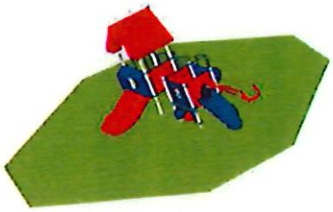
Parts By Other

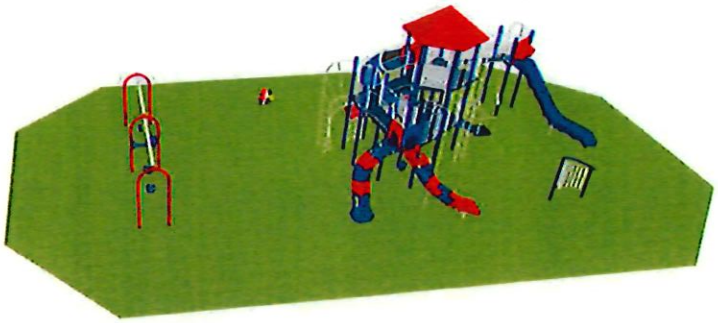
Part Number	Description	Qty	Weight	Unit Price	Total
SynLawn Q# 56147 large and small area tall structure	artificial turf for large and small area. 1" for small area and 3" for large area with 10' fall zone this is for the higher 10' fall zone over the taller play unit 	1	0.00	123,850.00	123,850.00

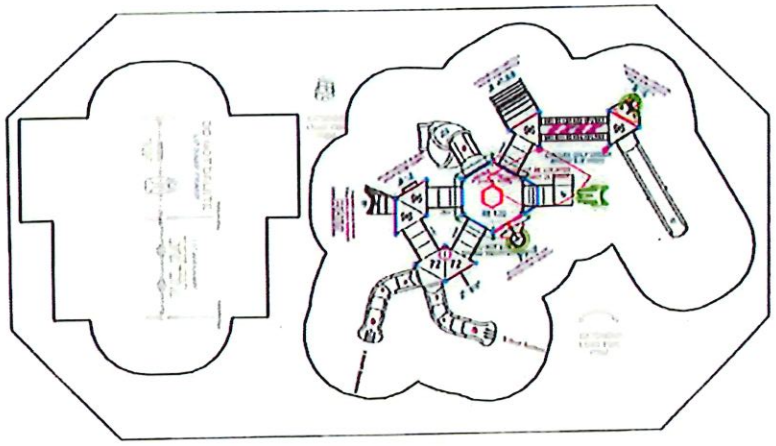
Totals:

Equipment Weight:	10,825.00 lbs
Equipment List:	$155,291.20
Discount Amount:	-$49,693.18
Equipment Price:	$105,598.02
Products Subtotal:	$105,598.02
Freight:	$4,599.00 Code: 11604
Installation:	$46,580.00
SubTotal:	$156,777.02
Estimated Sales Tax*:	$0.00
Products by Other:	$123,850.00
Grand Total:	**$280,627.02**

Notes: for colors as requested see below







This Quote shall not become a binding contract until signed and delivered by both Customer and Miracle Recreation Equipment Company ("Miracle"). Sales Representative is not authorized to sign this Quote on behalf of Miracle or Customer, and signed Quotes cannot be accepted from Sales Representative. To submit this offer, please sign below and forward a complete signed copy of this Quote directly to "Miracle Sales Administration" via fax (417) 235-3551 or email: orders@miraclerec.com. Upon acceptance, Miracle will return a fully-signed copy of the Quote to Customer (with copy to Sales Representative) via fax or email.

THIS QUOTE IS LIMITED TO AND GOVERNED BY THE TERMS CONTAINED HEREIN. Miracle objects to any other terms proposed by Customer, in writing or otherwise, as material alterations, and all such proposed terms shall be void. Customer authorizes Miracle to ship the Equipment and agrees to pay Miracle the total amount specified. Shipping terms are FOB the place of shipment via common carrier designated by Miracle. Payment terms are Net-30 days from invoice date with approved credit and all charges are due and payable in full at PO Box 734154, Dallas, TX 75373-4154, unless notified otherwise by Miracle in writing. Customer agrees to pay all additional service charges for past due invoices. Customer must provide proper tax exemption certificates to Miracle, and shall promptly pay and discharge all otherwise applicable taxes, license fees, levies and other impositions on the Equipment at its own expense. Purchase orders and payments should be made to the order of Miracle Recreation Equipment Company.

Quote Number: OE25010444 **Quote Date:** 3/27/2026 **Equipment:** $155,291.20 **Grand Total:** $280,627.02

CUSTOMER HEREBY SUBMITS ITS OFFER TO PURCHASE THE EQUIPMENT ACCORDING TO THE TERMS STATED IN THIS QUOTE AND SUBJECT TO FINAL APPROVAL BY MIRACLE.

Submitted By **Printed Name and Title** **Date**

THE FOREGOING QUOTE AND OFFER ARE HEREBY APPROVED AND ACCEPTED BY MIRACLE RECREATION EQUIPMENT

By: **Date:**

ADDITIONAL TERMS & CONDITIONS OF SALE

1. Use & Maintenance. Customer agrees to regularly inspect and maintain the Equipment, and to provide, inspect and maintain appropriate safety surfacing under and around the Equipment, in accordance with Miracle's product literature and the most current Consumer Product Safety Commission Handbook for Public Playground Safety.

2. Default, Remedies & Delinquency Charges. Customer's failure to pay any invoice when due, or its failure to otherwise comply with the terms of this Quote, shall constitute a default under all unsatisfied invoices ("Event of Default"). Upon an Event of Default, Miracle shall have all remedies available to it at law or equity, including, without limitation, all remedies afforded a secured creditor under the Uniform Commercial Code. Customer agrees to assist and cooperate with Miracle to accomplish its filing and enforcement of mechanic's or other liens with respect to the Equipment or its location or its repossession of the Equipment, and Customer expressly waives all rights to possess the Equipment after an Event of Default. All remedies are cumulative and not alternative, and no exercise by Miracle of a remedy will prohibit or waive the exercise of any other remedy. Customer shall pay all reasonable attorneys fees plus any costs of collection incurred by Miracle in enforcing its rights hereunder. Subject to any limitations under

law, Customer shall pay to Miracle as liquidated damages, and not as a penalty, an amount equal to 1.5% per month of any payment that is delinquent in such month and is not received by Miracle within ten (10) days after the date on which due.

3. Limitation of Warranty/ Indemnity. MIRACLE MAKES NO EQUIPMENT WARRANTIES EXCEPT FOR THOSE STANDARD WARRANTIES ISSUED WITH THE EQUIPMENT, WHICH ARE INCORPORATED HEREIN BY THIS REFERENCE. MIRACLE SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES. CUSTOMER AGREES TO DEFEND, INDEMNIFY AND SAVE MIRACLE HARMLESS FROM ALL CLAIMS OF ANY KIND FOR DAMAGES OF ANY KIND ARISING OUT OF CUSTOMERS ALTERATION OF THE EQUIPMENT, ITS FAILURE TO MAINTAIN THE EQUIPMENT, ITS FAILURE TO PROPERLY SUPERVISE EQUIPMENT USE, OR ITS FAILURE TO PROVIDE AND MAINTAIN APPROPRIATE TYPES AND DEPTHS OF SAFETY SURFACING BENEATH AND AROUND THE EQUIPMENT IN ACCORDANCE WITH MIRACLES INSTALLATION AND OWNERS MANUALS AND THE MOST CURRENT CONSUMER PRODUCT SAFETY COMMISSION HANDBOOK FOR PUBLIC PLAYGROUND SAFETY.

4. Restrictions. Until all amounts due hereunder are paid in full, Customer shall not: (i) permit the Equipment to be levied upon or attached under any legal process; (ii) transfer title to the Equipment or any of Customer's rights therein; or (iii) remove or permit the removal of the Equipment to any location not specified in this Quote.

5. Purchase Money Security Interest. Customer hereby grants, pledges and assigns to Miracle, and Miracle hereby reserves a purchase money security interest in, the Equipment in order to secure the payment and performance in full of all of Customer's obligations hereunder. Customer agrees that Miracle may file one or more financing statements, in order to allow it to perfect, acquire and maintain a superior security interest in the Equipment.

6. Choice of Law and Jurisdiction. All agreements between Customer and Miracle shall be interpreted, and the parties' obligations shall be governed, by the laws of the State of Missouri without reference to its choice of law provisions. Customer hereby consents to the personal jurisdiction of the state and federal courts located in the city and county of St. Louis, Missouri.

7. Title; Risk of Loss; Insurance. Miracle Retains full title to all Equipment until full payment is received by Miracle. Customer assumes all risk of loss or destruction of or damage to the Equipment by reason of theft, fire, water, or any other cause, and the occurrence of any such casualty shall not relieve the Customer from its obligations hereunder and under any invoices. Until all amounts due hereunder are paid in full, Customer shall insure the Equipment against all such losses and casualties.

8. Waiver; Invalidity. Miracle may waive a default hereunder, or under any invoice or other agreement between Customer and Miracle, or cure such a default at Customer's expense, but shall have no obligation to do either. No waiver shall be deemed to have taken place unless it is in writing, signed by Miracle. Any one waiver shall not constitute a waiver of other defaults or the same kind of default at another time, or a forfeiture of any rights provided to Miracle hereunder or under any invoice. The invalidity of any portion of this Quote shall not affect the force and effect of the remaining valid portions hereof.

9. Entire Agreement; Amendment; Binding Nature. This fully-executed Quote, as supplemented by Change Orders and invoices containing exact amounts of estimates provided herein, constitutes the complete and exclusive agreement between the parties. A Change Order is a written instrument signed by the Customer and Miracle stating their agreement as to any amendment in the terms of this Quote. Customer acknowledges that Change Orders may result in delays and additional costs. The parties agree that all Change Orders shall include appropriate adjustments in price and time frames relating to any requested amendments. Upon full execution, this Quote shall be binding upon and inure to the benefit of the parties and their successors and assigns.

10. Counterparts; Electronic Transmission. This Quote, any invoice, and any other agreement between the parties, may be executed in counterparts, each of which shall constitute an original. The facsimile or other electronic transmission of any signed original document and retransmission of any signed facsimile or other electronic transmission shall be the same as the transmission of an original. At the request of either party, the parties will confirm facsimile or other electronically transmitted signatures by signing an original document.

Rev E 021815

Miracle

B&PW - Synthetic Grass - MOD 1

$266,674.22

Miracle

Miracle Recreation Equip. Co.
878 E. US Hwy 60
Monett, MO 65708
1-888-458-2752

QUOTE: OE26005340
CUSTOMER: 7747A03
PROJECT: 25011749
DESIGN NAME: MOD 1

Prepared For:

SEALY, CITY OF
415 MAIN STREET
SEALY, TX 77474
409-885-3511 Ext. (phone)

Project Name & Location:

B&PW new

Prepared by:

MAY RECREATION EQUIPMENT & DESIGN LP
Matt Wanner
3 SUNSPREE PLACE
THE WOODLANDS, TX 77382
281-363-1908 (phone)

Ship To Address:

Matt Wanner
Reliant Installations, Inc.
2144 Farm to Market 359
Brookshire, TX 77423, USA
(713) 725-9332 (phone)

End User:

Brooke Kaiser
City of Sealy
405 Main Street
Sealy, TX 77474, USA
+19796276115 (phone)
bkaiser@ci.sealy.tx.us

Quote Number: OE26005340
Quote Date: 3/17/2026
Valid For: 30 Days From Quote Date

PlayArea_1

Product line: KidsChoice
Age group: 2-12_ASTM

Components

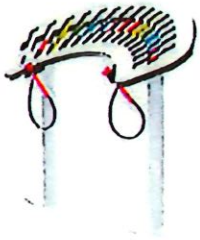
Part Number	Description	Qty	Weight	Unit Price	Total
2740	SWG PART THERAPEUTIC SWG SEAT W/CHAIN (8' TR)	1.00	135.00	1,680.00	1,680.00

2760	SWG PART GENERATION SWG SEAT W/CHAIN	1.00	30.00	1,371.00	1,371.00

2840	SWG PART	2.00	10.00	168.00	336.00

4501	SLASH PROOF SEAT W/CHAIN (8' TR) CONCERTO TALL CHIMES	1.00	130.00	6,498.00	6,498.00

4502	CONCERTO VIBES	1.00	135.00	6,480.00	6,480.00

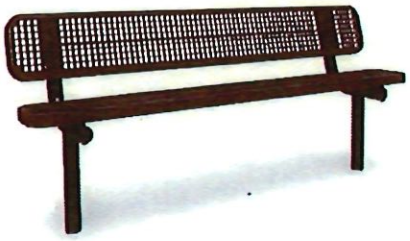


4508	CONCERTO 5-CONGAS	1.00	80.00	4,819.00	4,819.00

46852	EXPLORATION BENCH - CLOCK	1.00	200.00	4,550.00	4,550.00

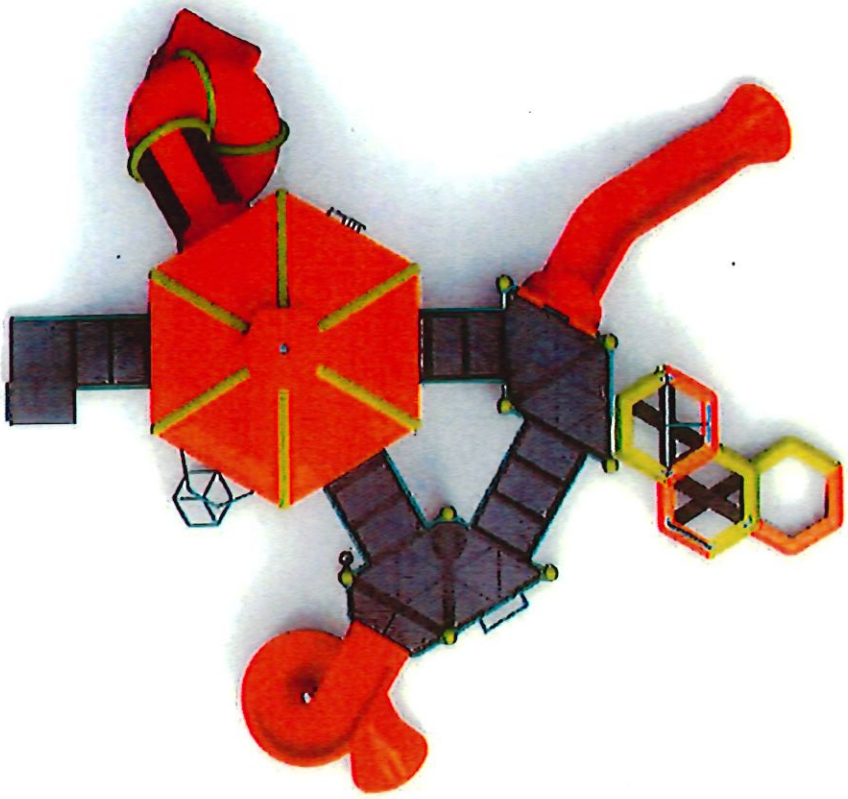
4686	FLEXCONNECT SEAT	1.00	120.00	3,550.00	3,550.00

925920Z	TOUCH UP PAINT KIT - FREESTANDING (NO PRICE)	1.00	0.00	0.00	0.00
MR0930	3.5" ARCH SWING- (2 SEAT REQ'D)	1.00	286.00	2,822.00	2,822.00
MR0932	3.5" ARCH SWG- ADD-A-BAY (2 ST REQ'D)	1.00	179.00	1,694.00	1,694.00
MRSG306D	BENCH W/BACK 6' DIAMOND SM	4.00	107.00	630.00	2,520.00



714S728J

Product line: KidsChoice
Age group: 5-12_ASTM



free freight for this item
SALE - KIDS CHOICE MT DECK SYSTEM

714S728J

1.00 7,955.00 102,924.00

3/17/2026
QUOTE: OE26005340

RiskSign_Included

Product line: Freestanding
Age group:

Components

Part Number	Description	Qty	Weight	Unit Price	Total
787Z	RISK MANAGEMENT SIGN - ENGLISH (NO PRICE)	1.00	0.00	0.00	0.00

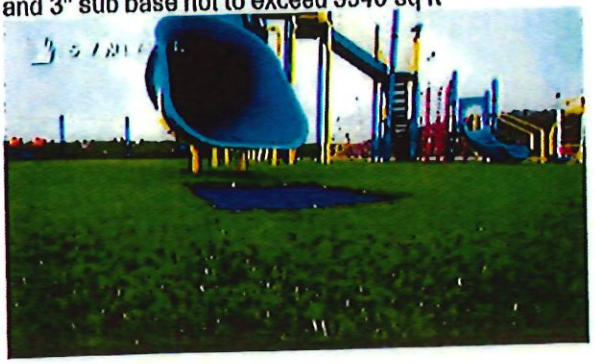
Additional Items

Part Number	Description	Qty	Weight	Unit Price	Total
105295	BAG ZIPLOCK 12" X 14" X 4MIL(OFFICE USE)	1.00	0.00	0.00	0.00
925961	THUMB DRIVE 2GB - MREC	1.00	0.00	0.00	0.00
926458	LABEL,GENERATION SWG, 2YR-12YR, MR	1.00	0.00	1.20	1.20
INSTALL BOOK	INSTALL BOOK FOR PP ORDERS	1.00	0.00	0.00	0.00

Parts By Other

Part Number	Description	Qty	Weight	Unit Price	Total
Century 10069	1200 sq ft concrete for 5' walkway perimeter 4" thick broom finish Century Concrete	1	0.00	13,900.00	13,900.00

synlawn # 58985	Artificial Turf surfacing with playground cushioning and 3" sub base not to exceed 3540 sq ft	1	0.00	78,800.00	78,800.00



Totals:

Equipment Weight:	9,698.00 lbs
Equipment List:	$136,994.20
Discount Amount:	-$37,844.00
Equipment Price:	$99,150.20
Products Subtotal:	$101,170.20
Freight:	$754.02 Code: Needed
Installation:	$43,700.00
SubTotal:	$145,624.22
Estimated Sales Tax*:	$0.00
Parts by Other:	$92,700.00
Grand Total:	$238,324.22

Notes:

Additional option for 3 single post cantilever shades 12'x12'x8' eave height to go over benches:

3 each Installed: $28,350.00
Total with Cantilevered shades: $266,674.22

This Quote shall not become a binding contract until signed and delivered by both Customer and Miracle Recreation Equipment Company ("Miracle"). Sales Representative is not authorized to sign this Quote on behalf of Miracle or Customer, and signed Quotes cannot be accepted from Sales Representative. To submit this offer, please sign below and forward a complete signed copy of this Quote directly to "Miracle Sales Administration" via fax (417) 235-3551 or email: orders@miraclerec.com. Upon acceptance, Miracle will return a fully-signed copy of the Quote to Customer (with copy to Sales Representative) via fax or email.

THIS QUOTE IS LIMITED TO AND GOVERNED BY THE TERMS CONTAINED HEREIN. Miracle objects to any other terms proposed by Customer, in writing or otherwise, as material alterations, and all such proposed terms shall be void. Customer authorizes Miracle to ship the Equipment and agrees to pay Miracle the total amount specified. Shipping terms are FOB the place of shipment via common carrier designated by Miracle. Payment terms are Net-30 days from invoice date with approved credit and all charges are due and payable in full at PO Box 734154, Dallas, TX 75373-4154, unless notified otherwise by Miracle in writing. Customer agrees to pay all additional service charges for past due invoices. Customer must provide proper tax exemption certificates to Miracle, and shall promptly pay and discharge all otherwise applicable taxes, license fees, levies and other impositions on the Equipment at its own expense. Purchase orders and payments should be made to the order of Miracle Recreation Equipment Company.

Quote Number: OE26005340 **Quote Date:** 3/17/2026 **Equipment:** $105,850.20 **Grand Total:** $238,324.22

CUSTOMER HEREBY SUBMITS ITS OFFER TO PURCHASE THE EQUIPMENT ACCORDING TO THE TERMS STATED IN THIS QUOTE AND SUBJECT TO FINAL APPROVAL BY MIRACLE.

Submitted By **Printed Name and Title** **Date**

THE FOREGOING QUOTE AND OFFER ARE HEREBY APPROVED AND ACCEPTED BY MIRACLE RECREATION EQUIPMENT

By: Date:

ADDITIONAL TERMS & CONDITIONS OF SALE

1. Use & Maintenance. Customer agrees to regularly inspect and maintain the Equipment, and to provide, inspect and maintain appropriate safety surfacing under and around the Equipment, in accordance with Miracle's product literature and the most current Consumer Product Safety Commission Handbook for Public Playground Safety.

2. Default, Remedies & Delinquency Charges. Customer's failure to pay any invoice when due, or its failure to otherwise comply with the terms of this Quote, shall constitute a default under all unsatisfied invoices ("Event of Default"). Upon an Event of Default, Miracle shall have all remedies available to it at law or equity, including, without limitation, all remedies afforded a secured creditor under the Uniform Commercial Code. Customer agrees to assist and cooperate with Miracle to accomplish its filing and enforcement of mechanic's or other liens with respect to the Equipment or its location or its repossession of the Equipment, and Customer expressly waives all rights to possess the Equipment after an Event of Default. All remedies are cumulative and not alternative, and no exercise by Miracle of a remedy will prohibit or waive the exercise of any other remedy. Customer shall pay all reasonable attorneys fees plus any costs of collection incurred by Miracle in enforcing its rights hereunder. Subject to any limitations under law, Customer shall pay to Miracle as liquidated damages, and not as a penalty, an amount equal to 1.5% per month of any payment that is delinquent in such month and is not received by Miracle within ten (10) days after the date on which due.

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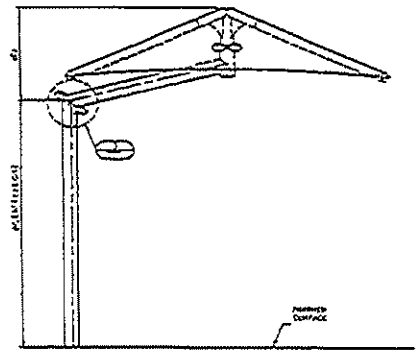
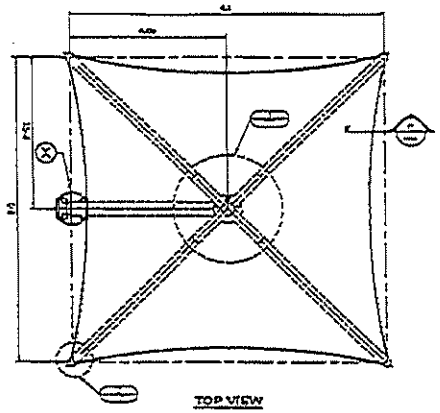
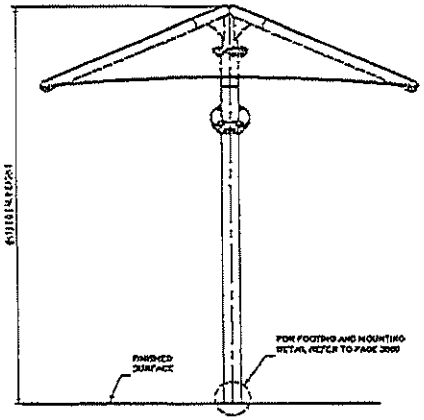
CUSTOMER NAME:	City of Sealy
PROJECT NAME:	P&BW park canti
LOCATION:	sealy TX
CONFIGURATION #:	Q-123610



FRONT ELEVATION



TOP VIEW



SIDE ELEVATION

GENERAL NOTES

DESIGN LOADS

BUILDING CODE	INTERNATIONAL BUILDING CODE 2018
LIVE LOADS	5 PSF
SNOW LOAD	5 PSF
WIND LOADS	115 MPH*
	3-Sec. Gust, RISK CATEGORY II & EXPOSURE C

* 115 MPH ACCORDING TO THE BASIC WIND SPEED MAPS OF ASCE 7-16 IS EQUIVALENT TO THE ALLOWABLE STRESS DESIGN WIND SPEED OF 90 MPH ACCORDING TO ASCE 7-05 AND IBC 2018 EQ 16-33.

ESTIMATED STEEL WEIGHT

Total Structure Weight	675.95 lbs
Single Column Weight	120.5 lbs
Total Upper Frame Weight	555.5 lbs
Steel Sizes	HSS 05.00 SCH 40 (5.563 x 0.258)

TABLE OF DIMENSIONS

W	L	H	C	HT	CL	RL
12' 0"	12' 0"	8' 0"	3' 6"	11' 6"	0'-4"	7' 10"

USASHADE

CORPORATE HEADQUARTERS
2580 Esters Blvd, Ste 100
DFW Airport, TX 75261
800-966-5005

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- NOT FOR CONSTRUCTION OR PERMITS
- DUE TO REPRODUCTION, ACTUAL COLORS MAY DIFFER FROM REPRESENTATION

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CUSTOMER NAME:	City of Sealy
PROJECT NAME:	P&BW park canti
LOCATION:	sealy TX
CONFIGURATION #:	Q-123610

REINFORCED CONCRETE NOTES

1. CONCRETE WORK SHALL BE EXECUTED IN ACCORDANCE WITH THE LATEST EDITION OF THE AMERICAN CONCRETE INSTITUTE SPECIFICATION FOR STRUCTURAL CONCRETE ACI 301 AND BUILDING CODE ACI 318. CONCRETE SPECIFICATIONS SHALL BE AS FOLLOWS:
   - 28 DAY STRENGTH: 2500 PSI
   - SLUMP: 3-5
   - PORTLAND CEMENT SHALL CONFORM TO C-150
   - AGGREGATE SHALL CONFORM TO ASTM C-33
2. ALL REINFORCEMENT STEEL SHALL CONFORM TO ASTM A-615 GRADE 60; AND SHALL BE DETAILED, FABRICATED AND PLACED IN ACCORDANCE WITH THE LATEST ACI SPECIFICATION FOR STRUCTURAL CONCRETE ACI 301, ACI DETAILING MANUAL AND CRSI MANUAL OF STANDARD PRACTICE.
3. ALL ANCHOR BOLTS SET IN NEW CONCRETE (WHEN APPLICABLE) SHALL COMPLY WITH ASTM F-1554 GRADE 55 (GALVANIZED).
4. ALL NON-SHRINK GROUT SHALL HAVE A MINIMUM 28 DAYS COMPRESSIVE STRENGTH OF 5000 PSI, AND SHALL COMPLY THE REQUIREMENTS OF ASTM C109, ASTM C939, ASTM C1090, ASTM C1107, WHEN APPLICABLE.
5. SOIL PARAMETERS FOR FOOTING ANALYSIS: TABLE 1806.2, CLASS : 5 - 1500(PSF)
6. FOR SPREAD FOOTING, EDGE OF COLUMN OR ANCHOR BOLTS MUST BE SET AT LEAST 12" FROM THE EDGE OF SPREAD FOOTING EDGE.
7. SPREAD FOOTING ALLOWED TO BE ROTATED AS REQUIRED.
8. ANCHOR ROD Sets,7/8"x24" F1554 GR55, Qty 4

TABLE FOR NON-CONSTRAINED DRILLED PIER FOOTING

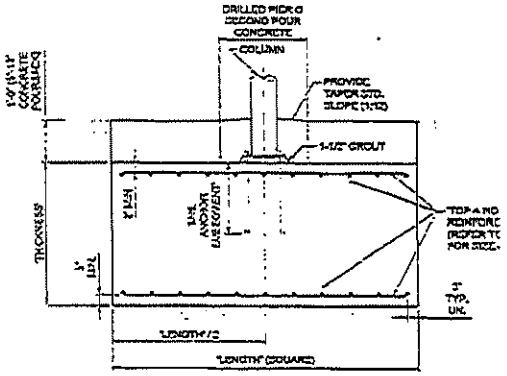
DIAMETER	DEPTH	VERTICAL REBAR		TIES			MIN. COLUMN EMBEDMENT (EMBED)	MIN. ANCHOR EMBEDMENT (RECESS. & SURFACE)
(FT)	(FT)	QTY.	SIZE	QTY.	D LOOP (FT)	SIZE	(IN)	(IN)
2.00	6.00	8.00	#8	10	1.50	#4	36	19

TABLE FOR SPREAD FOOTING

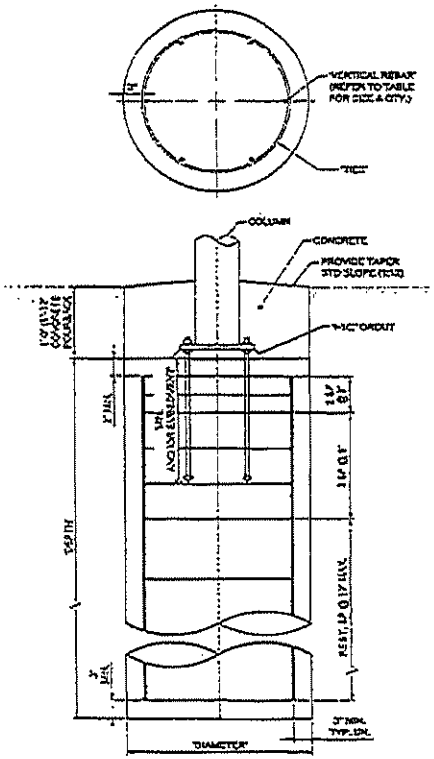
LENGTH	THICKNESS	TOP AND BOTTOM REINFORCEMENT					MIN. COLUMN EMBEDMENT (EMBED)	MIN. ANCHOR EMBEDMENT (RECESS. & SURFACE)
(FT)	(FT)	QTY.	SIZE		SPACING (IN)		(IN)	(IN)
5.00	3.00	7	#5	@	9.00	O.C.E.W.	33	19

NOT FOR CONSTRUCTION OR PERMITS

NOTE: ADDITIONAL INSTALLATION COSTS FOR SPREAD FOOTING



SPREAD FOOTING TYPE
RECESSED BASE PLATE
SCHEMATIC VIEW ONLY
REFER TO TABLE FOR VARIABLE DIMENSIONS



DRILLED PIER FOOTING TYPE
RECESSED BASE PLATE
SCHEMATIC VIEW ONLY
REFER TO TABLE FOR VARIABLE DIMENSIONS & QTY.

USASHADE

CORPORATE HEADQUARTERS
2580 Esters Blvd. Ste 100
DFW Airport, TX 75261
800-966-5005

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ITEM #3

AGENDA ITEM NO: _____

SUBMITTED BY: Mike Barrow, Assistant City Manager
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Discussion and Possible Action regarding Strand Change Order for Westview Terrace Drive Storm Sewer Improvements.

ANALYSIS

The change order is primarily associated with additional asphalt work would involve repaving Sunset Avenue curb-to-curb along the entire project length once all construction activities within the asphalt pavement are completed. Portions of Sunset Avenue were damaged during construction, and the contractor will be responsible for repairing those areas. However, limiting the work to only the damaged sections would likely result in a patchwork or "checkerboard" appearance. To provide a uniform finished surface and improve the overall roadway condition, staff recommends replacing the asphalt pavement curb-to-curb along the full length of Sunset.

This change order will also eliminate the bollard and chain fence previously approved for installation in the median along Westview Terrace Drive, and it serves to clean up quantities of project supplies consistent with the actual quantity used.

RECOMMENDATION

The Public Works Director recommends approval of the Change Order No. 1.

FINANCIAL IMPACTS

This is an overall negative change to the cost of the project in the amount of (- $278,660.65), bringing the construction cost from $3,792,465.50 to $3,513,804.85, plus the engineering fees of $475K.

STRAND ASSOCIATES®
Excellence in Engineering℠

Strand Associates, Inc.®
1906 Niebuhr Street
Brenham, TX 77833
(P) 979.836.7937
www.strand.com

March 26, 2026

CHANGE ORDER NO. No. 1

PROJECT:	Westview Terrace Drive Storm Sewer Improvements–Rebid
OWNER:	City of Sealy, Texas
CONTRACT:	2-2024R
CONTRACTOR:	Vera Industries, LLC

Description of Change

1a	Increase the quantity of Bid Item No. 7 "Remove and Dispose of 24-IN RCP" by 16 linear feet (LF) from 605 LF to 621 LF at $7.00 per LF.	ADD	$112.00
1b	Increase the quantity of Bid Item No. 14 "Remove and Dispose of Existing Concrete Street or Driveway" by 56 square yards (SY) from 690 SY to 746 SY at $9.50 per SY.	ADD	$532.00
1c	Decrease the quantity of Bid Item No. 18 "Perform Water Main Lowering" by 3 each (EA) from 6 EA to 3 EA at $1,217.00 EA.	(DEDUCT)	($3,651.00)
1d	Increase the quantity of Bid Item No. 24 "Remove and Dispose of 6-IN AC Water line and Install 6-IN AWWA C-900 DR18 PVC Water Line" by 23 LF from 310 LF to 333 LF at $33.50 per LF.	ADD	$770.50
1e	Increase the quantity of Bid Item No. 25 "6-IN Gate Valve and Box" by 2 EA from 2 EA to 4 EA at $2,171.00 per EA.	ADD	$4,342.00
1f	Increase the quantity of Bid Item No. 26 "Concrete Pavement Repair" by 306 SY from 680 SY to 986 SY at $80.00 per SY.	ADD	$24,480.00
1g	Increase the quantity of Bid Item No. 29 "Reinforced Concrete Valley Gutter" by 24 SY from 36 SY to 60 SY at $100.00 per SY.	ADD	$2,400.00
1h	Decrease the quantity of Bid Item No. 46 "3-FT-8-IN by 7-FT Junction Box" by 1 EA from 2 EA to 1 EA at $18,340.50 EA.	(DEDUCT)	($18,340.50)
1i	Decrease the quantity of Bid Item No. 47 "4-FT by 4-FT Junction Box W/RC Lid" by 1 EA from 3 EA to 2 EA at $4,898.50 EA.	(DEDUCT)	($4,898.50)
1j	Decrease the quantity of Bid Item No. 37 "24-IN RCP Class III Storm Sewer" by 137 LF from 570 LF to 433 LF at $97.00 per LF.	(DEDUCT)	($13,289.00)

1k	Decrease the quantity of Bid Item No. 64 "Bollard W/Chain, Powder Coated, Black" by 1,540 LF from 1,540 LF to 0 LF at $252.50 per LF.	(DEDUCT)	($388,850.00)
1l	Add 1 EA "Supply and Deliver to owner 3-FT-8-IN by 7-FT Junction Box" at a rate of $7,085.74 EA to the application for payment template.	ADD	$7,085.74
1m	Add 1 EA "Supply and Deliver to owner 4-FT by 4-FT Junction Box W/RC Lid" at a rate of $3,302.60 EA to the application for payment template.	ADD	$3,302.60
1n	Add 1 EA "Tie existing 12" HDPE pipe into new 60-IN RCP" at a rate of $5,373.51 EA to the application for payment template.	ADD	$5,373.51
1o	Add 2,700 SY "Remove and dispose of existing asphalt pavement" at a rate of $6.50 per SY to the application for payment template.	ADD	$17,550.00
1p	Add 2,700 SY "Hot Mix Asphaltic Concrete Pavement, Type D" at a rate of $33.00 per SY to the application for payment template.	ADD	$89,100.00
1q	Change the unit price of "Reinforced Concrete Sidewalk, 4-IN" from a rate of $97.50 per SF to $35.10 per SF to the application for payment template.	(DEDUCT)	($4,680.00)
TOTAL VALUE OF THIS CHANGE ORDER:		(DEDUCT)	($278,660.65)

Contract Price Adjustment

Original Contract Price	$3,792,465.50
Previous Change Order Adjustments	$0.00
Adjustment in Contract Price this Change Order	($278,660.65)
Current Contract Price including this Change Order	$3,513,804.85

Contract Substantial Completion Date Adjustment

Original Contract Substantial Completion Date	April 11, 2026
Contract Substantial Completion Date Adjustments due to previous Change Orders	0 Days
Contract Substantial Completion Date Adjustments due to this Change Order	0 Days
Current Substantial Contract Completion Dates including all Change Orders	April 11, 2026

Contract Final Completion Date Adjustment

Original Contract Final Completion Date	April 11, 2026
Contract Final Completion Date Adjustments due to previous Change Orders	0 Days
Contract Final Completion Date Adjustments due to this Change Order	0 Days
Current Final Contract Completion Dates including all Change Orders	April 11, 2026

This document shall become a supplement to the Contract and all provisions will apply hereto.

RECOMMENDED

DRAFT _____

ENGINEER–Strand Associates, Inc.® Date

APPROVED

DRAFT _____

CONTRACTOR–Vera Industries, LLC Date

APPROVED

DRAFT _____

OWNER–City of Sealy, Texas Date

ITEM #4

SEALY EDC BOARD AGENDA ITEM NO: 4 Discussion and Possible Action regarding Approving the SEDC Board's Proposed Changes to the Design of the Liedertafel Improvement Project pursuant to the Texas Local Government Code 505.152.

MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

At the March 24, 2026, Sealy Economic Development Corporation Board meeting, the Board considered the Liedertafel Hall project as part of the broader Phase II discussion. During that discussion, a Board member expressed concern regarding the proposed location of the storage addition on the south side of the building because of its visibility from Peschel Road and Lux Road. The Board had a thoughtful discussion on this matter and requested that the architect evaluate whether the storage addition could instead be located on the rear or west side of the building and provide information regarding feasibility and cost. The item was then tabled pending the architect's response.

ANALYSIS

On March 27, 2026, the architect completed a cursory review regarding the feasibility of relocating the storage addition to the west side of the building, confirming it can be done. He also provided a recommendation and related change order for carrying out the proposed revised design work in the amount of $10,750.00. This would include the revision of the architectural plan set, relocation of the storage addition, MEP plans, and combining the current two phases into a single coordinated plan set. This being a city-owned facility, the Board is seeking your approval of the proposed change.

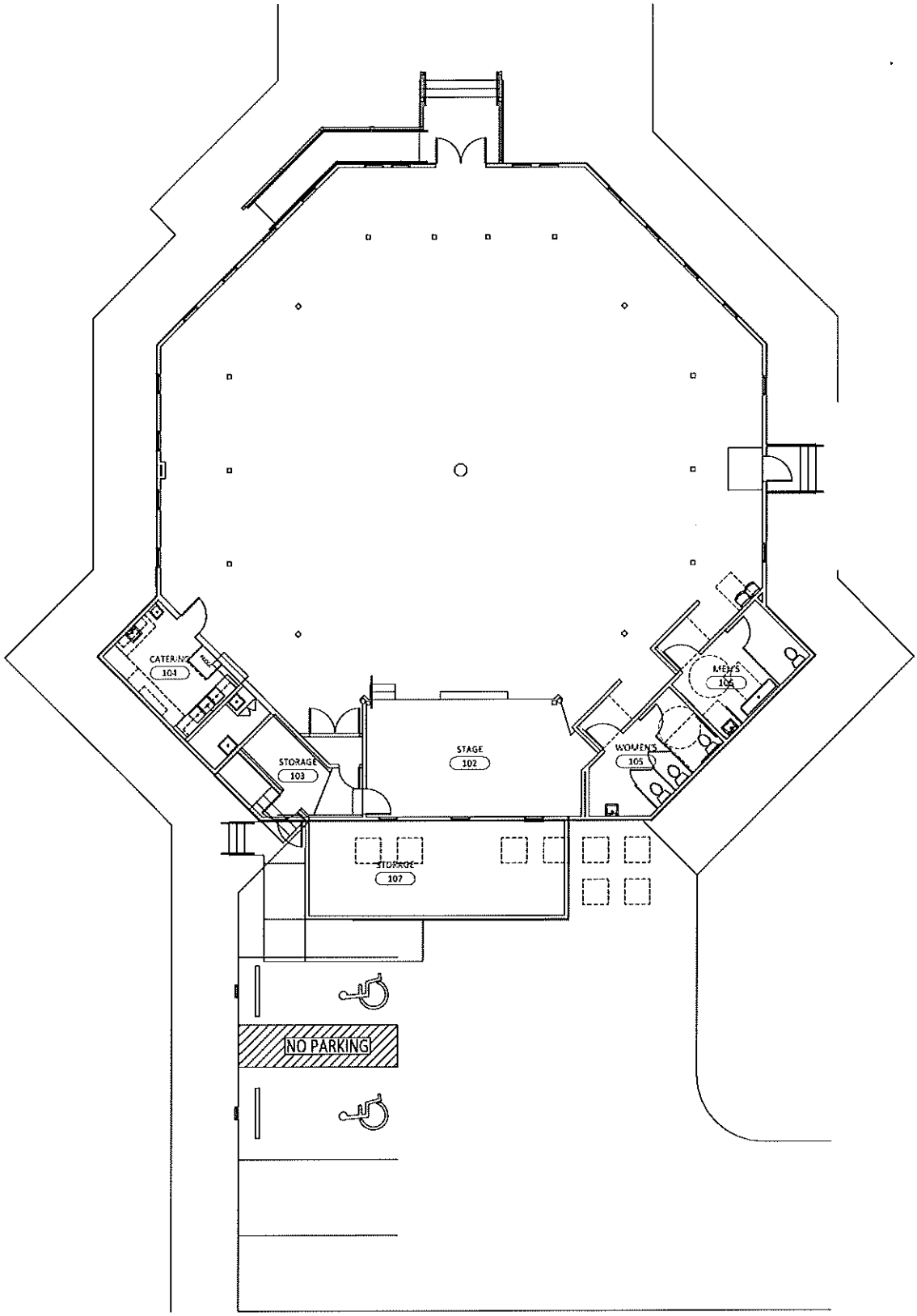
If approved, the recommended next step is for the SEDC Board to consider the architect's recommended changes and the drafting of the new plan sets. If approved, the related $10,750.00 change order to be funded by the Sealy Economic Development Corporation will be presented to them at its meeting on April 14th for consideration.

FINANCIAL IMPACT

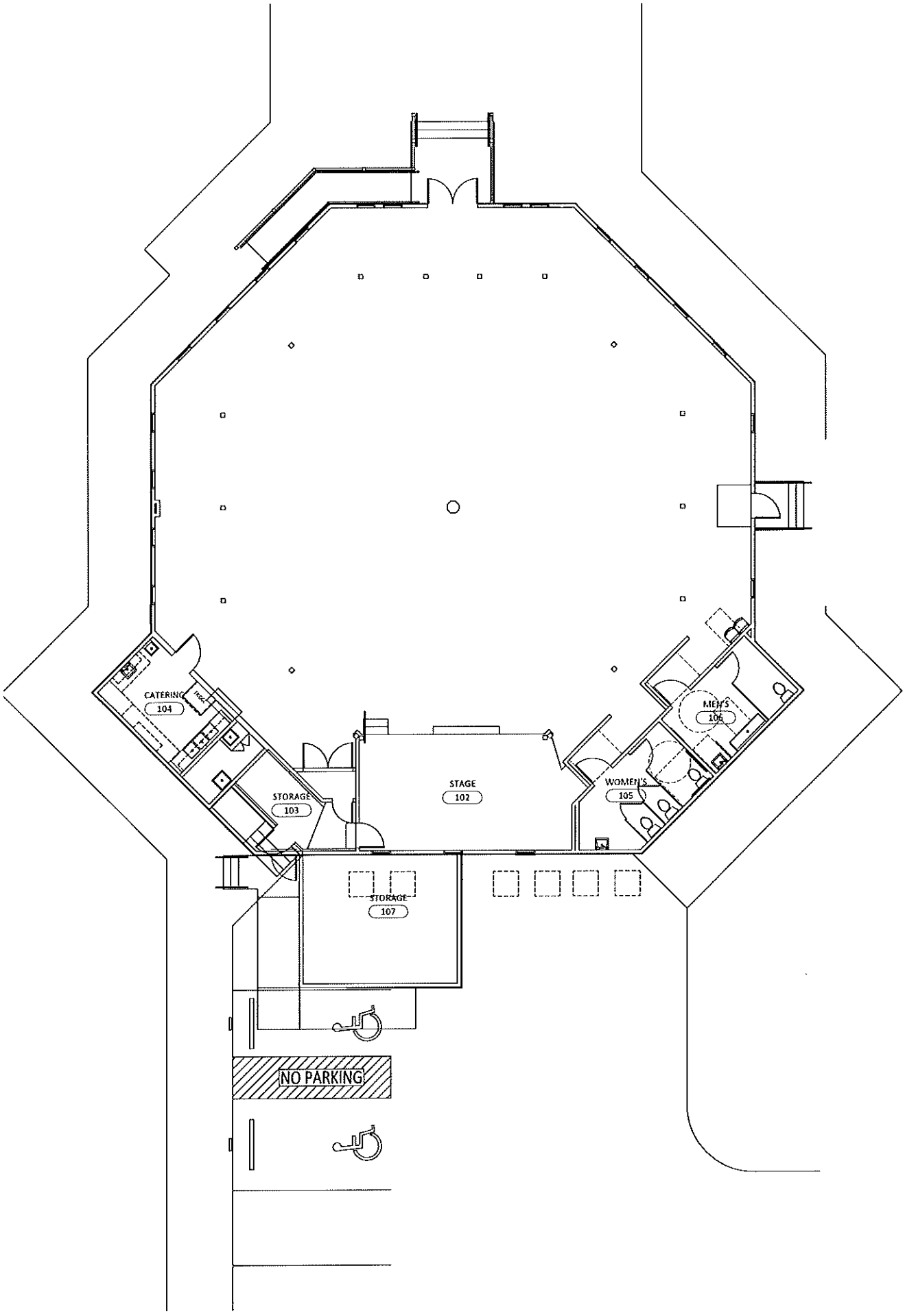
Staff has confirmed that the proposed revised design work can be funded within the existing FY 2025–2026 architectural line item. The architectural budget is $35,000.00. After prior expenditures of $8,995.00 and $8,995.00, the remaining balance is $17,010.00. If the proposed $10,750.00 change order is approved, approximately $6,260.00 would remain in the architectural line item.

RECOMMENDATION

The EDC Board recommends the City Council's approval regarding the Proposed Changes to the Design of the Liedertafel Improvement Project pursuant to the Texas Local Government Code 505.152.



studio M6
ARCHITECTS



studio M6
ARCHITECTS

ITEM #5

AGENDA ITEM NO: _____

SUBMITTED BY: Mike Barrow, Assistant City Manager
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Discussion and Possible Action regarding Approving a Resolution to the Updated City Limits and Extraterritorial Jurisdiction (ETJ) Map.

ANALYSIS

The last official update of City Limits and Extraterritorial Jurisdiction Map was in 2019. With numerous nonannexation agreements expiring in the west and north, these have been included. The nonannexation agreements essentially annexed tracts of land in 2012 and 2013 but not made official for city limits purposes and appraisal district purposes until those agreements expired or the use was changed or a structure was constructed on the property. We did have a couple of tracts disannex last year in the north, as approved by city council, and since 2019, we've had the new subdivisions of Dove Landing, Westward Pointe, and Cane Crossing annex into the City, including Harrison Road abutting Westward Pointe and Rexville Road abutting Cane Crossing.

RECOMMENDATION

I recommend approval of the Resolution for the updated map of City Limits and Extraterritorial Jurisdiction for City of Sealy, Texas and the Exhibits A and B which provide an aerial view and street view of city limits and extraterritorial jurisdiction boundaries.

FINANCIAL IMPACTS

NA

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SEALY, TEXAS, ADOPTING A CITY LIMITS BOUNDARY AND EXTRATERRITORIAL JURISDICTION MAP.

* * * * * * * * * *

WHEREAS, the City Planning Director provided annexations, expired nonannexation agreements, and disannexation documents to the City Engineer, Strand Associates for Strand Associates to provide updates to the map of the City Limits and Extraterritorial Jurisdiction for City of Sealy, Texas;

WHEREAS, the City Planning Director has reviewed the map updates provided by Strand Associates and concludes that all required updates are included in the map of the City Limits and Extraterritorial Jurisdiction for City of Sealy, Texas; and

WHEREAS, the City Council for the City of Sealy, Texas, reviewed the proposed map of the City Limits and Extraterritorial Jurisdiction for City of Sealy, Texas depicting the city limit boundaries as well as the extra-territorial jurisdiction areas of the City of Sealy;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS:

Section 1. The Sealy City Council hereby approves said map of the City Limits and Extraterritorial Jurisdiction for the City of Sealy, Texas as created by Strand Associates and presented by the Planning Director which is attached hereto as Exhibit A and Exhibit B and incorporated herein for all purposes.

Section 2. *Effective Date.* This Resolution shall become effective immediately upon passage.

PASSED and **APPROVED** this the _____ day of April, 2026.

_____
Carolyn Bilski, Mayor

ATTEST:

_____
Sandra Vrablec, City Secretary

Path: S:\BRE\3900-3999\3903\060\Drawings\GIS\Maps\Sealy ETJ and City Limits.aprx User: blakef Date: 3/11/2026 Time: 1:08 PM

CITY LIMITS AND EXTRATERRITORIAL JURISDICTION FOR CITY OF SEALY, TEXAS

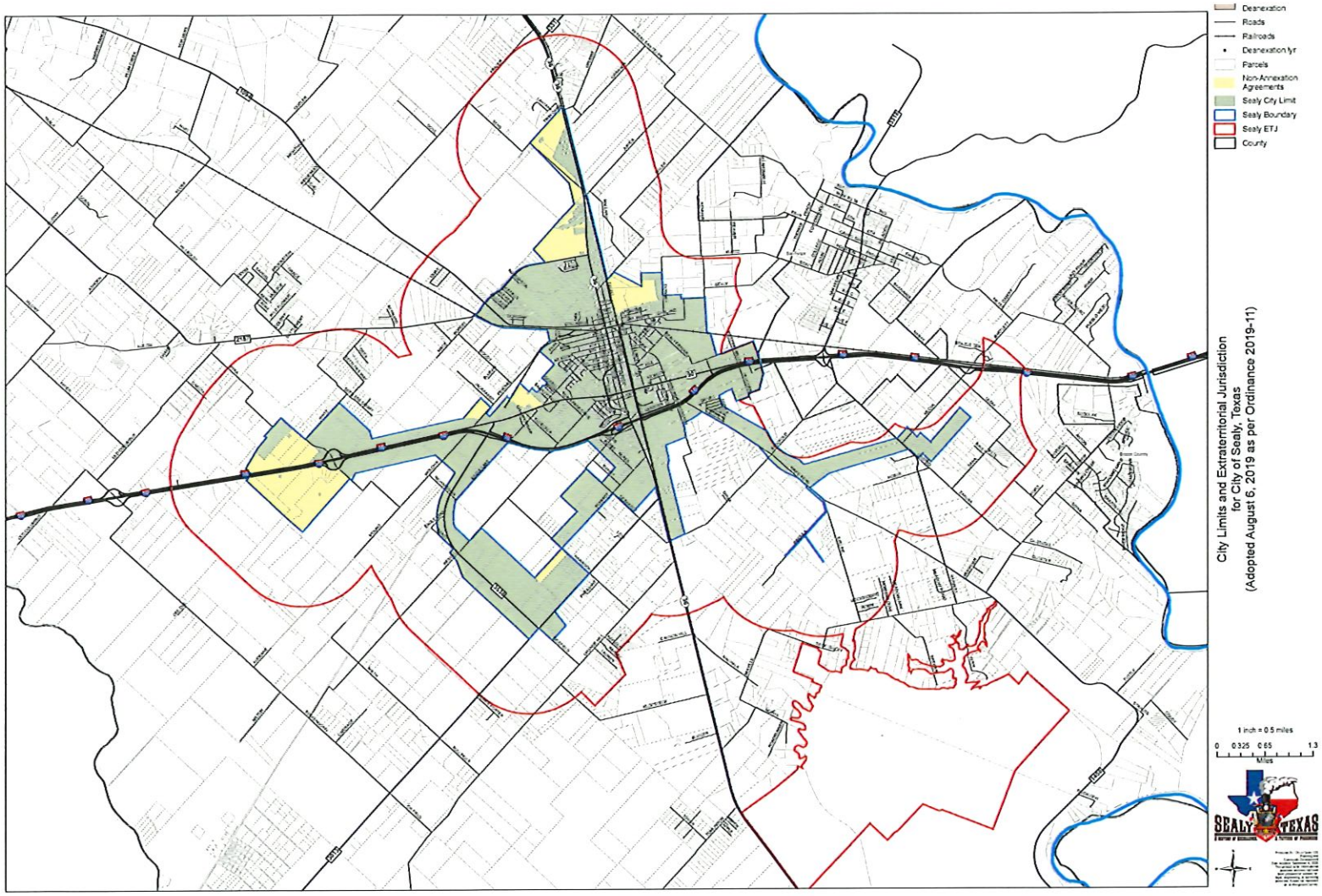
CITY OF SEALY
AUSTIN COUNTY, TEXAS

Exhibit A

APPROVED BY RESOLUTION
04.07.26

STRAND ASSOCIATES®

3903.080


Deannexation
Roads
Railroads
Deannexation Yr
Parcels
Non-Annexation Agreements
Sealy City Limit
Sealy Boundary
Sealy ETJ
County
City Limits and Extraterritorial Jurisdiction
for City of Sealy, Texas
(Adopted August 6, 2019 as per Ordinance 2019-11)
1 inch = 0.5 miles
0 0.325 0.65 1.3
Miles
SEALY TEXAS

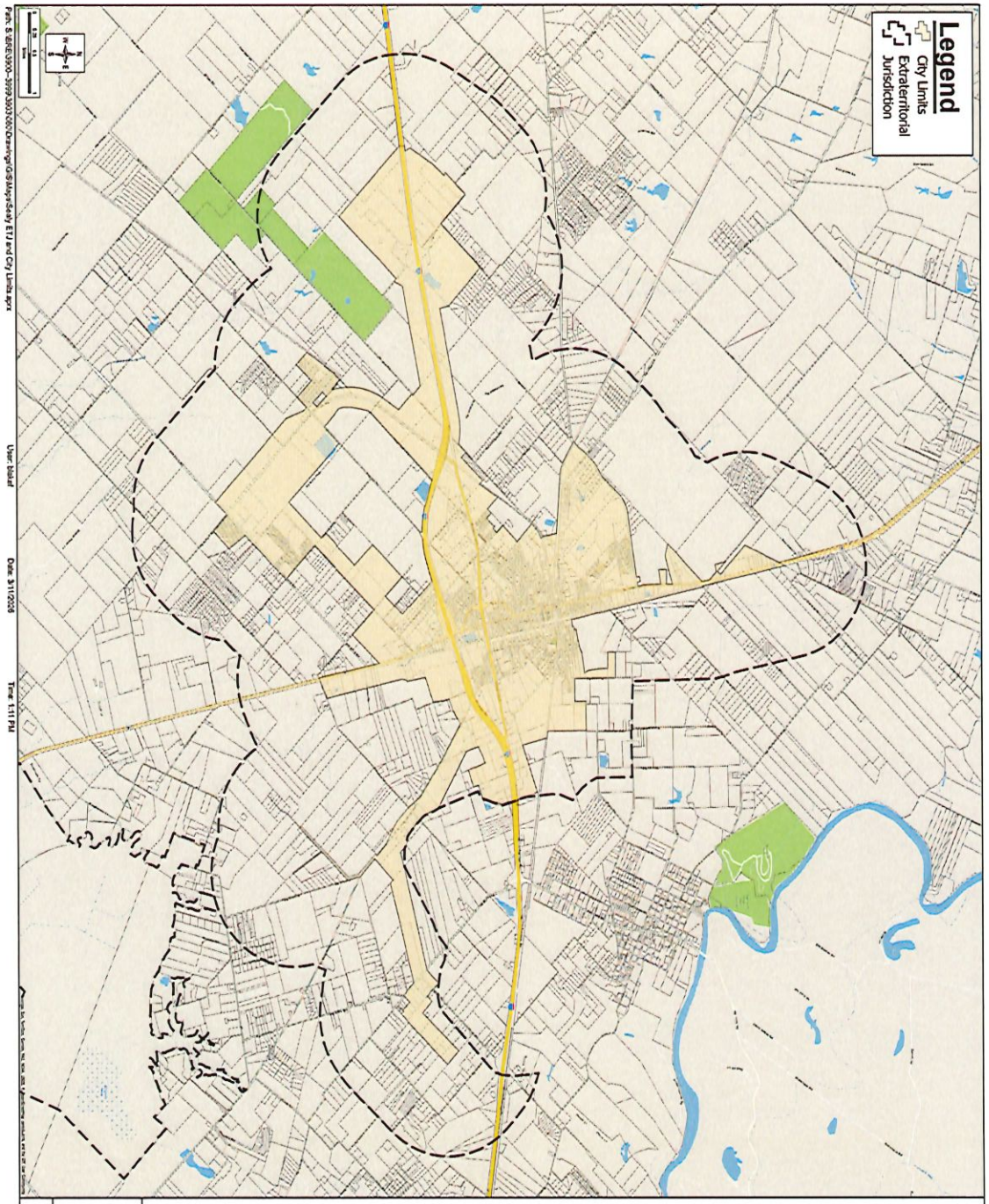


Exhibit B

APPROVED BY RESOLUTION
04.07.26

CITY LIMITS AND EXTRATERRITORIAL JURISDICTION FOR CITY OF SEALY, TEXAS

CITY OF SEALY
AUSTIN COUNTY, TEXAS

STRAND ASSOCIATES

3903.080

ITEM #6

STAFF REPORT

Meeting Date: April 7, 2026

Agenda Item No. - Discussion and Possible Action regarding to Approve a Coating for the Ward Bend Lift Station Wet Well.

Prepared by:

SUMMARY:

The Ward Bend Lift Station was constructed in 2000. The concrete walls are degrading due to hydrogen sulfide gas in the wastewater.

City staff recommends coating the inner walls and floor with SpectraShield to seal and protect the concrete prevent inflow and infiltration.

FINANCIAL IMPACT:

$160,000 total was budgeted for the Ward Bend Rehab
Estimated coating is $11,553.44.

RECOMMENDATION:

I recommend authorizing City Staff to move forward coating wet a Ward Bend lift Station and do not exceed $18,000

City of Sealy

Price Quotations

Fund: 56 **Department:** Public Works

Item to be Purchased: Lift Station Wet Well Coating

Account Code: 56-512-56130

Vendor #1

Name:	Concrete Conservation
Address:	4527 Sunbeam Rd.
	P.O. Box 57309 Jacksonville FL
Contact Name:	Micah Reeves
Make / Model:	
Quoted Price:	$11,553.44
Terms / Conditions:	
Comments:	Sprectra Shield

Vendor #2

Name:	Advanced Rehibilitation Technology
Address:	525 Winzeler Dr
	Bryan, Ohio 43506
Contact Name:	Matt Elden
Make / Model:	
Quoted Price:	$13,850.00
Terms / Conditions:	
Comments:	OBIC

Vendor #3

Name:	National Works Inc
Address:	6917 Olson Ln
	Pasadena, TX 77505
Contact Name:	Travis Allen
Make / Model:	
Quoted Price:	$20,940
Terms / Conditions:	
Comments:	Sewper Coat (includes vactor work)

Recommendation by: _____ **Date:** 3/23/2026
Signature

Department Head: _____ **Date:** _____
Signature

City Manager / Finance Director: _____ **Date:** _____
Signature

SpectraShield®

CONCRETE CONSERVATION LLC

January 14, 2026

To: City of Sealy, TX
405 Main St
Sealy, TX 77474
Contact: Travis Cochran – 979-885-3511

Re: Lift Station / Wet Well Lining
Quote Number: 26 –0031
Project: 2026 Wet Well Rehab Project
Location: Per Call
Owner: City of Sealy, TX

To Travis,
Concrete Conservation, LLC, is pleased to provide the following quotation for the above-referenced project.

SCOPE OF WORK ("the Work"):
Provide all labor, equipment and materials required for the following:

- Surface Preparation
- Minor Leak Mitigation
- Mobilization (1)
- Install SpectraShield® Liner System to walls and ceiling.

Bid Item (6' Dia) – 499.5 Sq Ft @ $23.13 per Square Foot (To be verified by field measurements)
$11,553.44 Estimated Sum

Exclusions:

- Should Significant Leak Mitigation be necessary, pressure grouting can be provided at $350.00 per gallon installed.
- Vactor Service and Debris Removal/Disposal after Hydro Blasting by Others
- Bypass and Flow Control by Others
- Heavy Truck Access by Others
- Water supply by Other

SpectraShield®

CONCRETE CONSERVATION LLC

This quote is valid for 90 days.

This quote is subject to the Terms and Conditions attached hereto as Exhibit A. The quote for the Work does not include provisions for, or costs associated with, bypassing, night work, flow control, M.O.T., site restoration, **water supply**, vacuum services, vacuum testing, debris removal site, permits, temporary roads or any state and local taxes or fees that may be applicable to the Work.

The return of this quote signed by an authorized representative shall constitute acceptance of our offer and the terms and conditions attached hereto.

Payment on invoices shall be made on the **terms of net 30 days**, and there shall be **no retainage**. Invoices remaining unpaid for thirty (30) days will bear interest of one and one-half percent (1.5%) per month. All claims for money due or to become due from Purchaser shall not be subject to deduction by Purchaser for any setoff or counterclaim.

CONCRETE CONSERVATION, LLC	**PURCHASER,**
By: Micah Reeves, General Manager	Company:_____
Phone: 254-315-4473	By:_____
Email: mreeves@spectrashield.com	Title:_____
Date: January 14, 2026	Date:_____

SpectraShield®

CONCRETE CONSERVATION LLC

Quotation Exhibit A
Standard Terms and Conditions

1. **ACCEPTANCE AND TERMS AND CONDITIONS:** The offer made by Concrete Conservation, LLC, a Florida limited liability company ("CC LLC") in the quotation, which is incorporated herein by reference, shall be subject to the terms and conditions stated herein ("Terms and Conditions"). Purchaser accepts CC LLC's offer by having an authorized representative sign the quotation and returning it to CC LLC within ninety (90) days of the delivery of the quotation. If CC LLC's offer is not accepted within ninety (90) days of delivery of the quotation, CC LLC's offer shall be deemed immediately revoked. Terms and conditions different from or in addition to these Terms and Conditions, whether contained in any acknowledgment or acceptance by Purchaser, or otherwise, will not be binding on CC LLC without CC LLC's written consent. CC LLC's offer in the quotation together with these Terms and Conditions, once timely accepted by Purchaser, shall constitute the agreement ("Agreement") between CC LLC and Purchaser.
2. **PRICE:** CC LLC's prices shall be exclusive of all Federal, State, and Local taxes and fees. All applicable taxes and fees arising out of this Agreement will be borne by Purchaser. Provisions for, or costs associated with, bypassing, night work, flow control, M.O.T., site restoration, water supply, vactor services, debris removal site, permits, temporary roads, and access to manholes beyond 65 feet are not included in CC LLC's prices. Purchaser shall be responsible for providing a disposal site for all debris (including but not limited to sand, chipped concrete, old linings, and effluents) during the installation of the SpectraShield® liner system, and, for lift station wet wells and WWTP structures, a bypassed, washed down structure free of sewage and sludge. CC LLC's prices shall be increased by any additional costs incurred by CC LLC as a result of any act, error, or omission by Purchaser or anyone acting on behalf of Purchaser which increases the cost of completing the Work or delays completion of the Work.
3. **INVOICES AND PAYMENT:** Invoices will be based on actual field measurements. Payment on invoices shall be made on the terms of net 30 days, and there shall be no retainage. Invoices remaining unpaid for thirty (30) days will bear interest of one and one-half percent (1.5%) per month. All claims for money due or to become due from Purchaser shall not be subject to deduction by Purchaser for any setoff or counterclaim.
4. **LIMITATION OF LIABILITY:** CC LLC'S AGGREGATE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT IS LIMITED TO THE AMOUNT PAID BY PURCHASER FOR THE GOODS AND/OR SERVICES. TO THE MAXIMUM EXTENT ALLOWABLE UNDER APPLICABLE LAW, CC LLC SHALL NOT BE LIABLE UNDER THIS AGEEMENT FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR REVENUES EVEN IF CC LLC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
5. **DEFAULT:** The following shall be deemed a default ("Default") by Purchaser: (i) failure to make timely payment of amounts due hereunder, and such nonpayment is not cured within five (5) days of notice thereof; (ii) material breach by Purchaser of any of Purchaser's obligations, representations, warranties or covenants under this Agreement, which breach continues for ten (10) days after written notice thereof; (iii) the application by Purchaser for, or consent to, the appointment of a receiver, trustee, liquidator or custodian (or similar official) of Purchaser or all or a substantial part of Purchaser's assets. In the event of a Default, CC LLC may immediately terminate this Agreement and seek any and all remedies provided in this Agreement, and at law or in equity. The rights and remedies provided in this Agreement to CC LLC shall not be exclusive and are in addition to any other rights and remedies provided by law and in equity.
6. **NON ASSIGNMENT:** Assignment of this Agreement or any interest in it or any payment due or to become due under it, without the written consent of CC LLC, will be void. An assignment will be deemed to include not only a transfer of this Agreement or such interest or payment to another party but also a change in control of Purchaser, whether by transfer of stock or assets, merger, consolidation, or otherwise.
7. **TIME:** Time is of the essence of this Agreement.
8. **FORCE MAJEURE:** CC LLC shall not be required to perform any obligation under this Agreement or be liable to Purchaser for damages so long as performance or non-performance of the obligation is delayed, caused or prevented by Force Majeure, and all time periods will be extended accordingly. "Force Majeure" means: hurricanes, earthquakes, floods, fire, acts of God, unusual transportation delays, strikes, casualty, general unavailability of materials, wars, insurrections, acts of terrorism, and any other cause not reasonably within control of CC LLC.
9. **REMEDIES:** Each of the rights and remedies reserved to CC LLC in this Agreement shall be cumulative and additional to any other remedies provided in law or equity. No delay or failure by CC LLC in the exercise of any right or remedy shall affect any such right or remedy and no action taken or omitted by CC LLC shall be deemed to be a waiver of any such right or remedy.
10. **GOVERNING LAW; JURISDICTION; ATTORNEYS' FEES:** The Agreement will be interpreted under and governed by the laws of the State of Florida without regard to its conflict of law principles. Venue for all actions arising in connection herewith will be deemed exclusively proper in state court in Duval County, Florida or in the federal court for the Middle District of Florida and the parties agree to submit to such jurisdiction and to waive any claim that such courts are an inconvenient forum. Should any Party employ attorneys in any matter arising under this Agreement, the prevailing party shall be entitled to recover and receive from the other party all reasonable costs, charges, and expenses, including attorneys' fees, expert witness fees, appeal fees, and the cost of paraprofessionals working under the supervision of an attorney, expended or incurred in connection therewith whether resolved by mediation, negotiation, arbitration, trial or appellate proceedings.
11. **WAIVER OF ARBITRATION:** CC LLC and Purchaser hereby waive and release any right to arbitration.
12. **JURY TRIAL WAIVER:** CC LLC and Purchaser hereby waive trial by jury in any action, proceeding, claim or counterclaim, whether in contract or tort, at law or in equity, arising out of or in any way related to this Agreement.
13. **SURVIVAL:** Purchaser's obligations under Sections 4, 11, 12, and 13 will survive any termination of this Agreement.
14. **ENTIRE AGREEMENT; SEVERABILITY:** This Agreement represents the final agreement of the parties and no agreements or representations, unless incorporated in this Agreement shall be binding on any of the parties and no portion hereof shall be amended or modified unless such change shall be in writing and signed by both parties thereto. Any and all prior understandings, assurances or agreements are merged herein. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, this provision shall not affect any other provision or provisions contained in this Agreement.
15. **WAIVER; MODIFICATION:** Neither the failure nor any delay by CC LLC in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. This Agreement can be modified or rescinded only by a writing signed by both of the parties.
16. **NOTICES:** All notices, consents, waivers and other communications shall be in writing and shall be deemed to have been delivered either (i) on the delivery date, if personally delivered, or if delivered by confirmed facsimile or e-mail; (ii) one (1) business day after delivery to any national overnight courier directing delivery on the next business day, receipt requested; or (iii) three (3) business days after deposit in the United States mail, registered or certified mail, return receipt requested, with adequate postage affixed thereto. All notices to CC LLC shall be sent to Concrete Conservation, LLC at P.O. Box 57309, Jacksonville, FL 32241-1354, to the attention of President, and to Purchaser at its address as set forth in the quotation, or as otherwise designated in writing.
17. **PARAGRAPH TITLES:** Paragraph titles are solely for reference and shall not affect the meaning or construction of this Agreement.

Sealy TX LS by WWTP

Job Location: sealy, tx

City of Sealy TX

Travis Cochran
tcochran@cl.sealy.tx.us

Reference: 20251105-134552093
Quote created: November 5, 2025
Quote valid till: April 10, 2026

Advanced Rehabilitation Technology
525 Winzeler Drive
Bryan, Ohio 43506
United States

Prepared by:

Matt Elden

Business Development / Project Manager

matt@artcoatingtech.com
+14195530839

PRODUCTS & SERVICES	UNIT QUANTITY	UNIT PRICE	TOTAL
OBIC Armor Multi-Layer System	1	$13,850.00	$13,850.00

Total	**$13,850.00**

The OBIC Multi Layer Liner System Provides a 10 Year Labor & Material Limited Warranty
Lining of Bend Road Lift Station
Total: $13,850

Please note, we will need the wet well vac'd out prior to our crew arriving and then again after we prep the interior.

****BYPASS PROVIDED BY OTHERS****
****VAC TRUCK SERVICE PROVIDED BY OTHERS****

General Terms and Conditions:

- **The quoted prices are exclusive of applicable state and local sales taxes.**
- **Payment terms: Net 30 days. Interest may be added to balances outstanding after 30 days.**
- **Pricing is contingent on the work as stated in this proposal. Advanced Rehabilitation Technology (ART) reserves the right to adjust unit rate and/or overall bid proposal accordingly to account for any changes (increase or decrease) from this scope.**
- **ART's bid proposal shall be incorporated into the subcontract agreements. ART will initiate this project upon receipt of this signed proposal as well as, receipt of a subcontract or purchase order agreeing to this proposal.**
- **Pricing does not include working nights, holidays, or weekends. Additional cost will be required for these situations.**
- **Non-weather-related delays (may include job site not prepared to allow ART to begin; road closures due to community, city, or private events; traffic control not ready or any work stoppages outside the control of ART) may result in a $10,000/day mobilization fee.**

Purchase Order Number: _____

Billing Contact Email: _____

CPR Email (when applicable)_____

Signature

Signature

Date

Printed name

NATIONAL WORKS, INC.
UNDERGROUND UTILITY SERVICES

Ward Bend Lift Station
Sealy, TX
November 3, 2025

- Interior coating of 1 existing (24' diameter) wet well with Sealy approved Sewpercoat® with a 10 yr. manufacturer warranty. Pricing includes 1-day vactor truck and crew to clean out wet well, scaffolding, eliminating any infiltration with chemical grout injections, coating, and QA/QC.

-$20,940.00/Lump Sum

We appreciate the opportunity to earn your business. Please do not hesitate to contact me directly with any questions.

Sincerely,

Travis Allen
210-621-5306
tallen@nationalworks.com

ITEM #7

AGENDA ITEM NO: _____

SUBMITTED BY: Patrick Parsons, Public Works Director
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Discussion and Possible Action regarding to Approve Maintenance, Painting, and Inspections of the City of Sealy Fire Hydrants.

ANALYSIS

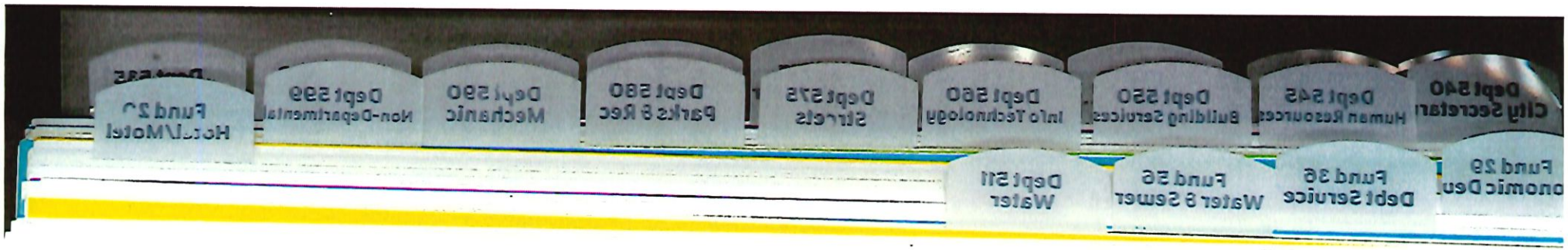
This has been in our budget for years and we need to paint the fire hydrants for the City of Sealy. I have reached out to multiple references that Giant does a great job and very well to Work with.

RECOMMENDATION

Staff Recommends Giant Maintenance &Restoration INC. to Sand blast and to Paint city of Sealy Fire hydrants.

FINANCIAL IMPACTS

In Capital Outlay (56-511-56130) we budgeted $75,000.00 dollars.



56 -WATER & SEWER FUND
WATER

DEPARTMENTAL EXPENDITURES	2022-2023 ACTUAL	2023-2024 ACTUAL	2024-2025 CURRENT BUDGET	2024-2025 YEAR-TO-DATE ACTUAL	2024-2025 PROJECTED YEAR END	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET
CAPITAL OUTLAY							
56-511-56010 Buildings	0	0	56,400	0	0	0	0
56-511-56090 Motor Vehicles	0	0	0	0	0	0	0
56-511-56100 Special Equipment	2,053	5,063	85,000	0	0	0	0
56-511-56130 Water Infrastructure Impro	0	1,269	10,000	0	0	90,000	90,000
56-511-56135 Water Line Improvements	0	0	160,280	0	0	0	0
56-511-56175 Water Tank Improvements	0	0	65,000	0	0	700,000	700,000
56-511-56995 Engineering Services	4,024	0	0	0	0	0	0
TOTAL CAPITAL OUTLAY	6,077	6,332	376,680	0	0	790,000	790,000

511-56130 Water Infrastructure Impro NEXT YEAR NOTES:
Hydrant rehab/painting $75,000 & replace well 5 & 6 meters with Badger meters.

511-56175 Water Tank Improvements NEXT YEAR NOTES:
Recoat downtown or walmart tower $500,000. GST rehab at well 8 $200,000.

TOTAL WATER	2,542,918	2,302,440	2,208,153	0	0	2,690,526	2,690,526

City of Sealy

Price Quotations

Fund: 56-511 **Department:** Public Works

Item to be Purchased: Hydrant Paint & Restoration

Account Code: 56130

Vendor #1	Name:	Giant Maintenance & Restoration, INC.
	Address:	20678 W. Highway 176
		Mundelein, IL 60060
	Contact Name:	Alex Giarrante
	Make / Model:	
	Quoted Price:	$54,625.00
	Terms / Conditions:	Painting Only
	Comments:	Sand Blasting to bare metal
Vendor #2	Name:	Texas Hydrant Services
	Address:	12605 I-10 East
		Baytown, TX 77523
	Contact Name:	Erick Stegall
	Make / Model:	
	Quoted Price:	$33,250 (Paint) + $11,875 (Inspection of Hydrants)
	Terms / Conditions:	Paint + Inspection
	Comments:	Water Blasting the paint (applying another coat)
Vendor #3	Name:	Lone Star Hydrants
	Address:	22335 Brook Forest Rd
		New Caney, TX 773357
	Contact Name:	713.582.8151
	Make / Model:	
	Quoted Price:	
	Terms / Conditions:	
	Comments:	Not willing to take on the project

Recommendation by: N. HAGEN _____ **Date:** 3/25/26
Signature

Department Head: _____ **Date:** _____
Signature

City Manager / Finance Director: _____ **Date:** _____
Signature

Proposal

Date	Proposal #
3/25/2026	9214

GIANT
MAINTENANCE & RESTORATION, INC.
20678 W. Highway 176
Mundelein,IL 60060
847-566-9188

City of Sealy
415 Main Street
Sealy, Texas 77474

Customer Contact #
Nick 979-398-0477

Description	Qty	Cost per Unit	Total
Giant proposes to remove existing coating of paint on hydrants by abrasive blasting to a minimum SSPC-SP6. Followed with one coating of Rust-Oleum Professional DTM Alkyd Enamel Primer at the recommended coverage rate per coating. After prime coat application, Giant will apply finish coat of Rust-Oleum Professional alkyd Enamel; again at the recommended coverage rate per coating. COLOR - Safety Red	475	115.00	54,625.00
	Total		$54,625.00

We hereby propose to furnish all the materials and perform all the labor necessary for this job description in a substantial workman like manner for the sum of above.
Any alteratins or deviations from the above specifications involving extra cost, will be executed only upon written orders, and will become an extra charge over and above the estimate. Pricing does not reflect prevailing wages which may or may not increase price.
All agreements contingent upon strikes, accidents or delays beyond our control.
Owner to carry fire, tornado, and other necessary insurance upon above work. Workmen's Compensation and Public Liability Insurance on above mentioned work to be taken out by Giant.

This proposal may be withdrawn by us if not accepted within 60 days.

Respectfully Submitted: Mark Giarrante

With this signature GIANT is authorized to do the work as specified.

Visit our website: www.giant2u.com

Signature _____

GIANT
MAINTENANCE & RESTORATION, INC.

FIRE HYDRANT BLASTING & PAINTING

Specifications

Giant will provide all materials, blast media, paint coatings, quality workmanship and labor in the preparation and application of the blasting and painting of fire hydrants.

Complete removal of existing coatings by sandblasting to a minimum SSPC-SP6, one prime coat and one final coat at recommended coverage rate of 6.0 – 10.0 wet mils per coating, including, labor, vehicles, equipment and materials for various commercial, industrial, and residential areas.

All metal/cast surfaces shall receive an abrasive blast that will remove paint, and rust from each fire hydrant. This includes barrel, caps, and chains. The minimum blast profile shall meet SSP-SP6 NACE 4.

Commercial Blast Cleaning – A commercial blast cleaned surface, when viewed without magnification, shall be free of all visible oil, grease, dirt, dust, mill scale, rust, paint, paint, oxides, corrosion products and other foreign matter, except for staining. Staining shall be limited to no more than 33% of each square inch of surface area and may consist of light shadows, slight streaks or minor discoloration caused by stains of rust, stains of mill scale or stains of previously applied paint.

Giant shall supply the appropriate blasting media that does not contain silica.

1) "Black Beauty" coal slag abrasive 20/40 **Reed Minerals Division – Harsco Corporation**
2) "GD4" abrasive 20/40 **Green Diamond Grade #4 - ClemTex**

Giant shall use a shield or shroud in high traffic areas and as needed to protect and help collect the spent media, insuring that no damage or harm will be incurred within reason to the area surrounding the fire hydrant while sandblasting.

Giant shall within reason pick-up, collect and dispose of excessive blast media paint chips as generated in the preparation of the fire hydrant.

Giant shall conduct and abide in accordance with local and state environmental rules and regulations pertaining to the blasting operation utilizing appropriate:

- Containment
- Blast Media (non-silica based)
- Reasonable disposal of spent media and waste generated during the blasting process.

www.giant2u.com https://www.facebook.com/Giant2u http://twitter.com/#!/giantmandr

Or visit our youtube channel Giant2u1989

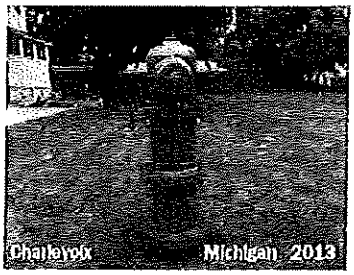
Commercial Spray Gun Painting - Giant uses conventional air-operated spray guns that operate at low pressures which atomizes coatings to offer exceptionally fine finishes and reduces overspray.
Giant shall take the necessary measures to keep the dust and flying debris down to a minimum and control paint over-spray. The majority of our coatings have a dry fall circumference of five (5) feet.

The following manufactures have an exclusive written warranty for Giants process.

1. **Sherwin Williams**
2. **Sherwin Williams Industrial Enamel HS**
3. **PPG High Gloss Enamel**
4. **Rustoleum High Performance Enamel**
5. **Flynt Paint**
6. **We also offer Tnemec upon request only (*there is no warranty from this manufacturer*)**

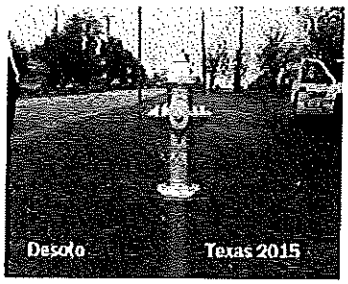
A picture says a thousand words...our customers says the rest!

GIANT
MAINTENANCE & RESTORATION, INC



"I would like to thank you and your team for the wonderful job that you completed in the Middlesboro KY facility on Blasting, Painting and Color coding 343 Fire Hydrants. WSCK has received many complements on these Hydrants since the project was completed... I'm passing your company info to Corporate Headquarters... James Leonard, Regional Manager Utilities, Inc.

The Fire Hydrants that have been painted in the past few days look great!... It's hard to believe that newly painted Hydrants...can make such a difference in the looks of a street in the community. I stopped and gave a good look at the way several of the sites look. The blasting material and over-spray is basically non-existent.
2ndWard Councilman Greg Stevens Charlevoix, MI



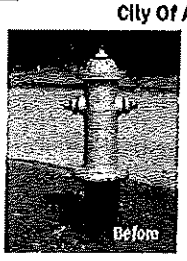
WWW.GIANT2U.COM

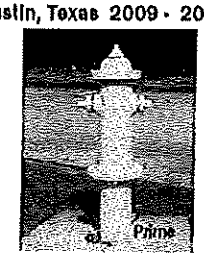
847-388-3711

Videos Of These Projects Can Be Seen On
YouTube...

Channel: giant2u1989

City Of Austin, Texas 2009 - 2010 - 2011 -





www.giant2u.com https://www.facebook.com/Giant2u http://twitter.com/#!/giantmandr

Or visit our youtube channel Giant2u1989

The Giant Maintenance & Restoration, Inc. "Green"
Coating System Specification *System No. A1 Acrylic*

PROJECT	**Fire Hydrant Coating System**
CUSTOMER	Village of
PREPARED BY	Senior Specification Specialist for Fire Hydrant Prep for Recoating
SURFACE PREPARATION	**SSPC-SP1 Solvent Cleaning** – Is the minimum requirement before any recoating process is started. Detergent with water rinse is also considered "solvent cleaning". See SSPC-SP12 for preferred method of cleaning for this project, which includes Low Pressure (LP) Water Cleaning (WC). Water pressure for this project is a minimum 3,500 to 5,000 psi. Achieve visual standard WJ-3 for Thorough Cleaning. This process is only recommended on recoating surfaces with a "tight" existing coating. See chloride contamination if required. **Chloride Contamination:** Due the roadside proximity, chloride contamination (deicing products) should be removed by adding (Chlorid) or (HoldTight) to the cleaning process to minimize chloride surface contamination. **Minimum Cleaning Method** - SSPC SP-2 Hand Tool Cleaning and SSPC SP-3 Power Tool Cleaning. A combination of both is usually required on complex surfaces. Note that SSPC SP-1 Solvent Cleaning is not required prior to beginning SP-2 or SP-3. Use SSPC-VIS 3 "Visual Standard for Power- and Hand-Tool Cleaned Steel" to evaluate the quality of the surface preparation. It is necessary to wipe down hydrants with wet/damp rag to remove any residue left from hand tool cleaning. As needed a "Simple Green" type cleaner may be used. **Preferred Cleaning Method** – SSPC-SP6/NACE 3 Commercial Blast Cleaning - Abrasive blast with angular abrasive to remove all visible mill scale, rust, coating, oxides, corrosion products and other foreign matter. Minimum surface profile is (1 mil).

COAT	PRODUCT	TYPE	WFT	DFT	DATA SEET No.
1 – Stripe			5.0 – 10.0 mils	2.0 – 4.0 mils	
2 – Prime			5.0 – 10.0 mils	2.0 – 4.0 mils	
3 - Finish			6.0 – 10.0 mils	2.5 – 4.0 mils	

NOTES:

Stripe Coating shall be done prior to full prime coat to all crevices, welds, and sharp angles to prevent early failure in these areas. Be careful to coat all surfaces, especially under the cap to prevent rust staining. Spray application should use multiple passes with 50% overlap, during a single application to achieve the specified wet film thickness per coat. The second coat should commence as soon as is practical within the recoat window of the previous coat. Again, the spray application should use multiple passes with 50% overlap, during a single application to achieve the specified wet film thickness per coat. , Brush & Roller applications may require multiple coats to achieve the minimum dry film thickness. (WFT=Wet Film Thickness) (DFT=Dry Film Thickness) Acrylic system to be used at a minimum 50° F and rising.

Associated Builders and Contractors, Inc.

Illinois Chapter

Your Merit Shop Voice Across Illinois

February 27, 2015

To Whom It May Concern,

Pursuant to Section 30-20 of the Illinois Procurement Code (30 ILCS 500/30-22 (6)), this letter is to verify that Giant Maintenance and Restoration, Inc. is a member in good standing with Associated Builders & Contractors through December 31, 2015. Please be aware that our Association offers apprenticeship programs certified by the United State's Department of Labor.

If you need any further information or verification, please feel free to contact me.

Thank you,

Alicia Martin

Alicia Martin
President
Associated Builders & Contractors, Inc. – Illinois Chapter

The United States Department of Labor

Office of Apprenticeship

Certificate of Registration of Apprenticeship Program

Associated Builders & Contractors of Illinois, Inc.

Elk Grove Village, Illinois

For the Trades – Carpenter, Electrician, Operating Engineer, Painter
Pipefitter, Plumber, Welder, Cement Mason, Roofer, Construction Craft Laborer

Registered as part of the National Apprenticeship System
in accordance with the basic standards of apprenticeship
established by the Secretary of Labor

February 22, 1989
Revised February 6, 2014
IL008890010

GIANT
MAINTENANCE & RESTORATION, INC.

QA / QC Program

Giant identifies a list of work tasks, phases of production, which will be quality controlled. Each work task is subject to a series of inspections; before during & after the work is completed. Each inspection verifies compliance with full scope of the relevant specifications.

Incoming material inspections continuously verify that materials are as specified and meet all requirements necessary to assure quality results.

Work-in-process inspections continuously verify that work conforms to project specifications and workmanship expectations. This includes checking blasting profile and coating thickness.

At completion of the work task an inspection verifies that work and materials have been completed in accordance with project quality requirements.

Inspection results are recorded and maintained as part of the project files. Attached is a copy of Giant's Hydrant Restoration data sheet(last page of this packet). All Phases of project are recorded on these sheets.

Giant offers warranty letters as provided and specified by the coating companies. These warranties are exclusive to Giant.

Giant works with the following coating company's:

Sherwin Williams Company
Rustoleum Brands
International Coatings aka Devoe Coatings
Tnemec Coating Company (***there is no warranty from this manufacturer)***
Flynt Paint of Texas (***there is a 1yr warranty from this manufacturer)***

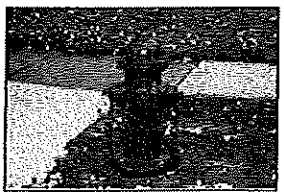
GIANT
MAINTENANCE & RESTORATION, INC.

Protection & Containment

Giant shall use a shield or shroud in high traffic areas and as needed to protect and help collect the spent media, insuring that no damage or harm will be incurred within reason to the area surrounding the fire hydrant while sandblasting. Giant shall within reason pick-up, collect and dispose of excessive blast media paint chips as generated in the preparation of the fire hydrant. Giant shall conduct and abide in accordance with local and state environmental rules and regulations pertaining to the blasting operation utilizing appropriate:

- Containment
- Blast Media (non silica based)
- Reasonable disposal of spent media and waste generated during the blasting process.

To view this process go to our website:
www.giant2u.com



GIANT

MAINTENANCE & RESTORATION, INC.

- GIANT is committed to providing superior workmanship to our customers' satisfaction.
- GIANT will always use products that are top quality in our industry.
- The experience, dedication and teamwork of GIANT management, supervisors, and technicians are the key to our successful performance and solid reputation.
- The technical knowledge at GIANT and job expertise is your guarantee of a complete and satisfactory project.
- We at GIANT stand behind our work and professionally service the needs of our clients.

GIANT
MAINTENANCE & RESTORATION, INC.

Customer:	
Project Name / No.:	Fire Hydrant/ units
Sign Off By (employee initials):	

Hydrant Painting Service Control Sheet					
Line No.:	Hydrant ID	Blast	Prime	Finish	Notes / Comments:
1					
2					
3					
4					
5					
6					
7					
8					
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Jacksonville
WATER WORKS

Mark Giarrante

Giant Maintenance & Restoration, Inc.

20678 W. IL Route 176

Mundelein, IL 60060

Dear Mark,

I hope this letter finds you and your team well. I wanted to take a moment to personally express my sincere appreciation for the outstanding work Giant Maintenance & Restoration, Inc. has done in supporting the water systems I operate. Your partnership has been truly invaluable, and I'm continually impressed by the high standards you uphold.

As you know, your team has delivered exceptional fire hydrant rehabilitation services with remarkable efficiency and professionalism. You successfully sandblasted, primed, and painted approximately 500 fire hydrants at Little Rock Air Force Base (LRAFB), restoring them to full compliance and aesthetic standards under tight deadlines with minimal disruption. Currently you are engaged in a larger contract to rehabilitate 1,000 hydrants for the City of Jacksonville, Arkansas and are once again showcasing your streamlined processes that ensure high quality results on time and within scope.

What truly stands out to me is the efficiency of your operations, which has earned glowing feedback from key stakeholders in our community. In the water industry, perception is paramount. Poorly maintained fire hydrants can unintentionally signal to users that the water supply itself may be unsafe or unreliable. You and your team eliminate this concern entirely, transforming neglected assets into well kept symbols of safety and reliability that foster community trust and confidence. It's partnerships like this that make a real difference.

I stand firm in stating that without hesitation I would recommend Giant Maintenance & Restoration, Inc. to any municipality, military installation, or utility seeking a responsive, expert, and community- minded contractor for infrastructure maintenance. Please feel free to share my contact information should you ever need a formal reference for future opportunities.

Warm regards,

Jacob A. Short

General Manager

Jacksonville Water Works

3640 Old Oxford Road
Hamilton, OH 45013
(513) 863-0828

Mark Giarrante

Giant Maintenance and Restoration, Inc.

20678 W. IL Route 176

Mundelein, IL 60060

Dear Mark-

I wanted to reach out and let you know how pleased myself and the District have been with our ongoing relationship with you and your team. When we started our hydrant painting endeavor back in 2021, we really weren't sure what exactly we were getting ourselves into. In the past, we tried to handle this task internally, worked with local subcontractors, and even utilized local residents that wanted to chip in and make their community look better. Our efforts, thought processes, and heart were all collectively in the right place. However, we were not ever really able to achieve our goal of staying up on our hydrant painting and getting a coating system in place that would last and look great for an extended period. You and your team have helped us achieve our goals. Ultimately, you've helped us show the communities that we serve that we care about maintaining our assets and are committed to investing and allocating the resources that are necessary to continue to provide them with the reliable service that they depend on, while also doing our best to keep our assets that are visible to them looking great. The gratitude that we have for you and your team for helping us with this cannot be overstated.

Your crews are an absolute pleasure to work with and to be totally transparent, I wish the District had better luck finding and keeping employees that have the work ethic and attitude that your folks do. They never shy away from a difficult job. They are very open to using some newer technology we recently implemented to identify hydrants to be painted and completing those processes as requested. They also have provided invaluable feedback to myself and our management team. Seeing you all active in the other communities that we border brings a smile to my face because I know they are getting excellent service from you and your staff. Just like the District has.

The District is very grateful and appreciative of the relationship we've developed with Giant Maintenance and Restoration, Inc. and we look forward to continuing that relationship for many years to come.

Thank you Mark! Take care.

Nathan Zinsmeister
Infrastructure Manager
Southwest Regional Water District

WATER UTILITIES
ARLINGTON

Mark Glarrante
Giant Maintenance & Restoration, Inc.
20678 W. IL Route 176
Mundelein, IL 60060

Dear Mark,

I would like to take a moment to recognize Giant Maintenance & Restoration, Inc. for their exceptional service and professionalism in supporting the City of Arlington's Water Utilities operations. Your team has proven to be a reliable and valued partner, consistently delivering high-quality results that reflect true pride in workmanship.

Over the course of our projects, Giant Maintenance has demonstrated an impressive ability to plan, coordinate, and complete fire hydrant rehabilitation work efficiently and safely. Arlington Water Utilities has seen your crews operate with professionalism and attention to detail, sandblasting, priming, and painting hydrants to restore both function and appearance while minimizing impact on surrounding neighborhoods and City operations.

Beyond the technical side of the work, we have been particularly impressed with the company's communication and responsiveness. You maintain clear coordination with City staff, stay ahead of schedule, and ensure each hydrant is brought up to standard. The end result speaks for itself, our hydrants look great and reflect the level of care our residents expect from the City's water system.

Well-maintained hydrants not only improve system reliability but also reinforce public trust in our water infrastructure. It's reassuring to know that we can count on a contractor who understands that connection and delivers results that support our commitment to service and safety.

I would confidently recommend Giant Maintenance & Restoration, Inc. to any city, utility, or organization seeking a dependable partner for infrastructure maintenance and rehabilitation projects. Please feel free to contact me directly should you require additional information or a reference.

Sincerely,

Alex Whiteway
Director of Water Utilities

GIANT
MAINTENANCE & RESTORATION, INC.

REFERENCES

Mr. Allan McDonald
City of DeSoto
211 East Pleasant Run Road
DeSoto, Texas 75115
Phone: 972-230-5725 E-Mail: amcdonald@desototexas.gov

Fire Hydrant Painting – Contracted since 2014 annually thru 2026 for approximately 500+ units per year.

Chief Rafael Reyes
Cedar Hill Fire Department
1212 Belt Line Road
Cedar Hill, Texas 75104
Phone: 972-291-1001x2311 E-Mail: rafael.reyes@cedarhilltx.com

Fire Hydrant Painting – Contracted annually since 2019 thru 2025 for approximately 350 units per year.

Ruben Cardenas
City of Euless Public Works Manager
1513 Wespark Way
Euless TX 76040
Phone: 817-685-1586 Cell 817-919-8823 Email: rcardenas@eulesstx.gov

Fire Hydrant Painting - Contract 2021 -236 hydrants - Renewed 5 year contract 2022 - 350 hydrants annually

Angelo Dupont
Fields Operations Manager, Water Utilities
City of Arlington
1100 SW Green Oaks Blvd.
Arlington, TX 76004
Phone: 318-584-7101 E-Mail: Angelo.Dupont@arlingtontx.gov

Fire Hydrant Painting – Contracted 3yrs 2024, 2025, and 2026 – 500 hydrants annually

Additional References upon Request
Contact us at 847-388-3711
Visit our website at www.giant2u.com

Texas Hydrant Services
12605 I-10 East
Baytown, Texas 77523
(281) 385-1112 (281) 385-0920 fax

PROPOSAL #2026-13-03-1 **March 13, 2026**

SUBMITTED TO:	PROJECT:
Nick Hagen	FIRE HYDRANT
City of Sealy	ANNUAL FLOW TESTAND INSPECTION

We Hereby Propose to furnish Labor and Material to install;

Fire Hydrant Flow Testing and Inspection
$11,875.00 (475 units at $25.00 per unit)

- Fire hydrants are opened to determine functional ability
- Fire hydrants are inspected to determine operational and maintenance concerns
- Fire hydrants are tested for pressure and flow rate
- ALL caps and nozzle threads are greased (unless seized)
- Full report with repair recommendations will be submitted upon completion

**Reports will reflect all repair and maintenance recommendations. High priority recommendations will be outlined when submitted.
**Please note any fire hydrants that are damaged, broke or leaking at the time of audit or immediately after audit will be repaired at City of Sealy's expense.

The above work or service is to be performed in accordance with the above specification for the sum of: **Final price based on actual number of units.**

Payments as follow: Net 30

Any alteration or deviations from above scope of work executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Proposal must be accepted within 15 days from above date.

Respectfully Submitted by:
Texas Hydrant Services
Erick Stegall

General Manager

ACCEPTANCE OF PROPOSAL

The above prices, description of work, or services to be performed are satisfactory and are hereby accepted. You are authorized to do work as specified. Payment will be made as outlined above.

Signature: _____ **Print Name:** _____

Title: _____ **Date:** _____

Texas Hydrant Services
12605 I-10 East
Baytown, Texas 77523
(281) 385-1112 (281) 385-0920 fax

Proposal #2026-13-03-2 **March 13, 2026**

SUBMITTED TO:	PROJECT:
Nick Hagen	Fire Hydrant
City of Sealy	Water Blast and Painting

Fire Hydrant Water Blasting and Painting
$33,250.00 (475 Hydrants at $70.00 each)

- Water blast each unit to remove old paint and debris to prepare for paint
- Paint entire hydrant Safety Red
- Paint is Industrial Enamel manufactured by PPG Paint

**COMPLETION DATE IS BASED ON CURRENT SCHEDULE AND WEATHER PERMITTING CONDITIONS. SCHEDULE CAN RUN UP TO 60 DAYS AFTER APPROVAL DATE.

The above work or service is to be performed in accordance with the above specification for the sum of: **Final price based on actual number of units.**

Payments as follow: Net 30

Any alteration or deviations from above scope of work executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Proposal must be accepted within 15 days from above date.

Respectfully Submitted by:
Texas Hydrant Services
Erick Stegall

General Manager

ACCEPTANCE OF PROPOSAL

The above prices, description of work, or services to be performed are satisfactory and are hereby accepted. You are authorized to do work as specified. Payment will be made as outlined above.

Signature _____ **Print Name**_____

Title _____ **Date**_____

ITEM #8

AGENDA ITEM NO:
SUBMITTED BY: Patrick Parsons, Public Works Director
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Discussion and Possible Action regarding Replacement of the Steel Main Gas Line on Highway 90.

ANALYSIS

This is a steel main gas line that needs to be replaced and upsized.

RECOMMENDATION

Staff recommends approval of steel main replacement not to exceed $35,000.00.

FINANCIAL IMPACTS

We budgeted this replacement for the 2025-2026 Fiscal Year in Capital Outlay Gas Line Improvements (57-517-56140).

Amberscapes, Inc.

PO BOX 1574
EL CAMPO, TX 77437
(713) 459-9489
amberscapes.inc@gmail.com

Estimate

ADDRESS
City of Sealy
PO Box 517
Sealy, TX 77474

ESTIMATE 1243
DATE 02/09/2026

ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
Bore	Bore 8" steel pipe	250	60.00	15,000.00
Materials	8" steel pipe	250	12.00	3,000.00
VACS	Hydrovac Services	1	2,500.00	2,500.00
Welding	Welding Services	1	1,250.00	1,250.00

HWY 90E @ Silliman St

SUBTOTAL	21,750.00
TAX (0%)	0.00
TOTAL	**$21,750.00**

Accepted By

Accepted Date

Thank you for your business.

San Antonio Superior Solutions L.L.C.

21750 Hardy Oak BLVD STE 104
PMB 524985
SAN ANTONIO, TX 78258-4946
Phone: (210)265-9187
Email:Alfredo.Martinez@sassllc.net
Phone: (210)609-1987
Email:Timothy.herrera@sassllc.net

QUOTE
DATE: 3/23/26

CUSTOMER	ADDRESS	DATE START	DATE COMPLETE	TERMS
City of Sealy	HWY 90			Net 15

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
100	Bore 160 ft. Install 8in casing, and 6in Plastic pipe.		$47,989.00
Scope of Work: - Install 160 ft of 8in casing - Install 6in plastic pipe.			
		SUBTOTAL	0
		SALES TAX	0
		TOTAL DUE	$47,989.00

*Exclusions
- TxDot Permit
- Gas tie-ins

Thank you for the opportunity to allow San Antonio Superior Solutions LLC to quote you and your team on this project.

Sincerely,
Alfredo Martinez

57 -GAS FUND
GAS

DEPARTMENTAL EXPENDITURES		2022-2023 ACTUAL	2023-2024 ACTUAL	2024-2025 CURRENT BUDGET	2024-2025 YEAR-TO-DATE ACTUAL	2024-2025 PROJECTED YEAR END	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET
		(March, April, May. Year end projection of $914,308, a 27% cost increase over prior year, based on the price of gas. FY 2025-2026 projected purchase cost reflects a 3% increase over year end projected cost, to $941,737						
517-53710	Discounts on Gas Purchases	NEXT YEAR NOTES: Averaging 6%						
517-53820	Natural Gas Leak Surveys	NEXT YEAR NOTES: Leak SurveyS are required by the Railroad Commission.						
517-53920	Equipment/Vehicle Rentals	NEXT YEAR NOTES: Enterprise Lease vehicles						
517-53940	Uniform Rentals	NEXT YEAR NOTES: Uniform rentals for Gas Department Employees to include Customer Service Technician.						
517-54400	Permit Fees	NEXT YEAR NOTES: Rail Commission Filing Fees.						
517-54510	RP1162 Notification	NEXT YEAR NOTES: Rail Commission Public Awareness Program						
CAPITAL OUTLAY								
57-517-56010	Buildings	0	0	0	0	0	0	0
57-517-56060	Office Equipment	0	0	0	0	0	0	0
57-517-56090	Motor Vehicles	0	0	0	0	0	0	0
57-517-56100	Special Equipment	0	5,063	13,000	0	0	13,000	13,000
57-517-56110	Radio & Radar Equipment	0	0	0	0	0	0	0
57-517-56140	Gas Line Improvements	(3,906)	0	0	0	0	50,000	50,000
57-517-56995	Engineering Services	0	0	0	0	0	0	0
TOTAL CAPITAL OUTLAY		(3,906)	5,063	13,000	0	0	63,000	63,000
517-56140	Gas Line Improvements	NEXT YEAR NOTES: Replace line under Hwy 90 with a 6" $50,000						
TOTAL GAS		1,648,612	1,541,841	2,215,854	0	0	2,105,473	2,105,473

Patrick Parsons

From: Hunter Kmiec
Sent: Tuesday, March 24, 2026 2:34 PM
To: Patrick Parsons
Subject: FW: FW: Hwy 90

From: Faldyn, Blake <Blake.Faldyn@strand.com>
Sent: Thursday, March 12, 2026 2:50 PM
To: Patrick Parsons <pparsons@ci.sealy.tx.us>
Cc: Hunter Kmiec <hkmiec@ci.sealy.tx.us>; Tinsley, Ryan <Ryan.Tinsley@strand.com>
Subject: FW: FW: Hwy 90

Good afternoon Patrick,

The gas contractor from the TxDOT Facility utility job, San Antonio Superior Solutions (SASS), is asking for an update regarding the Hwy 90 gas bore TxDOT permit. From the last time we discussed this, I believe y'all were interested in using another contractor for this work since their quote was significantly lower than SASS's quote. That said, how would you like me to respond to the contractor's email down below?

Thanks!
Blake

Blake Faldyn
Strand Associates, Inc.® (F-8405)
979.836.7937 ext. 6249
Blake.Faldyn@strand.com | www.strand.com

STRAND ASSOCIATES®

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From: Faldyn, Blake
Sent: Thursday, March 12, 2026 10:00 AM
To: Hunter Kmiec <hkmiec@ci.sealy.tx.us>
Subject: FW: Hwy 90 [Filed 12 Mar 2026 10:00]

Good morning Hunter,

How would you like me to respond to this email? The permit was approved this past Tuesday (3/10/26), but I believe the City was considering on using a different Contractor since SASS's quote was significantly higher than the other. Let me know what you think.

Thanks!
Blake

Blake Faldyn
Strand Associates, Inc.® (F-8405)
979.836.7937 ext. 6249
Blake.Faldyn@strand.com | www.strand.com

Excellence In Engineering℠

From: Alfredo Martinez <alfredo.martinez@sassllc.net>
Sent: Monday, March 2, 2026 7:05 AM
To: hkmiec@ci.sealy.tx.us; Faldyn, Blake <Blake.Faldyn@strand.com>
Cc: Timothy Herrera Sr <timothy.herrera@sassllc.net>
Subject: Hwy 90

You don't often get email from alfredo.martinez@sassllc.net. Learn why this is important
[EXTERNAL EMAIL]: Verify sender before opening links or attachments.

Good morning,

I was just reaching out to see if you guys had any updates on the HWY 90 project.
I think all we needed was the Tx Dot permit..

Thanks,
Alfredo

This email has been scanned for spam and viruses by Proofpoint Essentials. Click here to report this email as spam.

STRAND ASSOCIATES®
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Strand Associates, Inc.®
1906 Niebuhr Street
Brenham, TX 77833
(P) 979.836.7937
www.strand.com

February 23, 2026

Mr. Jeffery Vinklarek, P.E.
Texas Department of Transportation–Yoakum District
403 Huck Street
Yoakum, TX 77995

Re: Utility Abandonment Request
Highway (Hwy) 90 Natural Gas Line Bore
City of Sealy, Texas (City)

Dear Mr. Vinklarek:

The following is a utility abandonment request for the existing 2-inch steel natural gas main crossing Hwy 90 in the Texas Department of Transportation's right-of-way, in accordance with Texas Administrative Code, Title 43, Chapter 21, Subchapter C, Rule 21.39. According to the Texas Railroad Commission's pipeline safety regulations, steel gas lines are considered higher-risk facilities subject to replacement, requiring the City to replace the existing steel main. This 2-inch line is also undersized, serving as a bottleneck between two 4-inch gas lines. Rather than removing the existing gas main and possibly damaging the roadway, the City proposes to abandon the gas main in place. Based on the information provided by the City (which indicates the gas main is made of steel), Strand Associates, Inc.® believes the existing 2-inch gas main is not composed of hazardous or contaminated materials.

The proposed construction will install a new 6-inch polyethylene gas main inside a 12-inch welded steel casing along the east side of Silliman Street. Under Hwy 90 and the various existing utilities, the gas main and pipe casing will be installed by bore. In the green space near the tie-in locations, the gas main and pipe casing will be installed by open cut. The proposed design on Hwy 90 includes installing various gas line caps in the existing steel gas mains that will be abandoned and charging the line with water. The following Table 1 provides these locations and coordinates.

Road Name	Start			End			Direction
	Station	Latitude	Longitude	Station	Latitude	Longitude	
Hwy 90	10+18	29.771601	-96.149720	12+08	29.771106	-96.149529	Parallel

Note: Gas main will be cut and capped for abandonment in place.

Table 1 Gas Line Cap Locations

If you have any questions, please e-mail blake.faldyn@strand.com or call 979-836-7937.

Sincerely,

STRAND ASSOCIATES, INC.®

Blake Faldyn

Blake E. Faldyn

c: Kimbra Hill, City Manager, City of Sealy

UTILITY PERMIT APPROVAL

TO:	Parsons Patrick
	City of Sealy
	PO Box 517 Sealy,77474

Date:	03-10-2026
Application/Permit No.:	00002/20260218/437574/622840/UP
District:	Yoakum

Highway	Control Section	Maintenance Section	County
1228887: At milepost 0.133	LW27-63	Austin County	Austin
US0090-K: At milepost 0.133	LW27-63	Austin County	Austin

Schedule Dates: from 03/09/2026 to 05/29/2026

TxDOT offers no objection to the location on the right-of-way of your proposed utility installation, as described by Notice of Proposed Utility Installation No. 00002/20260218/437574/622840/UP dated

02/24/2026 and accompanying documentation, except as noted below.

Special Provisions:
You are required to notify TxDOT 48 hours (2 business days) before you start construction to allow for proper inspection and coordination of workdays and traffic control plans. Use the RULIS website for the 48-hour notification. DO NOT start construction until you have coordinated the construction start date and inspection with TxDOT. You are also required to keep a copy of this Approval and any approved amendments at the job site.

When installing utility lines on controlled-access highways, access for serving this installation shall be limited to access via (a) frontage roads where provided, (b) nearby or adjacent public roads or streets, (c) trails along or near the highway right-of-way lines, connecting only to intersecting roads; from any one or all of which entry may be made to the outer portion of the highway right-of-way for routine service and maintenance operations. The installation Owner's rights of access to the through-traffic roadways and ramps shall be subject to the same rules and regulations as that apply to the general public except, however, if an emergency occurs and usual means of access for routine service operations will not permit the immediate action required by the Utility Installation Owner in making emergency repairs as required for the safety and welfare of the public, the Utility Owners shall have a temporary right of access to and from the through-traffic roadways and ramps as necessary to accomplish the required emergency repairs, provided TxDOT is immediately notified by the Utility Installation Owner when such repairs are initiated and adequate provision is made by the Utility Installation Owner for the convenience and safety of highway traffic.

The installation shall not damage any part of the highway, and adequate provisions must be made to cause minimum inconveniences to traffic and adjacent property owners. If the Utility Installation Owner fails to comply with any or all the requirements as set forth herein, the State may take such action as it deems appropriate to compel compliance.

1. PERMIT - The person in charge of this installation shall have a copy of the permit and its' attachments on the job at all times. Deviations from the approved permit must have prior approval of the Texas Department of Transportation.

2. EXISTING UTILITIES - The exact location of any utilities that may conflict with the proposed installation should be field verified by the Installer during

3. SAFETY - Warning and protective devices, including flagmen, shall be used to prevent creation of a traffic hazard and to ensure the safety of the public in accordance with the Manual of Uniform Traffic Control Devices.

   Parking of employees' cars and trucks on both sides of the pavement will be prohibited and all such vehicles shall be parked on one side of the road and in no instance closer than a minimum of eight feet from the edge of the pavement.

All construction equipment and materials stored on highway right-of-way shall be stored in such a manner and at such locations (a minimum of 30 feet from nearest traffic lane) as not to interfere with the safe passage of traffic.

1. **UNDERCROSSINGS** - Crossings shall be bored under the highway. The annular void between the drilled hole and the casing pipe (if more than one inch) shall be pressure-filled with a satisfactory material to prevent settlement of any part to the highway facility over the casing. No more than three pilot bores will be permitted. Abandoned pilot bores shall be pressure-filled.

   Bore pits should be located at least: 30 feet from all freeway main lanes and other high-speed (exceeding 40 mph) highways except as indicated as follows: 16 feet for high-speed highways with current average daily traffic volumes of 750 vehicles per day or less; 16 feet for ramps; and 10 feet for low-speed (40 mph or less) highways. For urban (curbed) highway cross sections, all borings shall extend beyond the back of curb plus: 30 feet from high-speed (greater than 40 mph) facilities; and three feet from low-speed (40 mph or less) facilities, plus any additional width to clear an existing sidewalk. The pits or trenches excavated to facilitate boring and pipeline installation shall be backfilled to a density approximating that of the adjacent soil immediately after operations have been completed.

---

1. **ENCASEMENT** - Encasement pipe can either be HDPE, PVC, or Welded Steel, and must be made of load bearing materials. Roadway crossing should be encased from right of way line to right of way line or as far as possible. Refer to TAC RULE §21.40.

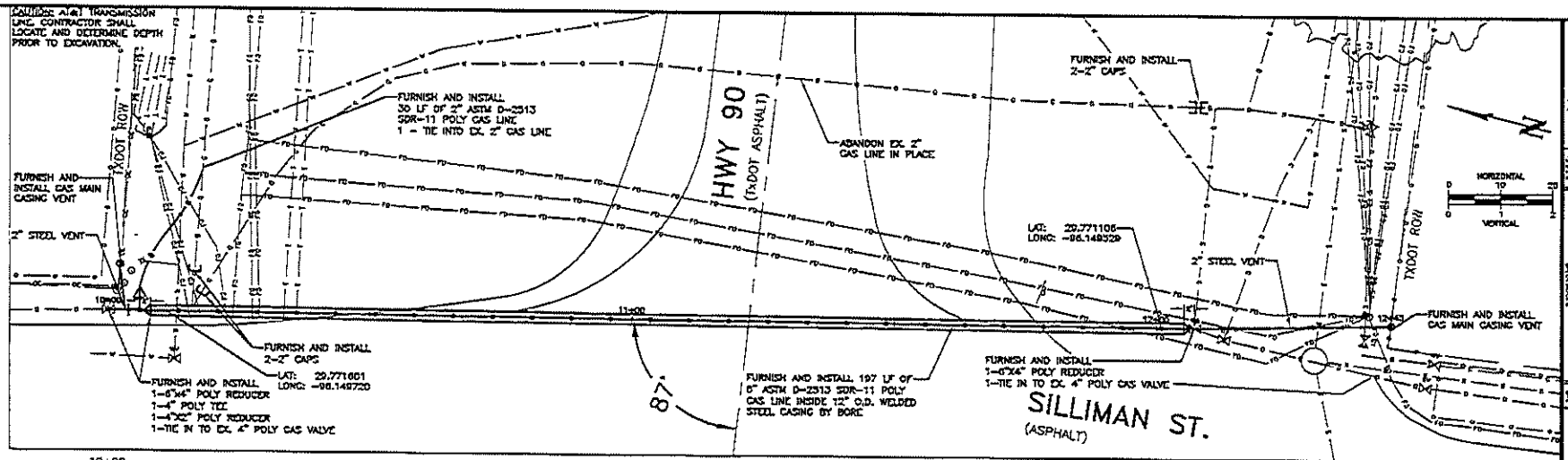
1. **LONGITUDINAL ALIGNMENT** - Installations shall be placed uniformly along the right-of-way line on longitudinal sections "as dimensioned" and approved on the notice form and specified on the plans. State law allows only utility firms and agencies to install lines along highway right-of-way.

SME - Maintenance Section Review
Review Answer: Recommend Approval
Response text: Approved

SME ATTACHMENTS:

Included attachments:

SME Answers Summary 3279442.pdf



2/25/26

HWY 90 NATURAL GAS LINE BORE

CITY OF SEALY
HWY 90 NATURAL GAS LINE BORE

JOB NO. 3885.050
PROJECT MGR. BEP
TBPE No. F-6409

STRAND ASSOCIATES

SHEET 1

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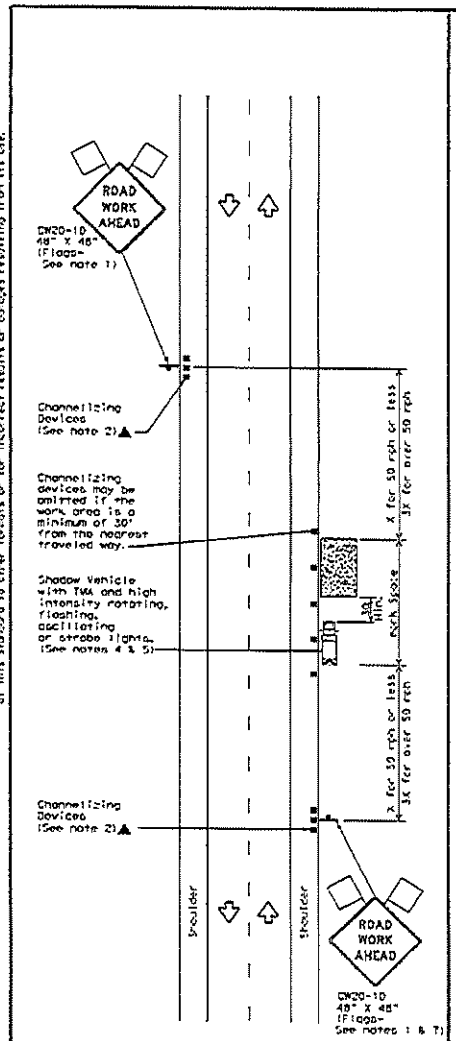
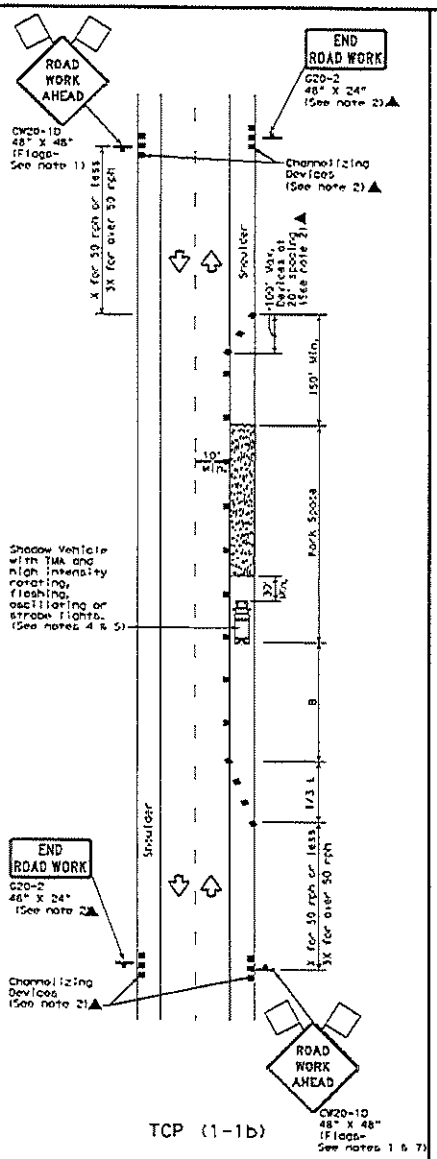
DATE:
FILE:



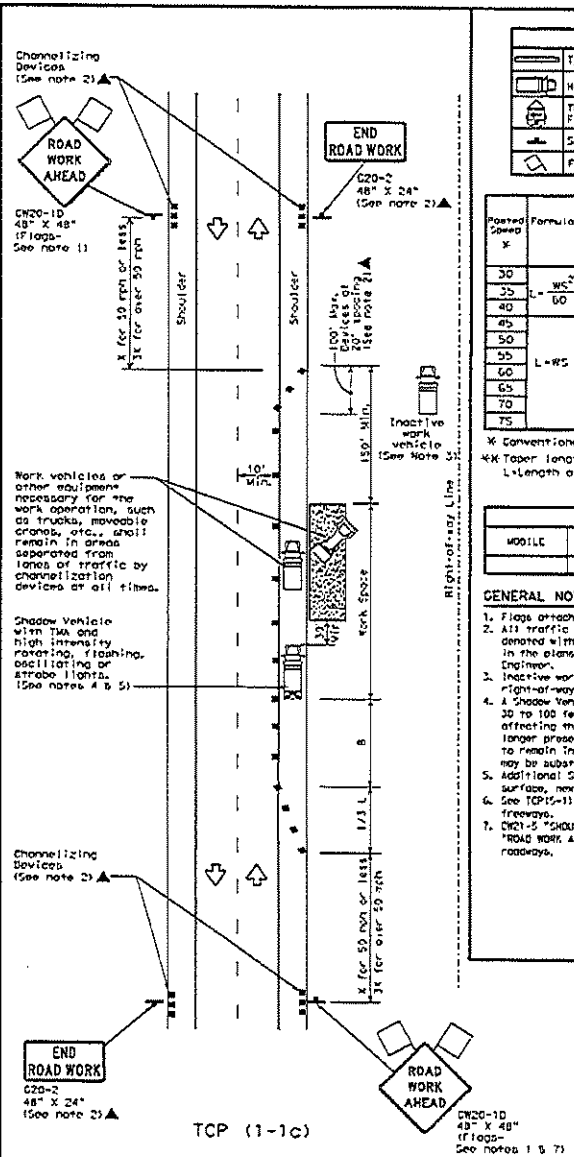
TCP (1-1a)

WORK SPACE NEAR SHOULDER
Conventional Roads



TCP (1-1b)

WORK SPACE ON SHOULDER
Conventional Roads



TCP (1-1c)

WORK VEHICLES ON SHOULDER
Conventional Roads

LEGEND			
	Type 3 Barricade		Channelizing Devices
	Heavy Work Vehicle		Truck Mounted Attenuator (TMA)
	Trailer Mounted Flashing Arrow Board		Portable Changeable Message Sign (PCMS)
	Sign		Traffic Flow
	Flag		Flagger

Posted Speed *	Formula	Minimum Desirable Taper Lengths * ** 10' Offset	11' Offset	12' Offset	Suggested Maximum Spacing of Channelizing Devices On a Taper	On a Tangent	Minimum Sign Spacing "X" Distance	Suggested Longitudinal Buffer Space "B"
30	$L=\frac{WS^2}{60}$	150'	165'	180'	30'	60'	120'	90'
35		205'	225'	245'	35'	70'	160'	120'
40		265'	295'	320'	40'	80'	240'	155'
45	L=WS	450'	495'	540'	45'	90'	320'	195'
50		500'	550'	600'	50'	100'	400'	240'
55		550'	605'	660'	55'	110'	500'	295'
60		600'	660'	720'	60'	120'	600'	350'
65		650'	715'	780'	65'	130'	700'	410'
70		700'	770'	840'	70'	140'	800'	475'
75		750'	825'	900'	75'	150'	900'	540'

* Conventional Roads Only
** Taper lengths have been rounded off.
L=Length of Taper(FT) W=Width of Offset(FT) S=Posted Speed(MPH)

TYPICAL USAGE				
MOBILE	SHORT DURATION	SHORT TERM STATIONARY	INTERMEDIATE TERM STATIONARY	LONG TERM STATIONARY
	✓	✓		

GENERAL NOTES

1. Flags attached to signs where shown are REQUIRED.
2. All traffic control devices illustrated are REQUIRED, except those denoted with the triangle symbol may be omitted when stated elsewhere in the plans, or for routine maintenance work, when approved by the Engineer.
3. Inactive work vehicles or other equipment should be parked near the right-of-way line and not parked on the paved shoulder.
4. A Shadow Vehicle with a TMA should be used anytime it can be positioned 30 to 100 feet in advance of the area of crew exposure without adversely affecting the performance or quality of the work. If workers are no longer present but road or work conditions require the traffic control to remain in place, Type 3 Barricades or other channelizing devices may be substituted for the Shadow Vehicle and TMA.
5. Additional Shadow Vehicles with TMAs may be positioned off the paved surface, next to those shown in order to protect wider work spaces.
6. See TCP(5-1)for shoulder work on divided highways, expressways and freeways.
7. CW21-5 "SHOULDER WORK" signs may be used in place of CW20-1D "ROAD WORK AHEAD" signs for shoulder work on conventional roadways.

Texas Department of Transportation

Traffic Operations Division Standard

TRAFFIC CONTROL PLAN CONVENTIONAL ROAD SHOULDER WORK

TCP(1-1)-18

FILE: tcp1-1-18.dgn	DN:	CK:	DW:	CK:
©TxDOT December 1985	CONT	SECT	JOB	HIGHWAY
2-98 4-98 revisions	DIST	COUNTY		SHEET NO.
8-95 2-12				
8-97 2-18				

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DATE:
FILE:

BARRICADE AND CONSTRUCTION (BC) STANDARD SHEETS GENERAL NOTES:

1. The Barricade and Construction Standard Sheets (BC sheets) are intended to show typical examples for placement of temporary traffic control devices, construction pavement markings, and typical work zone signs. The information contained in these sheets meet or exceed the requirements shown in the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD).

2. The development and design of the Traffic Control Plan (TCP) is the responsibility of the Engineer.

3. The Contractor may propose changes to the TCP that are signed and sealed by a licensed professional engineer for approval. The Engineer may develop, sign and seal Contractor proposed changes.

4. The Contractor is responsible for installing and maintaining the traffic control devices as shown in the plans. The Contractor may not move or change the approximate location of any device without the approval of the Engineer.

5. Geometric design of lane shifts and detours should, when possible, meet the applicable design criteria contained in manuals such as the American Association of State Highway and Transportation Officials (AASHTO), "A Policy on Geometric Design of Highways and Streets," the TxDOT "Roadway Design Manual" or engineering judgment.

6. When projects abut, the Engineer(s) may omit the END ROAD WORK, TRAFFIC FINES DOUBLE, and other advance warning signs if the signing would be redundant and the work areas appear continuous to the motorists. If the adjacent project is completed first, the Contractor shall erect the necessary warning signs as shown on these sheets, the TCP sheets or as directed by the Engineer. The BEGIN ROAD WORK NEXT X MILES sign shall be revised to show appropriate work zone distance.

7. The Engineer may require duplicate warning signs on the median side of divided highways where median width will permit and traffic volumes justify the signing.

8. All signs shall be constructed in accordance with the details found in the "Standard Highway Sign Designs for Texas," latest edition. Sign details not shown in this manual shall be shown in the plans or the Engineer shall provide a detail to the Contractor before the sign is manufactured.

9. The temporary traffic control devices shown in the illustrations of the BC sheets are examples. As necessary, the Engineer will determine the most appropriate traffic control devices to be used.

10. Where highway construction or maintenance work is being undertaken, other than mobile operations as defined by the Texas Manual on Uniform Traffic Control Devices, CSJ limit signs are required. CSJ limit signs are shown on BC(2). The OBEY WARNING SIGNS STATE LAW sign, STAY ALERT TALK OR TEXT LATER and the WORK ZONE TRAFFIC FINES DOUBLE sign with plaque shall be erected in advance of the CSJ limits. The BEGIN ROAD WORK NEXT X MILES, CONTRACTOR and END ROAD WORK signs shall be erected at or near the CSJ limits. For mobile operations, CSJ limit signs are not required.

11. Traffic control devices should be in place only while work is actually in progress or a definite need exists.

12. The Engineer has the final decision on the location of all traffic control devices.

13. Inactive equipment and work vehicles, including workers' private vehicles must be parked away from travel lanes. They should be as close to the right-of-way line as possible, or located behind a barrier or guardrail, or as approved by the Engineer.

WORKER SAFETY NOTES:

1. Workers on foot who are exposed to traffic or to construction equipment within the right-of-way shall wear high-visibility safety apparel meeting the requirements of ISEA "American National Standard for High-Visibility Apparel," or equivalent revisions, and labeled as ANSI 107-2004 standard performance for Class 2 or 3 risk exposure. Class 3 garments should be considered for high traffic volume work areas or night time work.

2. Except in emergency situations, flagger stations shall be illuminated when flagging is used at night.

COMPLIANT WORKZONE TRAFFIC CONTROL DEVICES

1. Only pre-qualified products shall be used. The "Compliant Work Zone Traffic Control Devices List" (CWZTCD) describes pre-qualified products and their sources.

2. Work zone traffic control devices shall be compliant with the Manual for Assessing Safety Hardware (MASH).

THE DOCUMENTS BELOW CAN BE FOUND ON-LINE AT http://www.txdot.gov
COMPLIANT WORK ZONE TRAFFIC CONTROL DEVICES LIST (CWZTCD)
DEPARTMENTAL MATERIAL SPECIFICATIONS (DMS)
MATERIAL PRODUCER LIST (MPL)
ROADWAY DESIGN MANUAL - SEE "MANUALS (ONLINE MANUALS)"
STANDARD HIGHWAY SIGN DESIGNS FOR TEXAS (SHSD)
TEXAS MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES (TMUTCD)
TRAFFIC ENGINEERING STANDARD SHEETS

Texas Department of Transportation

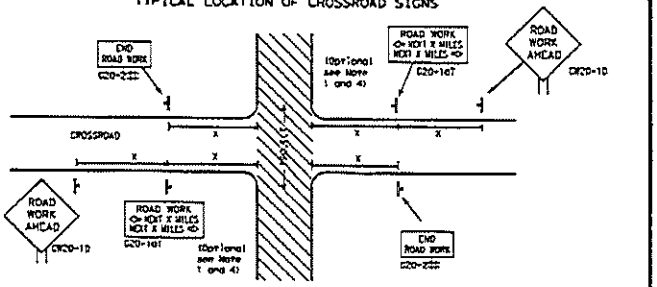
Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION GENERAL NOTES AND REQUIREMENTS

BC(1)-21

FILE:	bc-21.dgn	DN: TxDOT	CK: TxDOT	DW: TxDOT	CK: TxDOT
©TxDOT November 2002		CONT	SECT	JOB	HIGHWAY
REVISIONS					
4-03 7-13		DIST	COUNTY		SHEET NO.
9-07 8-14					
5-10 5-21					

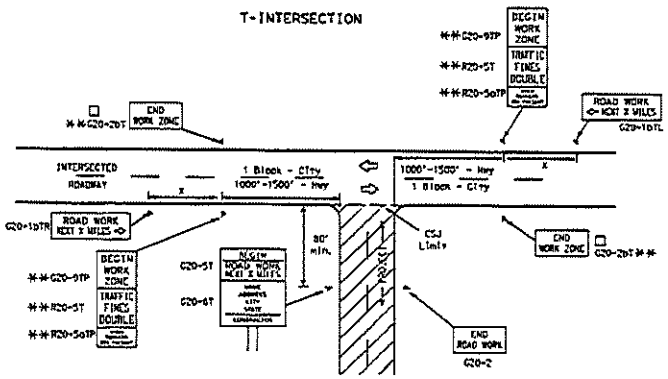
TYPICAL LOCATION OF CROSSROAD SIGNS



‡‡ May be mounted on back of "ROAD WORK AHEAD"(W20-1D) sign with approval of Engineer. (See note 2 below)

1. The typical minimum signing on a crossroad approach should be a "ROAD WORK AHEAD" (W20-1D)sign and a (G20-2) "END ROAD WORK" sign, unless noted otherwise in plans.
2. The Engineer may use the reduced size 36" x 36" ROAD WORK AHEAD (W20-1D) sign mounted back to back with the reduced size 36" x 18" "END ROAD WORK"(G20-2) sign on low volume crossroads (See Note 4 under "Typical Construction Warning Sign Size and Spacing"). See the "Standard Highway Sign Designs for Texas" manual for sign details. The Engineer may omit the advance warning signs on low volume crossroads. The Engineer will determine whether a road is low volume as per TMUTCD Part 6. This information shall be shown in the plans.
3. Based on existing field conditions, the Engineer/Inspector may require additional signs such as FLAGGER AHEAD, LOOSE GRAVEL, or other appropriate signs. When additional signs are required, these signs will be considered part of the minimum requirements. The Engineer/Inspector will determine the proper location and spacing of any sign not shown on the BC sheets, Traffic Control Plan sheets or the Work Zone Standard Sheets.
4. The "ROAD WORK NEXT X MILES"(G20-1dT)sign shall be required at high volume crossroads to advise motorists of the length of construction in either direction from the intersection. The Engineer will determine whether a roadway is considered high volume.
5. Additional traffic control devices may be shown elsewhere in the plans for higher volume crossroads.
6. When work occurs in the intersection area, appropriate traffic control devices, as shown elsewhere in the plans or as determined by the Engineer/Inspector, shall be in place.

T-INTERSECTION



CSJ LIMITS AT T-INTERSECTION

1. The Engineer will determine the types and location of any additional traffic control devices, such as a flagger and accompanying signs, or other signs, that should be used when work is being performed at or near an intersection.
2. If construction closes the road at a T-intersection, the Contractor shall place the "CONTRACTOR NAME"(G20-6T) sign behind the Type 3 Barricades for the road closure (see BC(11) plan). The "ROAD WORK NEXT X MILES" left arrow(G20-1dTL) and "ROAD WORK NEXT X MILES" right arrow (G20-1dTR)" signs shall be replaced by the detour signing called for in the plans.

TYPICAL CONSTRUCTION WARNING SIGN SIZE AND SPACING[3,5,6]

SIZE

Sign Number or Series	Conventional Road	Expressway/ Freeway
W20[4], W21, W22, W23, W25	48" x 48"	48" x 48"
W1, W2, W7, W8, W9, W11, W14	36" x 36"	48" x 48"
W3, W4, W5, W6, W8-3, W10, W12	48" x 48"	48" x 48"

SPACING

Posted Speed	Sign △ Spacing "X"
MPH	Feet (Approx.)
30	120
35	160
40	240
45	320
50	400
55	500 *
60	600 *
65	700 *
70	800 *
75	900 *
80	1000 *
*	* [3]

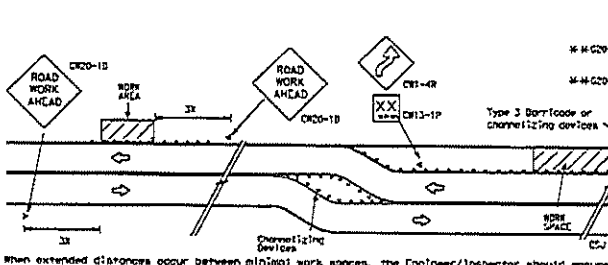
* For typical sign spacings on divided highways, expressways and freeways, see Part 6 of the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD) typical application diagrams or TCP Standard Sheets.

△ Minimum distance from work area to first Advance Warning sign nearest the work area and/or distance between each additional sign.

GENERAL NOTES

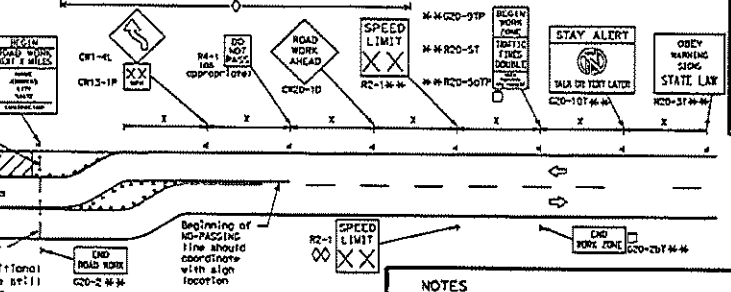
1. Special or larger size signs may be used as necessary.
2. Distance between signs should be increased as required to have 1500 feet advance warning.
3. Distance between signs should be increased as required to have 1/2 mile or more advance warning.
4. 36" x 36" "ROAD WORK AHEAD" (W20-1D)signs may be used on low volume crossroads at the discretion of the Engineer as per TMUTCD Part 6. See Note 2 under "Typical Location of Crossroad Signs".
5. Only diamond shaped warning sign sizes are indicated.
6. See sign size listing in "TMUTCD", Sign Appendix or the "Standard Highway Sign Designs for Texas" manual for complete list of available sign design sizes.

WORK AREAS IN MULTIPLE LOCATIONS WITHIN CSJ LIMITS

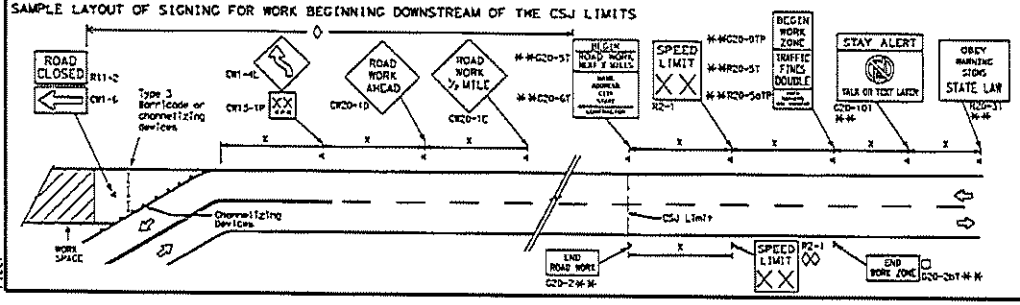


When extended distances occur between minimal work spaces, the Engineer/Inspector should ensure additional "ROAD WORK AHEAD"(W20-1D)signs are placed in advance of these work areas to remind drivers they are still within the project limits. See the applicable TCP sheets for exact location and spacing of signs and channelizing devices.

SAMPLE LAYOUT OF SIGNING FOR WORK BEGINNING AT THE CSJ LIMITS



SAMPLE LAYOUT OF SIGNING FOR WORK BEGINNING DOWNSTREAM OF THE CSJ LIMITS



NOTES

The Contractor shall determine the appropriate distance to be placed on the G20-1 series signs and "BEGIN ROAD WORK NEXT X MILES"(G20-5T)sign for each specific project. This distance shall replace the "X" and shall be rounded to the nearest whole mile with the approval of the Engineer. No decimals shall be used.

□ The "BEGIN WORK ZONE"(G20-9TP) and "END WORK ZONE" (G20-2bT) shall be used as shown on the sample layout when advance signs are required outside the CSJ Limits. They inform the motorist of entering or leaving a part of the work zone lying outside the CSJ Limits where traffic fines may double if workers are present.

‡‡ CSJ limit signing is required for highway construction and maintenance work, with the exception of mobile operations.

◊ Area for placement of "ROAD WORK AHEAD" (W20-1D)sign and other signs or devices as called for on the Traffic Control Plan.

◊◊ Contractor will install a regulatory speed limit sign at the end of the work zone.

LEGEND

⟼	Type 3 Barricade
○○○	Channelizing Devices
▬	Sign
X	See Typical Construction Warning Sign Size and Spacing chart or the TMUTCD for sign spacing requirements.

SHEET 2 OF 12

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION PROJECT LIMIT

BC(2)-21

FILE:	bc-21.dgn	DN: TxDOT	CK: TxDOT	DW: TxDOT	CK: TxDOT
©TxDOT November 2002		CONT	SECT	JOB	HIGHWAY
REVISIONS					
9-07 8-14		DIST	COUNTY		SHEET NO.
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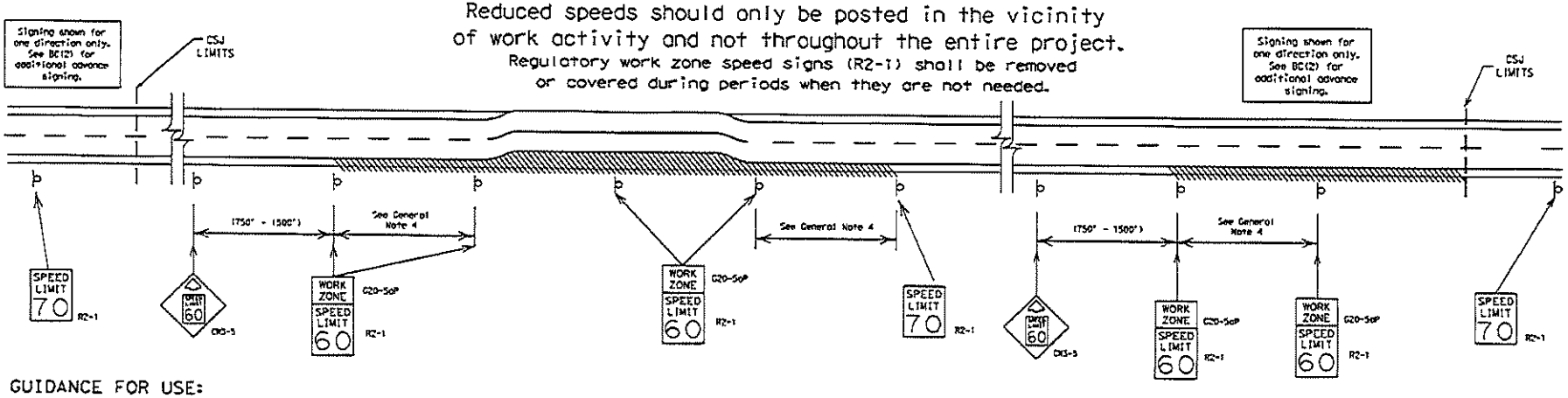
TYPICAL APPLICATION OF WORK ZONE SPEED LIMIT SIGNS

Work zone speed limits shall be regulatory, established in accordance with the "Procedures for Establishing Speed Zones," and approved by the Texas Transportation Commission, or by City Ordinance when within incorporated City Limits.

Reduced speeds should only be posted in the vicinity of work activity and not throughout the entire project. Regulatory work zone speed signs (R2-1) shall be removed or covered during periods when they are not needed.



GUIDANCE FOR USE:

LONG/INTERMEDIATE TERM WORK ZONE SPEED LIMITS

This type of work zone speed limit should be included on the design of the traffic control plans when restricted geometrics with a lower design speed are present in the work zone and modification of the geometrics to a higher design speed is not feasible.

Long/Intermediate Term Work Zone Speed Limit signs, when approved as described above, should be posted and visible to the motorist when work activity is present. Work activity may also be defined as a change in the roadway that requires a reduced speed for motorists to safely negotiate the work area, including:

a) rough road or damaged pavement surface
b) substantial alteration of roadway geometrics (diversions)
c) construction detours
d) grade
e) width
f) other conditions readily apparent to the driver

As long as any of these conditions exist, the work zone speed limit signs should remain in place.

SHORT TERM WORK ZONE SPEED LIMITS

This type of work zone speed limit may be included on the design of the traffic control plans when workers or equipment are not behind concrete barrier, when work activity is within 10 feet of the traveled way or actually in the traveled way.

Short Term Work Zone Speed Limit signs should be posted and visible to the motorists only when work activity is present. When work activity is not present, signs shall be removed or covered.
(See Removing or Covering on BC(4)).

GENERAL NOTES

1. Regulatory work zone speed limits should be used only for sections of construction projects where speed control is of major importance.
2. Regulatory work zone speed limit signs shall be placed on supports at a 7 foot minimum mounting height.
3. Speed zone signs are illustrated for one direction of travel and are normally posted for each direction of travel.
4. Frequency of work zone speed limit signs should be:
   40 mph and greater — 0.2 to 2 miles
   35 mph and less — 0.2 to 1 mile
5. Regulatory speed limit signs shall have black legend and border on a white reflective background (See "Reflective Sheeting" on BC(4)).
6. Fabrication, erection and maintenance of the "ADVANCE SPEED LIMIT" (CW3-5) sign, "WORK ZONE" (G20-5aP) plaque and the "SPEED LIMIT" (R2-1) signs shall not be paid for directly, but shall be considered subsidiary to Item 502.
7. Turning signs from view, laying signs over or down will not be allowed, unless as otherwise noted under "REMOVING OR COVERING" on BC(4).
8. Techniques that may help reduce traffic speeds include but are not limited to:
   A. Law enforcement.
   B. Flagger stationed next to sign.
   C. Portable changeable message sign (PCMS).
   D. Low-power (drone) radar transmitter.
   E. Speed monitor trailers or signs.
9. Speeds shown on details above are for illustration only. Work Zone Speed Limits should only be posted as approved for each project.
10. For more specific guidance concerning the type of work, work zone conditions and factors impacting allowable regulatory construction speed zone reduction see TxDOT form #1204 in the TxDOT e-form system.

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION WORK ZONE SPEED LIMIT

BC(3)-21

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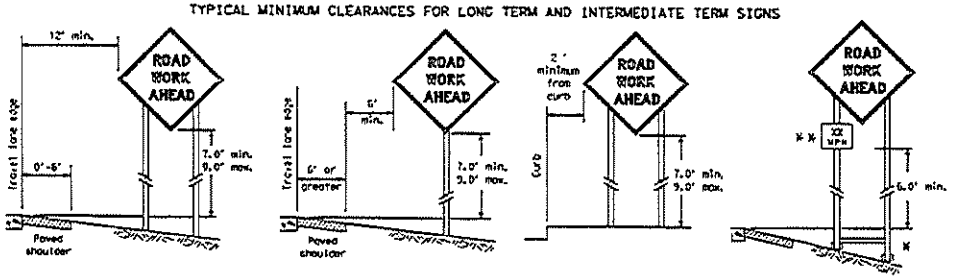
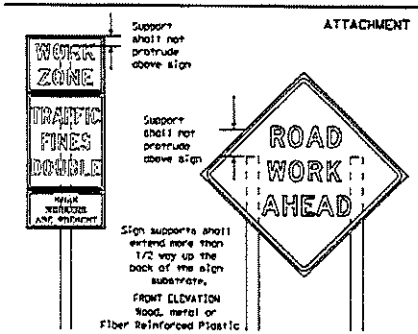
TYPICAL MINIMUM CLEARANCES FOR LONG TERM AND INTERMEDIATE TERM SIGNS



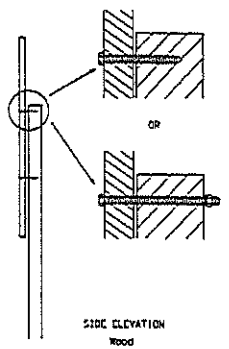
* When placing skid supports on unlevel ground, the leg post lengths must be adjusted so the sign appears straight and plumb. Objects shall NOT be placed under skids as a means of leveling.

** When plaques are placed on dual-leg supports, they should be attached to the upright nearest the travel lane. Supplemental plaques (advisory or distance) should not cover the surface of the parent sign.

ATTACHMENT FOR SIGN SUPPORTS



Splicing embedded perforated square metal tubing in order to extend post height will only be allowed when the splice is made using four bolts, two above and two below the splice point. Splice must be located entirely behind the sign substrate, not near the base of the support. Splice insert lengths should be at least 5 times nominal post size, centered on the splice and of at least the same gauge material.

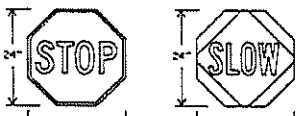


Attachment to wooden supports will be by bolts and nuts or screws. Use TxDOT's or manufacturer's recommended procedures for attaching sign substrates to other types of sign supports

Nails shall NOT be allowed. Each sign shall be attached directly to the sign support. Multiple signs shall not be joined or spliced by any means. Wood supports shall not be extended or repaired by splicing or other means.

STOP/SLOW PADDLES

1. STOP/SLOW paddles are the primary method to control traffic by flaggers. The STOP/SLOW paddle size should be 24" x 24".
2. STOP/SLOW paddles shall be retroreflectorized when used at night.
3. STOP/SLOW paddles may be attached to a staff with a minimum length of 6' to the bottom of the sign.
4. Any lights incorporated into the STOP or SLOW paddle faces shall only be as specifically described in Section 6E.03 Hand Signaling Devices in the TMUTCD.



SHEETING REQUIREMENTS (WHEN USED AT NIGHT)		
USAGE	COLOR	SIGN FACE MATERIAL
BACKGROUND	RED	TYPE B OR C SHEETING
BACKGROUND	ORANGE	TYPE B_{PL} OR C_{PL} SHEETING
LEGEND & BORDER	WHITE	TYPE B OR C SHEETING
LEGEND & BORDER	BLACK	ACRYLIC NON-REFLECTIVE FILM

CONTRACTOR REQUIREMENTS FOR MAINTAINING PERMANENT SIGNS WITHIN THE PROJECT LIMITS

1. Permanent signs are used to give notice of traffic laws or regulations, call attention to conditions that are potentially hazardous to traffic operations, show route designations, destinations, directions, distances, services, points of interest, and other geographical, recreational, specific service (LOGO), or cultural information. Drivers proceeding through a work zone need the same, if not better route guidance as normally installed on a roadway without construction.
2. When permanent regulatory or warning signs conflict with work zone conditions, remove or cover the permanent signs until the permanent sign message matches the roadway condition. For details for covering large guide signs see the TS-CD standard.
3. When existing permanent signs are moved and relocated due to construction purposes, they shall be visible to motorists at all times.
4. If existing signs are to be relocated on their original supports, they shall be installed on crashworthy bases as shown on the SMD Standard sheets. The signs shall meet the required mounting heights shown on the BC Sheets or the SMD Standards. This work should be paid for under the appropriate pay item for relocating existing signs.
5. If permanent signs are to be removed and relocated using temporary supports, the Contractor shall use crashworthy supports as shown on the BC standard sheets, TLRS standard sheets or the CWZTCD list. The signs shall meet the required mounting heights shown on the BC, or the SMD standard sheets during construction. This work should be paid for under the appropriate pay item for relocating existing signs.
6. Any sign or traffic control device that is struck or damaged by the Contractor or his/her construction equipment shall be replaced as soon as possible by the Contractor to ensure proper guidance for the motorists. This will be subsidiary to Item 502.

GENERAL NOTES FOR WORK ZONE SIGNS

1. Contractor shall install and maintain signs in a straight and plumb condition and/or as directed by the Engineer.
2. Wooden sign posts shall be painted white.
3. Barricades shall NOT be used as sign supports.
4. All signs shall be installed in accordance with the plans or as directed by the Engineer. Signs shall be used to regulate, warn, and guide the traveling public safely through the work zone.
5. The Contractor may furnish either the sign design shown in the plans or in the "Standard Highway Sign Designs for Texas" (SMSD). The Engineer/Inspector may require the Contractor to furnish other work zone signs that are shown in the TMUTCD but may have been omitted from the plans. Any variation in the plans shall be documented by written agreement between the Engineer and the Contractor's Responsible Person. All changes must be documented in writing before being implemented. This can include documenting the changes in the Inspector's TxDOT diary and having both the Inspector and Contractor initial and date the agreed upon changes.
6. The Contractor shall furnish sign supports listed in the "Compliant Work Zone Traffic Control Device List" (CWZTCD) for small roadside signs. Supports for temporary large roadside signs shall meet the requirements detailed on the Temporary Large Roadside Signs (TLRS) standard sheets. The Contractor shall install the sign support in accordance with the manufacturer's recommendations. If there is a question regarding installation procedures, the Contractor shall furnish the Engineer a copy of the manufacturer's installation recommendations so the Engineer can verify the correct procedures are being followed.
7. The Contractor is responsible for installing signs on approved supports and replacing signs with damaged or cracked substrates and/or damaged or marred reflective sheeting as directed by the Engineer/Inspector.
8. Identification markings may be shown only on the back of the sign substrate. The maximum height of letters and/or company logos used for identification shall be 1 inch.
9. The Contractor shall replace damaged wood posts. New or damaged wood sign posts shall not be spliced.

DURATION OF WORK (as defined by the "Texas Manual on Uniform Traffic Control Devices" Part 6)

1. The types of sign supports, sign mounting height, the size of signs, and the type of sign substrates can vary based on the type of work being performed. The Engineer is responsible for selecting the appropriate size sign for the type of work being performed. The Contractor is responsible for ensuring the sign support, sign mounting height and substrate meets manufacturer's recommendations in regard to crashworthiness and duration of work requirements.
   a. Long-term stationary - work that occupies a location more than 3 days.
   b. Intermediate-term stationary - work that occupies a location more than one daylight period up to 3 days, or nighttime work lasting more than one hour.
   c. Short-term stationary - daytime work that occupies a location for more than 1 hour in a single daylight period.
   d. Short, duration - work that occupies a location up to 1 hour.
   e. Mobile - work that moves continuously or intermittently (stopping for up to approximately 15 minutes.)

SIGN MOUNTING HEIGHT

1. The bottom of Long-term/Intermediate-term signs shall be at least 7 feet, but not more than 9 feet, above the paved surface, except as shown for supplemental plaques mounted below other signs.
2. The bottom of Short-term/Short Duration signs shall be a minimum of 1 foot above the pavement surface but no more than 2 feet above the ground.
3. Long-term/Intermediate-term Signs may be used in lieu of Short-term/Short Duration signing.
4. Short-term/Short Duration signs shall be used only during daylight and shall be removed at the end of the workday or raised to appropriate Long-term/Intermediate sign height.
5. Regulatory signs shall be mounted at least 7 feet, but not more than 9 feet, above the paved surface regardless of work duration.

SIZE OF SIGNS

1. The Contractor shall furnish the sign sizes shown on BC (2) unless otherwise shown in the plans or as directed by the Engineer.

SIGN SUBSTRATES

1. The Contractor shall ensure the sign substrate is installed in accordance with the manufacturer's recommendations for the type of sign support that is being used. The CWZTCD lists each substrate that can be used on the different types and models of sign supports.
2. "Mesh" type materials are NOT an approved sign substrate, regardless of the tightness of the weave.
3. All wooden individual sign panels fabricated from 2 or more pieces shall have one or more plywood cleat, 1/2" thick by 6" wide, fastened to the back of the sign and extending fully across the sign. The cleat shall be attached to the back of the sign using wood screws that do not penetrate the face of the sign panel. The screws shall be placed on both sides of the splice and spaced at 6" centers. The Engineer may approve other methods of splicing the sign face.

REFLECTIVE SHEETING

1. All signs shall be retroreflective and constructed of sheeting meeting the color and retro-reflectivity requirements of DMS-8300 for rigid signs or DMS-8310 for roll-up signs. The web address for DMS specifications is shown on DCI(1).
2. White sheeting, meeting the requirements of DMS-8300 Type A, shall be used for signs with a white background.
3. Orange sheeting, meeting the requirements of DMS-8300 type B_{PL} or Type C_{PL}, shall be used for rigid signs with orange backgrounds.

SIGN LETTERS

1. All sign letters and numbers shall be clear, and open rounded type uppercase alphabet letters as approved by the Federal Highway Administration (FHWA) and as published in the "Standard Highway Sign Design for Texas" manual. Signs, letters and numbers shall be of first class workmanship in accordance with Department Standards and Specifications.

REMOVING OR COVERING

1. When sign messages may be confusing or do not apply, the signs shall be removed or completely covered.
2. Long-term stationary or intermediate stationary signs installed on square metal tubing may be turned away from traffic 90 degrees when the sign message is not applicable. This technique may not be used for signs installed in the median of divided highways or near any intersections where the sign may be seen from approaching traffic.
3. Signs installed on wooden skids shall not be turned at 90 degree angles to the roadway. These signs should be removed or completely covered when not required.
4. When signs are covered, the material used shall be opaque, such as heavy mil black plastic, or other materials which will cover the entire sign face and maintain their opaque properties under automobile headlights at night, without damaging the sign sheeting.
5. Burlap shall NOT be used to cover signs.
6. Duct tape or other adhesive material shall NOT be affixed to a sign face.
7. Signs and anchor studs shall be removed and holes backfilled upon completion of work.

SIGN SUPPORT WEIGHTS

1. Where sign supports require the use of weights to keep from turning over, the use of sandbags with dry, consistentless sand should be used.
2. The sandbags will be tied shut to keep the sand from spilling and to maintain a constant weight.
3. Rock, concrete, iron, steel or other solid objects shall not be permitted for use as sign support weights.
4. Sandbags should weigh a minimum of 35 lbs and a maximum of 50 lbs.
5. Sandbags shall be made of a durable material that tears upon vehicular impact. Rubber (such as tire inner tubes) shall NOT be used.
6. Rubber ballasts designed for channelizing devices should not be used for ballast on portable sign supports. Sign supports designed and manufactured with rubber bases may be used when shown on the CWZTCD list.
7. Sandbags shall only be placed along or laid over the base supports of the traffic control device and shall not be suspended above ground level or hung with rope, wire, chains or other fasteners. Sandbags shall be placed along the length of the skids to weigh down the sign support.
8. Sandbags shall NOT be placed under the skid and shall not be used to level sign supports placed on slopes.

FLAGS ON SIGNS

1. Flags may be used to draw attention to warning signs. When used, the flag shall be 15 inches square or larger and shall be orange or fluorescent red-orange in color. Flags shall not be allowed to cover any portion of the sign face.

SHEET 4 OF 12

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION TEMPORARY SIGN NOTES

BC(4)-21

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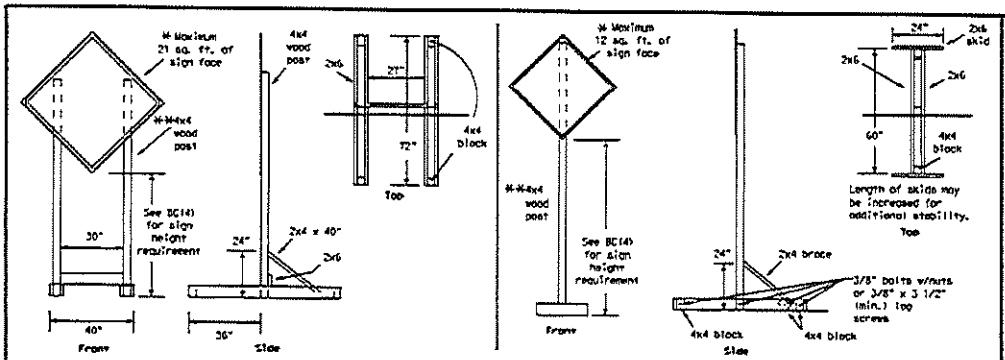
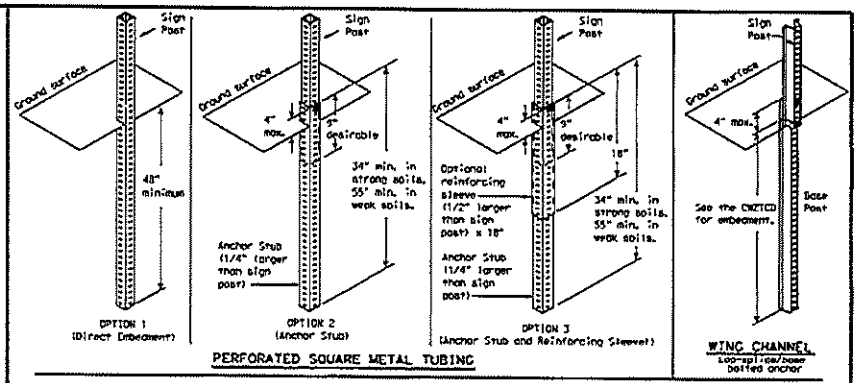


SKID MOUNTED WOOD SIGN SUPPORTS

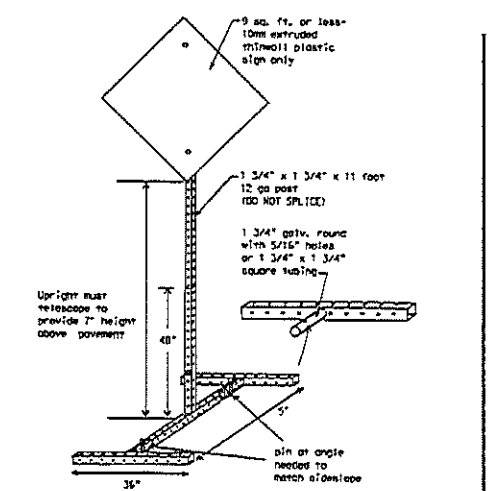
* LONG/INTERMEDIATE TERM STATIONARY - PORTABLE SKID MOUNTED SIGN SUPPORTS

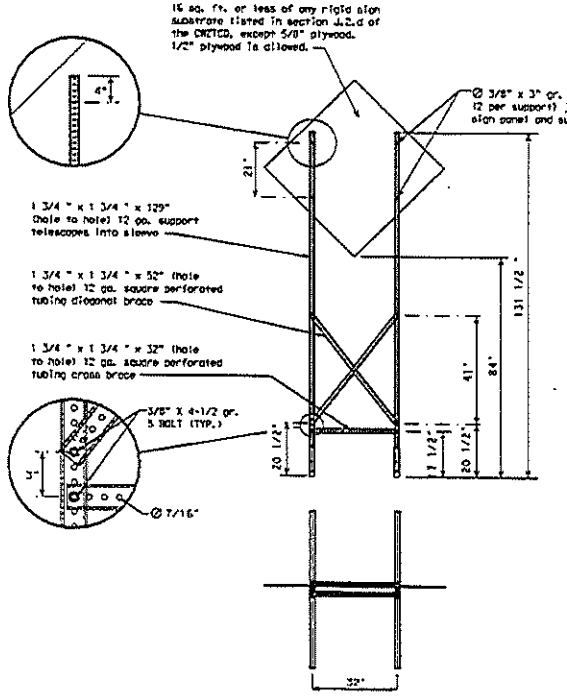


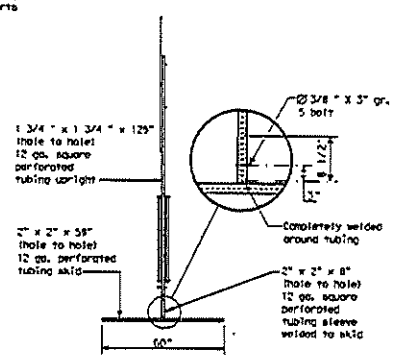
PERFORATED SQUARE METAL TUBING

GROUND MOUNTED SIGN SUPPORTS

Refer to the CMZTCD and the manufacturer's installation procedure for each type sign support. The maximum sign square footage shall conform to the manufacturer's recommendation. Two post installations can be used for larger signs.







SKID MOUNTED PERFORATED SQUARE STEEL TUBING SIGN SUPPORTS

* LONG/INTERMEDIATE TERM STATIONARY - PORTABLE SKID MOUNTED SIGN SUPPORTS

WEDGE ANCHORS

Both steel and plastic Wedge Anchor Systems as shown on the SMD Standard Sheets may be used as temporary sign supports for signs up to 10 square feet of sign face. They may be set in concrete or in sturdy soils if approved by the Engineer. (See web address for "Traffic Engineering Standard Sheets" on BC(1)).

OTHER DESIGNS

MORE DETAILS OF APPROVED LONG/INTERMEDIATE AND SHORT TERM SUPPORTS CAN BE FOUND ON THE CMZTCD LIST. SEE BC(1) FOR WEBSITE LOCATION.

GENERAL NOTES

1. Nails may be used in the assembly of wooden sign supports, but 3/8" bolts with nuts or 3/8" x 3 1/2" lag screws must be used on every joint for final connection.
2. No more than 2 sign posts shall be placed within a 7 ft. circle, except for specific materials noted on the CMZTCD List.
3. When project is completed, all sign supports and foundations shall be removed from the project site. This will be considered subsidiary to Item 502.

* See BC(4) for definition of "Work Duration."

** Wood sign posts MUST be one piece. Splicing will NOT be allowed. Posts shall be painted white.

☐ See the CMZTCD for the type of sign substrate that can be used for each approved sign support.

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BARRICADE AND CONSTRUCTION TYPICAL SIGN SUPPORT

BC(5)-21

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WHEN NOT IN USE, REMOVE THE PCMS FROM THE RIGHT-OF-WAY OR PLACE THE PCMS BEHIND BARRIER OR GUARDRAIL WITH SIGN PANEL TURNED PARALLEL TO TRAFFIC

PORTABLE CHANGEABLE MESSAGE SIGNS

1. The Engineer/Inspector shall approve all messages used on portable changeable message signs (PCMS).
2. Messages on PCMS should contain no more than 8 words (about four to eight characters per word), not including simple words such as "TO," "FOR," "AT," etc.
3. Messages should consist of a single phase, or two phases that alternate. Three-phase messages are not allowed. Each phase of the message should convey a single thought, and must be understood by itself.
4. Use the word "EXIT" to refer to an exit ramp on a freeway; i.e., "EXIT CLOSED." Do not use the term "RAMP."
5. Always use the route or Interstate designation (IH, US, SH, FM) along with the number when referring to a roadway.
6. When in use, the bottom of a stationary PCMS message panel should be a minimum 7 feet above the roadway, where possible.
7. The message term "WEEKEND" should be used only if the work is to start on Saturday morning and end by Sunday evening or midnight. Actual days and hours of work should be displayed on the PCMS if work is to begin on Friday evening and/or continue into Monday morning.
8. The Engineer/Inspector may select one of two options which are available for displaying a two-phase message on a PCMS. Each phase may be displayed for either four seconds each or for three seconds each.
9. Do not "flash" messages or words included in a message. The message should be steady burn or continuous while displayed.
10. Do not present redundant information on a two-phase message; i.e., keeping two lines of the message the same and changing the third line.
11. Do not use the word "Danger" in message.
12. Do not display the message "LANES SHIFT LEFT" or "LANES SHIFT RIGHT" on a PCMS. Drivers do not understand the message.
13. Do not display messages that scroll horizontally or vertically across the face of the sign.
14. The following table lists abbreviated words and two-word phrases that are acceptable for use on a PCMS. Both words in a phrase must be displayed together. Words or phrases not on this list should not be abbreviated, unless shown in the MUTCD.
15. PCMS character height should be at least 18 inches for trailer mounted units. They should be visible from at least 1/2 (.5) mile and the text should be legible from at least 600 feet at night and 800 feet in daylight. Truck mounted units must have a character height of 10 inches and must be legible from at least 400 feet.
16. Each line of text should be centered on the message board rather than left or right justified.
17. If disabled, the PCMS should default to an illegible display that will not alarm motorists and will only be used to alert workers that the PCMS has malfunctioned. A pattern such as a series of horizontal solid bars is appropriate.

WORD OR PHRASE	ABBREVIATION
Access Road	ACCS RD
Alternate	ALT
Avenue	AVE
Next Route	NEXT RTE
Boulevard	BLVD
Bridge	BRDG
Center	CNTR
Construction Ahead	CONST AHD
Crossing	XING
Detour Route	DETOUR RTE
Do Not	DONT
East	E
Eastbound	(route) E
Emergency	EMER
Emergency Vehicle	EMER VEH
Entrance, Enter	ENT
Express Lane	EXP LN
Expressway	EXPWY
xxxx Feet	xxxx FT
Road Ahead	RDS AHD
Freeway	FWY
Freeway Blocked	FWY BLKD
Friday	FRI
Hazardous Driving	HAZ DRIVING
Hazardous Material	HAZMAT
High-Occupancy	HOV
Vehicle	VEH
Highway	HWY
Hour(s)	HR, HRS
Information	INFO
I-n	I-n
Junction	JCT
Left	LFT
Left Lane	LFT LN
Lane Closed	LN CLOSED
Lower Level	LWR LVL
Maintenance	MAINT

WORD OR PHRASE	ABBREVIATION
Major	MAJ
Miles	MI
Miles Per Hour	MPH
Minor	MNR
Monday	MON
Normal	NORM
North	N
Northbound	(route) N
Parking	PKING
Road	RD
Right Lane	RT LN
Saturday	SAT
Service Road	SERV RD
Shoulder	SHLDR
Slippery	SLIP
South	S
Southbound	(route) S
Speed	SPD
Street	ST
Sunday	SUN
Telephone	PHONE
Temporary	TEMP
Thursday	THURS
To Downtown	TO DWNTN
Traffic	TRAF
Travelers	TRVLRS
Tuesday	TUES
Time Minutes	TIME MIN
Upper Level	UPR LVL
Vehicles, (s)	VEH, VEHS
Warning	WARN
Wednesday	WED
Weight Limit	WT LIMIT
West	W
Westbound	(route) W
Work Prohibited	WRK PROHIB
Will Not	WONT

Roadway designation = IH-number, US-number, SH-number, FM-number

RECOMMENDED PHASES AND FORMATS FOR PCMS MESSAGES DURING ROADWORK ACTIVITIES

(The Engineer may approve other messages not specifically covered here.)

Phase 1: Condition Lists

Road/Lane/Ramp Closure List

- FREEWAY CLOSED X MILE
- ROAD CLOSED AT SH XXX
- ROAD CLSD AT FM XXXX
- RIGHT X LANES CLOSED
- CENTER LANE CLOSED
- NIGHT LANE CLOSURES
- VARIOUS LANES CLOSED
- EXIT CLOSED
- MALL DRIVEWAY CLOSED
- XXXXXXX BLVD CLOSED
- FRONTAGE ROAD CLOSED
- SHOULDER CLOSED XXX FT
- RIGHT LN CLOSED XXX FT
- RIGHT X LANES OPEN
- DAYTIME LANE CLOSURES
- I-XX SOUTH EXIT CLOSED
- EXIT XXX CLOSED X MILE
- RIGHT LN TO BE CLOSED
- X LANES CLOSED TUE - FRI

Other Condition List

- ROADWORK XXX FT
- FLAGGER XXXX FT
- RIGHT LN NARROWS XXXX FT
- MERGING TRAFFIC XXXX FT
- LOOSE GRAVEL XXXX FT
- DETOUR X MILE
- ROADWORK PAST SH XXXX
- BUMP XXXX FT
- TRAFFIC SIGNAL XXXX FT
- ROAD REPAIRS XXXX FT
- LANE NARROWS XXXX FT
- TWO-WAY TRAFFIC XX MILE
- CONST TRAFFIC XXX FT
- UNEVEN LANES XXXX FT
- ROUGH ROAD XXXX FT
- ROADWORK NEXT FRI-SUN
- US XXX EXIT X MILES
- LANES SHIFT *
- STAY IN LANE *

* LANES SHIFT in Phase 1 must be used with STAY IN LANE in Phase 2.

Phase 2: Possible Component Lists

Action to Take/Effect on Travel List

- MERGE RIGHT
- DETOUR NEXT x EXITS
- USE EXIT XXX
- STAY ON US XXX SOUTH
- TRUCKS USE US XXX N
- WATCH FOR TRUCKS
- EXPECT DELAYS
- REDUCE SPEED XXX FT
- USE OTHER ROUTES
- FORM X LINES RIGHT
- USE XXXXX RD EXIT
- USE EXIT I-XX NORTH
- USE I-XX E TO I-XX N
- WATCH FOR TRUCKS
- EXPECT DELAYS
- PREPARE TO STOP
- END SHOULDER USE
- WATCH FOR WORKERS

Location List

- AT FM XXXX
- BEFORE RAILROAD CROSSING
- NEXT X MILES
- PAST US XXX EXIT
- XXXXXXX TO XXXXXXX
- US XXX TO FM XXXX

Warning List

- SPEED LIMIT XX MPH
- MAXIMUM SPEED XX MPH
- MINIMUM SPEED XX MPH
- ADVISORY SPEED XX MPH
- RIGHT LANE EXIT
- USE CAUTION
- DRIVE SAFELY
- DRIVE WITH CARE

* * Advance Notice List

- TUE-FRI XX AM- X PM
- APR XX-XX X PM-X AM
- BEGINS MONDAY
- BEGINS MAY XX
- MAY X-X XX PM - XX AM
- NEXT FRI-SUN
- XX AM TO XX PM
- NEXT TUE AUG XX
- TONIGHT XX PM- XX AM

* * See Application Guidelines Note 6.

APPLICATION GUIDELINES

1. Only 1 or 2 phases are to be used on a PCMS.
2. The 1st phase (or both) should be selected from the "Road/Lane/Ramp Closure List" and the "Other Condition List".
3. A 2nd phase can be selected from the "Action to Take/Effect on Travel, Location, General Warning, or Advance Notice Phase Lists".
4. A Location Phase is necessary only if a distance or location is not included in the first phase selected.
5. If two PCMS are used in sequence, they must be separated by a minimum of 1000 ft. Each PCMS shall be limited to two phases, and should be understandable by themselves.
6. For advance notice, when the current date is within seven days of the actual work date, calendar days should be replaced with days of the week. Advance notification should typically be for no more than one week prior to the work.

WORDING ALTERNATIVES

1. The words RIGHT, LEFT and ALL can be interchanged as appropriate.
2. Roadway designations IH, US, SH, FM and LP can be interchanged as appropriate.
3. EAST, WEST, NORTH and SOUTH (or abbreviations E, W, N and S) can be interchanged as appropriate.
4. Highway names and numbers replaced as appropriate.
5. ROAD, HIGHWAY and FREEWAY can be interchanged as needed.
6. AHEAD may be used instead of distances if necessary.
7. FT and MI, MILE and MILES interchanged as appropriate.
8. AT, BEFORE and PAST interchanged as needed.
9. Distances or AHEAD can be eliminated from the message if a location phase is used.

PCMS SIGNS WITHIN THE R.O.W. SHALL BE BEHIND GUARDRAIL OR CONCRETE BARRIER OR SHALL HAVE A MINIMUM OF FOUR (4) PLASTIC DRUMS PLACED PERPENDICULAR TO TRAFFIC ON THE UPSTREAM SIDE OF THE PCMS, WHEN EXPOSED TO ONE DIRECTION OF TRAFFIC. WHEN EXPOSED TO TWO WAY TRAFFIC, THE FOUR DRUMS SHOULD BE PLACED WITH ONE DRUM AT EACH OF THE FOUR CORNERS OF THE UNIT.

FULL MATRIX PCMS SIGNS

1. When Full Matrix PCMS signs are used, the character height and legibility/visibility requirements shall be maintained as listed in Note 15 under "PORTABLE CHANGEABLE MESSAGE SIGNS" above.
2. When symbol signs, such as the "Flagger Symbol" (CW20-7) are represented graphically on the Full Matrix PCMS sign and, with the approval of the Engineer, it shall maintain the legibility/visibility requirement listed above.
3. When symbol signs are represented graphically on the Full Matrix PCMS, they shall only supplement the use of the static sign represented, and shall not substitute for, or replace that sign.
4. A full matrix PCMS may be used to simulate a flashing arrow board provided it meets the visibility, flash rate and dimming requirements on BC(7), for the same size arrow.

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION PORTABLE CHANGEABLE MESSAGE SIGN (PCMS)

BC(6)-21

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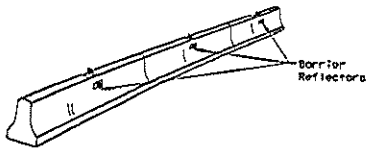
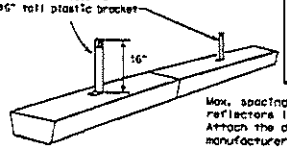
1. Barrier Reflectors shall be pre-qualified, and conform to the color and reflectivity requirements of DMS-8600. A list of prequalified Barrier Reflectors can be found at the Material Producer List web address shown on BC(1).
2. Color of Barrier Reflectors shall be as specified in the TMUTCD. The cost of the reflectors shall be considered subsidiary to Item 512.



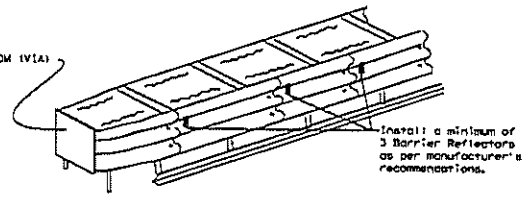
CONCRETE TRAFFIC BARRIER (CTB)

3. Where traffic is on one side of the CTB, two (2) Barrier Reflectors shall be mounted in approximately the midsection of each section of CTB. An alternate mounting location is uniformly spaced at one end of each CTB. This will allow for attachment of a barrier grapple without damaging the reflector. The Barrier Reflector mounted on the side of the CTB shall be located directly below the reflector mounted on top of the barrier, as shown in the detail above.
4. Where CTB separates two-way traffic, three barrier reflectors shall be mounted on each section of CTB. The reflector unit on top shall have two yellow reflective faces (Bi-Directional)while the reflectors on each side of the barrier shall have one yellow reflective face, as shown in the detail above.
5. When CTB separates traffic traveling in the same direction, no barrier reflectors will be required on top of the CTB.
6. Barrier Reflector units shall be yellow or white in color to match the edgeline being supplemented.
7. Maximum spacing of Barrier Reflectors is forty (40) feet.
8. Pavement markers or temporary flexible-reflective roadway marker tabs shall NOT be used as CTB delineation.
9. Attachment of Barrier Reflectors to CTB shall be per manufacturer's recommendations.
10. Missing or damaged Barrier Reflectors shall be replaced as directed by the Engineer.
11. Single slope barriers shall be delineated as shown on the above detail.



Max. spacing of barrier reflectors is 20 feet. Attach the delineators as per manufacturer's recommendations.

LOW PROFILE CONCRETE BARRIER (LPCB)



DELINEATION OF END TREATMENTS

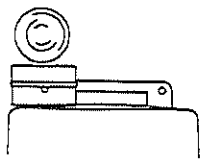
END TREATMENTS FOR CTB'S USED IN WORK ZONES

End treatments used on CTB's in work zones shall meet the appropriate crashworthy standards as defined in the Manual for Assessing Safety Hardware (MASH). Refer to the CWZTCD LTAT for approved end treatments and manufacturers.

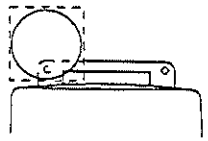
LOW PROFILE CONCRETE BARRIER (LPCB) USED IN WORK ZONES

LPCB is approved for use in work zone locations, where the posted speed is 45mph, or less. See Roadway Standard Sheet LPCB.

BARRIER REFLECTORS FOR CONCRETE TRAFFIC BARRIER AND ATTENUATORS



Type C Warning Light or approved substitute mounted on a drum adjacent to the travel way.



Warning reflector may be round or square.Must have a yellow reflective surface area of at least 30 square inches.

WARNING LIGHTS

1. Warning lights shall meet the requirements of the TMUTCD.
2. Warning lights shall NOT be installed on barricades.
3. Type A-Low Intensity Flashing Warning Lights are commonly used with drums. They are intended to warn of or mark a potentially hazardous area. Their use shall be as indicated on this sheet and/or other sheets of the plans by the designation "FL". The Type A Warning Lights shall not be used with signs manufactured with Type B_R or C_L Sheeting meeting the requirements of Departmental Material Specification DMS-8300.
4. Type-C and Type D 360 degree Steady Burn Lights are intended to be used in a series for delineation to supplement other traffic control devices. Their use shall be as indicated on this sheet and/or other sheets of the plans by the designation "SB".
5. The Engineer/Inspector or the plans shall specify the location and type of warning lights to be installed on the traffic control devices.
6. When required by the Engineer, the Contractor shall furnish a copy of the warning lights certification. The warning light manufacturer will certify the warning lights meet the requirements of the latest ITE Purchase Specifications for Flashing and Steady-Burn Warning Lights.
7. When used to delineate curves, Type-C and Type D Steady Burn Lights should only be placed on the outside of the curve, not the inside.
8. The location of warning lights and warning reflectors on drums shall be as shown elsewhere in the plans.

WARNING LIGHTS MOUNTED ON PLASTIC DRUMS

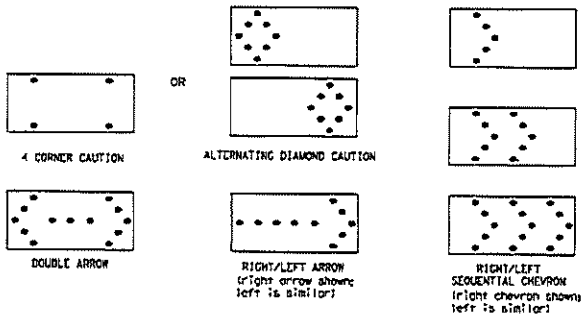
1. Type A flashing warning lights are intended to warn drivers that they are approaching or are in a potentially hazardous area.
2. Type A random flashing warning lights are not intended for delineation and shall not be used in a series.
3. A series of sequential flashing warning lights placed on channelizing devices to form a merging taper may be used for delineation. If used, the successive flashing of the sequential warning lights should occur from the beginning of the taper to the end of the merging taper in order to identify the desired vehicle path. The rate of flashing for each light shall be 65 flashes per minute, plus or minus 10 flashes.
4. Type C and D steady-burn warning lights are intended to be used in a series to delineate the edge of the travel lane on detours, on lane changes, on lane closures, and on other similar conditions.
5. Type A, Type C and Type D warning lights shall be installed at locations as detailed on other sheets in the plans.
6. Warning lights shall not be installed on a drum that has a sign, chevron or vertical panel.
7. The maximum spacing for warning lights on drums should be identical to the channelizing device spacing.

WARNING REFLECTORS MOUNTED ON PLASTIC DRUMS AS A SUBSTITUTE FOR TYPE C (STEADY BURN) WARNING LIGHTS

1. A warning reflector or approved substitute may be mounted on a plastic drum as a substitute for a Type C, steady burn warning light or the discretion of the Contractor unless otherwise noted in the plans.
2. The warning reflector shall be yellow in color and shall be manufactured using a sign substrate approved for use with plastic drums listed on the CWZTCD.
3. The warning reflector shall have a minimum retroreflective surface area (one-side) of 30 square inches.
4. Round reflectors shall be fully reflectorized, including the area where attached to the drum.
5. Square substrates must have a minimum of 30 square inches of reflectorized sheeting. They do not have to be reflectorized where it attaches to the drum.
6. The side of the warning reflector facing approaching traffic shall have sheeting meeting the color and retroreflectivity requirements for DMS 8300-Type B or Type C.
7. When used near two-way traffic, both sides of the warning reflector shall be reflectorized.
8. The warning reflector should be mounted on the side of the handle nearest approaching traffic.
9. The maximum spacing for warning reflectors should be identical to the channelizing device spacing requirements.

Arrow Boards may be located behind channelizing devices in place for a shoulder taper or merging taper, otherwise they shall be delineated with four (4) channelizing devices placed perpendicular to traffic on the upstream side of traffic.

1. The Flashing Arrow Board should be used for all lane closures on multi-lane roadways, or slow moving maintenance or construction activities on the travel lanes.
2. Flashing Arrow Boards should not be used on two-lane, two-way roadways, detours, diversions or work on shoulders unless the "CAUTION" display (see detail below) is used.
3. The Engineer/Inspector shall choose all appropriate signs, barricades and/or other traffic control devices that should be used in conjunction with the Flashing Arrow Board.
4. The Flashing Arrow Board should be able to display the following symbols:



5. The "CAUTION" display consists of four corner lamps flashing simultaneously, or the Alternating Diamond Caution mode as shown.
6. The straight line caution display is NOT ALLOWED.
7. The Flashing Arrow Board shall be capable of minimum 30 percent dimming from rated lamp voltage. The flashing rate of the lamps shall not be less than 25 nor more than 40 flashes per minute.
8. Minimum lamp "on time" shall be approximately 50 percent for the flashing arrow and equal intervals of 25 percent for each sequential phase of the flashing chevron.
9. The sequential arrow display is NOT ALLOWED.
10. The flashing arrow display is the TxDOT standard; however, the sequential chevron display may be used during daylight operations.
11. The Flashing Arrow Board shall be mounted on a vehicle, trailer or other suitable support.
12. A Flashing Arrow Board SHALL NOT BE USED to laterally shift traffic.
13. A full matrix PCMS may be used to simulate a Flashing Arrow Board provided it meets visibility, flash rate and dimming requirements on this sheet for the same size arrow.
14. Minimum mounting height of trailer mounted Arrow Boards should be 7 feet from roadway to bottom of panel.

REQUIREMENTS			
TYPE	MINIMUM SIZE	MINIMUM NUMBER OF PANEL LAMPS	MINIMUM VISIBILITY DISTANCE
B	30 x 60	13	3/4 mile
C	48 x 96	15	1 mile

ATTENTION

Flashing Arrow Boards shall be equipped with automatic dimming devices.

WHEN NOT IN USE, REMOVE THE ARROW BOARD FROM THE RIGHT-OF-WAY OR PLACE THE ARROW BOARD BEHIND CONCRETE TRAFFIC BARRIER OR GUARDRAIL.

FLASHING ARROW BOARDS

TRUCK-MOUNTED ATTENUATORS

1. Truck-mounted attenuators (TMA) used on TxDOT facilities must meet the requirements outlined in the Manual for Assessing Safety Hardware (MASH).
2. Refer to the CWZTCD for the requirements of Level 2 or Level 3 TMAs.
3. Refer to the CWZTCD for a list of approved TMAs.
4. TMAs are required on freeways unless otherwise noted in the plans.
5. A TMA should be used anytime that it can be positioned 30 to 100 feet in advance of the area of crew exposure without adversely affecting the work performance.
6. The only reason a TMA should not be required is when a work area is spread down the roadway and the work crew is an extended distance from the TMA.

SHEET 7 OF 12

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION ARROW PANEL, REFLECTORS, WARNING LIGHTS & ATTENUATOR

BC(7)-21

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GENERAL NOTES

1. For long term stationary work zones on freeways, drums shall be used as the primary channelizing device.
2. For intermediate term stationary work zones on freeways, drums should be used as the primary channelizing device but may be replaced in tangent sections by vertical panels, or 42" two-piece cones. In tangent sections, one-piece cones may be used with the approval of the Engineer but only if personnel are present on the project at all times to maintain the cones in proper position and location.
3. For short term stationary work zones on freeways, drums are the preferred channelizing device but may be replaced in tapers, transitions and tangent sections by vertical panels, two-piece cones or one-piece cones as approved by the Engineer.
4. Drums and all related items shall comply with the requirements of the current version of the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD) and the "Compliant Work Zone Traffic Control Devices List" (CWZTCD).
5. Drums, bases, and related materials shall exhibit good workmanship and shall be free from objectionable marks or defects that would adversely affect their appearance or serviceability.
6. The Contractor shall have a maximum of 24 hours to replace any plastic drums identified for replacement by the Engineer/Inspector. The replacement device must be on approved device.

GENERAL DESIGN REQUIREMENTS

Pre-qualified plastic drums shall meet the following requirements:

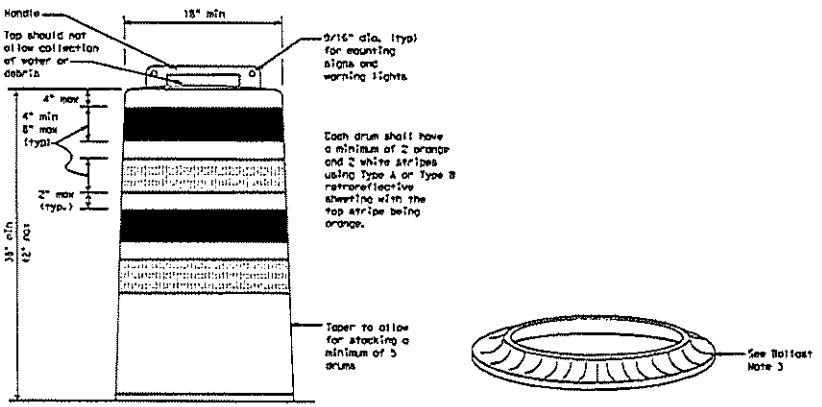
1. Plastic drums shall be a two-piece design the "body" of the drum shall be the top portion and the "base" shall be the bottom.
2. The body and base shall lock together in such a manner that the body separates from the base when impacted by a vehicle traveling at a speed of 20 MPH or greater but prevents accidental separation due to normal handling and/or air turbulence created by passing vehicles.
3. Plastic drums shall be constructed of lightweight flexible, and deformable materials. The Contractor shall NOT use metal drums or single piece plastic drums as channelization devices or sign supports.
4. Drums shall present a profile that is a minimum of 18 inches in width at the 36 inch height when viewed from any direction. The height of drum unit (body installed on base) shall be a minimum of 36 inches and a maximum of 42 inches.
5. The top of the drum shall have a built-in handle for easy pickup and shall be designed to drain water and not collect debris. The handle shall have a minimum of two widely spaced 9/16 inch diameter holes to allow attachment of a warning light, warning reflector unit or approved compliant sign.
6. The exterior of the drum body shall have a minimum of four alternating orange and white retroreflective circumferential stripes not less than 4 inches nor greater than 8 inches in width. Any non-reflectorized space between any two adjacent stripes shall not exceed 2 inches in width.
7. Bases shall have a maximum width of 36 inches, a maximum height of 4 inches, and a minimum of two footholds of sufficient size to allow base to be held down while separating the drum body from the base.
8. Plastic drums shall be constructed of ultra-violet stabilized, orange, high-density polyethylene (HDPE) or other approved material.
9. Drum body shall have a maximum unballasted weight of 11 lbs.
10. Drum and base shall be marked with manufacturer's name and model number.

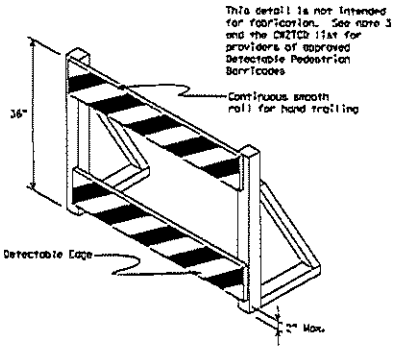
RETROREFLECTIVE SHEETING

1. The stripes used on drums shall be constructed of sheeting meeting the color and retroreflectivity requirements of Departmental Materials Specification DMS-8300, "Sign Face Materials," Type A or Type B reflective sheeting shall be supplied unless otherwise specified in the plans.
2. The sheeting shall be suitable for use on and shall adhere to the drum surface such that, upon ventilator impact, the sheeting shall remain adhered in-place and exhibit no delaminating, cracking, or loss of retroreflectivity other than that loss due to abrasion of the sheeting surface.

BALLAST

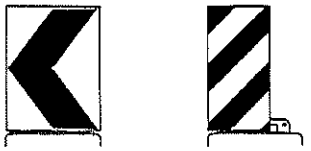
1. Unballasted bases shall be large enough to hold up to 50 lbs. of sand. This base, when filled with the ballast material, should weigh between 35 lbs (minimum) and 50 lbs (maximum). The ballast may be sand in one to three sandbags separate from the base, sand in a sand-filled plastic base, or other ballasting devices as approved by the Engineer. Stacking of sandbags will be allowed, however height of sandbags above pavement surface may not exceed 12 inches.
2. Bases with built-in ballast shall weigh between 40 lbs. and 50 lbs. Built-in ballast can be constructed of an integral drum rubber base or a solid rubber base.
3. Recycled truck tire sidewalls may be used for ballast on drums approved for this type of ballast on the CWZTCD list.
4. The ballast shall not be heavy objects, water, or any material that would become hazardous to motorists, pedestrians, or workers when the drum is struck by a vehicle.
5. When used in regions susceptible to freezing, drums shall have drainage holes in the bottoms so that water will not collect and freeze becoming a hazard when struck by a vehicle.
6. Ballast shall not be placed on top of drums.
7. Adhesives may be used to secure base of drums to pavement.





DETECTABLE PEDESTRIAN BARRICADES

1. When existing pedestrian facilities are disrupted, closed, or relocated in a TTC zone, the temporary facilities shall be detectable and include accessibility features consistent with the features present in the existing pedestrian facility. Refer to WZ(BTS-2) for Pedestrian Control requirements for Sidewalk Diversions, Sidewalk Detours and Crosswalk Closures.
2. Where pedestrians with visual disabilities normally use the closed sidewalk, a Detectable Pedestrian Barricade shall be placed across the full width of the closed sidewalk instead of a Type 3 Barricade.
3. Detectable pedestrian barricades similar to the one pictured above, longitudinal channelizing devices, some concrete barriers, and wood or chain link fencing with a continuous detectable edging can satisfactorily delineate a pedestrian path.
4. Tape, rope, or plastic chain strung between devices are not detectable, do not comply with the design standards in the "Americans with Disabilities Act Accessibility Guidelines (ADAAG)" and should not be used as a control for pedestrian movements.
5. Warning lights shall not be attached to detectable pedestrian barricades.
6. Detectable pedestrian barricades should use 8" nominal barricade rails as shown on BC(10) provided that the top rail provides a smooth continuous rail suitable for hand trailing with no splinters, burrs, or sharp edges.



18" x 24" Sign (Maximum Sign Dimension) Chevron CW1-8, Opposing Traffic Lane Divider, Driveway sign D70a, Keep Right R4 series or other signs as approved by Engineer

12" x 24" Vertical Panel mount with diagonals sloping down towards travel way

Plywood, Aluminum or Metal sign substrates shall NOT be used on plastic drums

SIGNS, CHEVRONS, AND VERTICAL PANELS MOUNTED ON PLASTIC DRUMS

1. Signs used on plastic drums shall be manufactured using substrates listed on the CWZTCD.
2. Chevrons and other work zone signs with an orange background shall be manufactured with Type B_{FL} or Type C_{FL} Orange sheeting meeting the color and retroreflectivity requirements of DMS-8300, "Sign Face Material," unless otherwise specified in the plans.
3. Vertical Panels shall be manufactured with orange and white sheeting meeting the requirements of DMS-8300 Type A or Type B. Diagonal stripes on Vertical Panels shall slope down toward the intended traveled lane.
4. Other sign messages (text or symbolic) may be used as approved by the Engineer. Sign dimensions shall not exceed 18 inches in width or 24 inches in height, except for the R9 series signs discussed in note 8 below.
5. Signs shall be installed using a 1/2 inch bolt (nominal) and nut, two washers, and one locking washer for each connection.
6. Mounting bolts and nuts shall be fully engaged and adequately torqued. Bolts should not extend more than 1/2 inch beyond nuts.
7. Chevrons may be placed on drums on the outside of curves, on merging tapers or on shifting tapers. When used in these locations, they may be placed on every drum or spaced not more than on every third drum. A minimum of three (3) should be used at each location called for in the plans.
8. R9-9, R9-10, R9-11 and R9-11a Sidewalk Closed signs which are 24 inches wide may be mounted on plastic drums, with approval of the Engineer.

Texas Department of Transportation | Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION CHANNELIZING DEVICES

BC(8)-21

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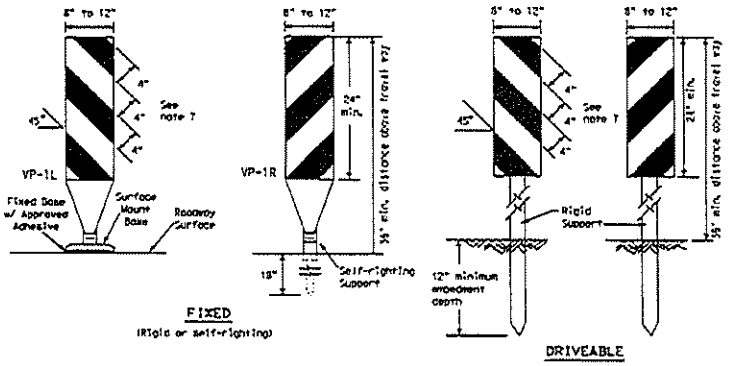
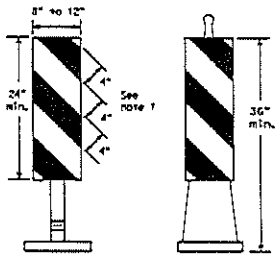


FIXED
(Rigid or self-righting)

DRIVEABLE

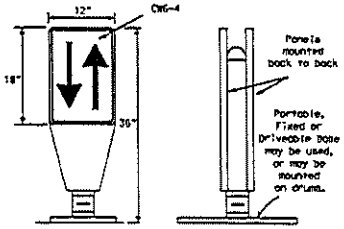


(Rigid or self-righting)

PORTABLE

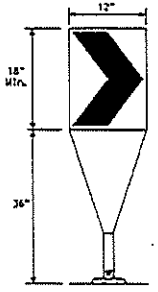
1. Vertical Panels (VP's) are normally used to channelize traffic or divide opposing lanes of traffic.
2. VP's may be used in daytime or nighttime situations. They may be used at the edge of shoulder drop-offs and other areas such as lane transitions where positive daytime and nighttime delineation is required. The Engineer/Inspector shall refer to the Roadway Design Manual for additional requirements on the use VP's for drop-offs.
3. VP's should be mounted back to back if used at the edge of cuts adjacent to two-way two lane roadways. Stripes are to be reflective orange and reflective white and should always slope downward toward the travel lane.
4. VP's used on expressways and freeways or other high speed roadways, may have more than 270 square inches of retroreflective area facing traffic.
5. Self-righting supports are available with portable base. See "Compliant Work Zone Traffic Control Devices List" (CWZTCD).
6. Sheeting for the VP's shall be retroreflective Type A or Type B conforming to Departmental Material Specification DMS-8300, unless noted otherwise.
7. Where the height of reflective material on the vertical panel is 36 inches or greater, a panel stripe of 6 inches shall be used.

VERTICAL PANELS (VPs)



1. Opposing Traffic Lane Dividers (OTLD) are delineation devices designed to convert a normal one-way roadway section to two-way operation. OTLD's are used on temporary centerlines. The upward and downward arrows on the sign's face indicate the direction of traffic on either side of the divider. The base is secured to the pavement with an adhesive or rubber weight to minimize movement caused by a vehicle impact or wind gust.
2. The OTLD may be used in combination with 42" cones or VPs.
3. Spacing between the OTLD shall not exceed 500 feet. 42" cones or VPs placed between the OTLD's should not exceed 100 foot spacing.
4. The OTLD shall be orange with a black non-reflective legend. Sheeting for the OTLD shall be retroreflective Type B_H or Type C_H conforming to Departmental Material Specification DMS-8300, unless noted otherwise. The legend shall meet the requirements of DMS-8300.

OPPOSING TRAFFIC LANE DIVIDERS (OTLD)



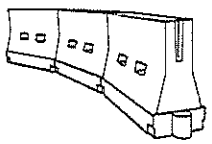
Fixed Base w/ Approved Adhesive (Driveable Base, or Flexible Support can be used)

1. The chevron shall be a vertical rectangle with a minimum size of 12 by 18 inches.
2. Chevrons are intended to give notice of a sharp change of alignment with the direction of travel and provide additional emphasis and guidance for vehicle operators with regard to changes in horizontal alignment of the roadway.
3. Chevrons, when used, shall be erected on the outside of a sharp curve or turn, or on the far side of an intersection. They shall be in line with and at right angles to approaching traffic. Spacing should be such that the motorist always has three in view, until the change in alignment eliminates the need.
4. To be effective, the chevron should be visible for at least 500 feet.
5. Chevrons shall be orange with a black nonreflective legend. Sheeting for the chevron shall be retroreflective Type B_H or Type C_H conforming to Departmental Material Specification DMS-8300, unless noted otherwise. The legend shall meet the requirements of DMS-8300.
6. For Long Term Stationary use on tapers or transitions on freeways and divided highways, self-righting chevrons may be used to supplement plastic drums but not to replace plastic drums.

CHEVRONS

GENERAL NOTES

1. Work Zone channelizing devices illustrated on this sheet may be installed in close proximity to traffic and are suitable for use on high or low speed roadways. The Engineer/Inspector shall ensure that spacing and placement is uniform and in accordance with the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD).
2. Channelizing devices shown on this sheet may have a driveable, fixed or portable base. The requirement for self-righting channelizing devices must be specified in the General Notes or other plan sheets.
3. Channelizing devices on self-righting supports should be used in work zone areas where channelizing devices are frequently impacted by errant vehicles or vehicle related wind gusts making alignment of the channelizing devices difficult to maintain. Locations of these devices shall be detailed elsewhere in the plans. These devices shall conform to the TMUTCD and the "Compliant Work Zone Traffic Control Devices List" (CWZTCD).
4. The Contractor shall maintain devices in a clean condition and replace damaged, nonreflective, faded, or broken devices and bases as required by the Engineer/Inspector. The Contractor shall be required to maintain proper device spacing and alignment.
5. Portable bases shall be fabricated from virgin and/or recycled rubber. The portable bases shall weigh a minimum of 30 lbs.
6. Pavement surfaces shall be prepared in a manner that ensures proper bonding between the adhesives, the fixed mount bases and the pavement surface. Adhesives shall be prepared and applied according to the manufacturer's recommendations.
7. The installation and removal of channelizing devices shall not cause detrimental effects to the final pavement surfaces, including pavement surface discoloration or surface integrity. Driveable bases shall not be permitted on final pavement surfaces. The Engineer/Inspector shall approve all application and removal procedures of fixed bases.



LONGITUDINAL CHANNELIZING DEVICES (LCD)

1. LCDs are crashworthy, lightweight, deformable devices that are highly visible, have good target value and can be connected together. They are not designed to contain or redirect a vehicle on impact.
2. LCDs may be used instead of a line of cones or drums.
3. LCDs shall be placed in accordance to application and installation requirements specific to the device, and used only when shown on the CWZTCD list.
4. LCDs should not be used to provide positive protection for obstacles, pedestrians or workers.
5. LCDs shall be supplemented with retroreflective delineation as required for temporary barriers on BC(7) when placed roughly parallel to the travel lanes.
6. LCDs used as barricades placed perpendicular to traffic should have at least one row of reflective sheeting meeting the requirements for barricade rails as shown on BC(10). Place reflective sheeting near the top of the LCD along the full length of the device.

WATER BALLASTED SYSTEMS USED AS BARRIERS

1. Water ballasted systems used as barriers shall not be used solely to channelize road users, but also to protect the work space per the appropriate Manual for Assessing Safety Hardware (MASH) crashworthiness requirements based on roadway speed and barrier application.
2. Water ballasted systems used to channelize vehicular traffic shall be supplemented with retroreflective delineation or channelizing devices to improve daytime/nighttime visibility. They may also be supplemented with pavement markings.
3. Water ballasted systems used as barriers shall be placed in accordance to application and installation requirements specific to the device, and used only when shown on the CWZTCD list.
4. Water ballasted systems used as barriers should not be used for a merging taper except in low speed (less than 45 MPH) urban areas. When used on a taper in a low speed urban area, the taper shall be delineated and the taper length should be designed to optimize road user operations considering the available geometric conditions.
5. When water ballasted systems used as barriers have blunt ends exposed to traffic, they should be attenuated as per manufacturer recommendations or flared to a point outside the clear zone.

If used to channelize pedestrians, longitudinal channelizing devices or water ballasted systems must have a continuous detectable bottom for users of long canes and the top of the unit shall not be less than 32 inches in height.

HOLLOW OR WATER BALLASTED SYSTEMS USED AS LONGITUDINAL CHANNELIZING DEVICES OR BARRIERS

Posted Speed	Formula	Minimum Desirable Taper Lengths ** 10' Offset	11' Offset	12' Offset	Suggested Maximum Spacing of Channelizing Devices On a Taper	On a Tangent
30	$L=\frac{WS^2}{60}$	150'	165'	180'	30'	60'
35		205'	225'	245'	35'	70'
40		265'	295'	320'	40'	80'
45	L=WS	450'	495'	540'	45'	90'
50		500'	550'	600'	50'	100'
55		550'	605'	660'	55'	110'
60		600'	660'	720'	60'	120'
65		650'	715'	780'	65'	130'
70		700'	770'	840'	70'	140'
75		750'	825'	900'	75'	150'
80		800'	880'	960'	80'	160'

** Taper lengths have been rounded off.
L=Length of Taper (FT.) W=Width of Offset (FT.)
S=Posted Speed (MPH)

SUGGESTED MAXIMUM SPACING OF CHANNELIZING DEVICES AND MINIMUM DESIRABLE TAPER LENGTHS

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION CHANNELIZING DEVICES

BC(9)-21

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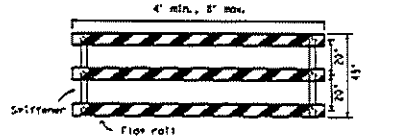
TYPE 3 BARRICADES

1. Refer to the Compliant Work Zone Traffic Control Devices List (CWZTCD) for details of the Type 3 Barricades and a list of all materials used in the construction of Type 3 Barricades.
2. Type 3 Barricades shall be used at each end of construction projects closed to all traffic.
3. Barricades extending across a roadway should have stripes that slope downward in the direction toward which traffic must turn in detouring. When both right and left turns are provided, the chevron striping may slope downward in both directions from the center of the barricade. Where no turns are provided at a closed road, striping should slope downward in both directions toward the center of roadway.
4. Striping of rails, for the right side of the roadway, should slope downward to the left. For the left side of the roadway, striping should slope downward to the right.
5. Identification markings may be shown only on the back of the barricade rails. The maximum height of letters and/or company logos used for identification shall be 1".
6. Barricades shall not be placed parallel to traffic unless an adequate clear zone is provided.
7. Warning lights shall NOT be installed on barricades.
8. Where barricades require the use of weights to keep from turning over, the use of sandbags with dry, cohesionless sand is recommended. The sandbags will be tied shut to keep the sand from spilling and to maintain a constant weight. Sand bags shall not be stacked in a manner that covers any portion of a barricade rail's reflective sheeting. Rock, concrete, iron, steel or other solid objects will NOT be permitted. Sandbags should weigh a minimum of 35 lbs and a maximum of 50 lbs. Sandbags shall be made of a durable material that tears upon vehicular impact. Rubber (such as tire inner tubes) shall not be used for sandbags. Sandbags shall only be placed along or upon the base supports of the device and shall not be suspended above ground level or hung with rope, wire, chains or other fasteners.
9. Sheeting for barricades shall be retroreflective Type A or Type B conforming to Departmental Material Specification DMS-8300 unless otherwise noted.

Barricades shall NOT be used as a sign support.

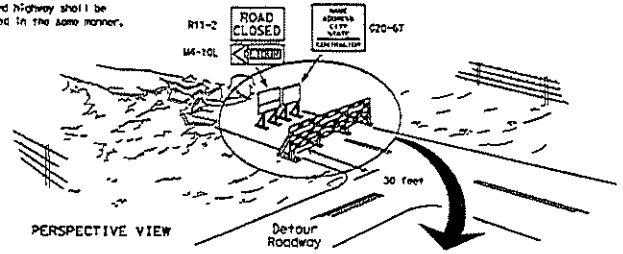
TYPICAL STRIPING DETAIL FOR BARRICADE RAIL



Stiffener may be inside or outside of support, but no more than 2 stiffeners shall be allowed on one barricade.

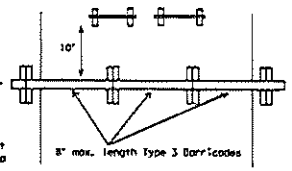
TYPICAL PANEL DETAIL
FOR SKID OR POST TYPE BARRICADES

Each roadway of a divided highway shall be barricaded in the same manner.



PERSPECTIVE VIEW

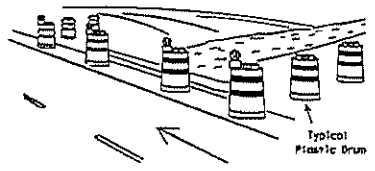
The three rails on Type 3 barricades shall be reflectorized orange and reflective white stripes on one side facing one-way traffic and both sides for two-way traffic.
Barricade striping should slant downward in the direction of detour.



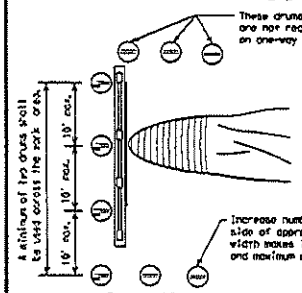
PLAN VIEW

1. Signs should be mounted on independent supports at a 7 foot mounting height in center of roadway. The signs should be a minimum of 10 feet behind Type 3 Barricades.
2. Advance signing shall be as specified elsewhere in the plans.

TYPE 3 BARRICADE (POST AND SKID) TYPICAL APPLICATION



PERSPECTIVE VIEW



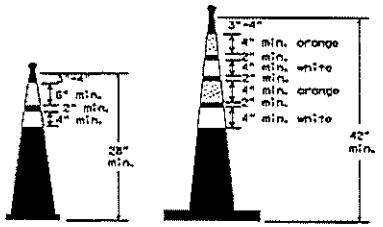
PLAN VIEW

1. Where positive redirectional capability is provided, drums may be omitted.
2. Plastic construction fencing may be used with drums for safety as required in the plans.
3. Vertical Panels on flexible supports may be substituted for drums when the shoulder width is less than 4 feet.
4. When the shoulder width is greater than 12 feet, steady-burn lights may be omitted if drums are used.
5. Drums must extend the length of the culvert widening.

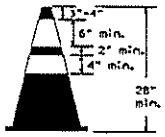
LEGEND	
	Plastic drum
	Plastic drum with steady burn light or yellow warning reflector
SB	Steady burn warning light or yellow warning reflector

CULVERT WIDENING OR OTHER ISOLATED WORK WITHIN THE PROJECT LIMITS

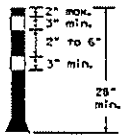
CONES



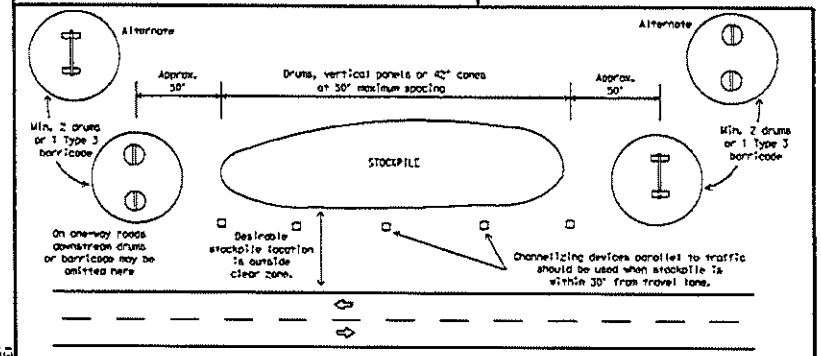
Two-Piece cones



One-Piece cones



Tubular Marker



TRAFFIC CONTROL FOR MATERIAL STOCKPILES

28" Cones shall have a minimum weight of 9 1/2 lbs.

42" 2-piece cones shall have a minimum weight of 30 lbs. including base.

1. Traffic cones and tubular markers shall be predominantly orange, and meet the height and weight requirements shown above.
2. One-piece cones have the body and base of the cone molded in one consolidated unit. Two-piece cones have a cone shaped body and a separate rubber base, or ballast, that is added to keep the device upright and in place.
3. Two-piece cones may have a handle or loop extending up to 8" above the minimum height shown, in order to aid in retrieving the device.
4. Cones or tubular markers shall have white or white and orange reflective bands as shown above. The reflective bands shall have a smooth, sealed outer surface and meet the requirements of Departmental Material Specification DMS-8300 Type A or Type B.
5. 28" cones and tubular markers are generally suitable for short duration and short-term stationary work as defined on BC(4). These should not be used for intermediate-term or long-term stationary work unless personnel is on-site to maintain them in their proper upright position.
6. 42" two-piece cones, vertical panels or drums are suitable for all work zone durations.
7. Cones or tubular markers used on each project should be of the same size and shape.

SHEET 10 OF 12

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION CHANNELIZING DEVICES

BC(10)-21

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WORK ZONE PAVEMENT MARKINGS

GENERAL

1. The Contractor shall be responsible for maintaining work zone and existing pavement markings, in accordance with the standard specifications and special provisions, on all roadways open to traffic within the CSJ limits unless otherwise stated in the plans.
2. Color, patterns and dimensions shall be in conformance with the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD).
3. Additional supplemental pavement marking details may be found in the plans or specifications.
4. Pavement markings shall be installed in accordance with the TMUTCD and as shown on the plans.
5. When short term markings are required on the plans, short term markings shall conform with the TMUTCD, the plans and details as shown on the Standard Plan Sheet WZ(STPM).
6. When standard pavement markings are not in place and the roadway is opened to traffic, DO NOT PASS signs shall be erected to mark the beginning of the sections where passing is prohibited and PASS WITH CARE signs at the beginning of sections where passing is permitted.
7. All work zone pavement markings shall be installed in accordance with Item 662, "Work Zone Pavement Markings."

RAISED PAVEMENT MARKERS

1. Raised pavement markers are to be placed according to the patterns on BC(12).
2. All raised pavement markers used for work zone markings shall meet the requirements of Item 672, "RAISED PAVEMENT MARKERS" and Departmental Material Specification DMS-4200 or DMS-4300.

PREFABRICATED PAVEMENT MARKINGS

1. Removable prefabricated pavement markings shall meet the requirements of DMS-8241.
2. Non-removable prefabricated pavement markings (roll back) shall meet the requirements of DMS-8240.

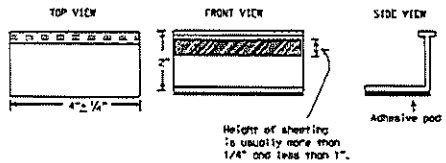
MAINTAINING WORK ZONE PAVEMENT MARKINGS

1. The Contractor will be responsible for maintaining work zone pavement markings within the work limits.
2. Work zone pavement markings shall be inspected in accordance with the frequency and reporting requirements of work zone traffic control device inspections as required by Form 599.
3. The markings should provide a visible reference for a minimum distance of 300 feet during normal daylight hours and 150 feet when illuminated by automobile low-beam headlights at night, unless sight distance is restricted by roadway geometrics.
4. Markings failing to meet this criteria within the first 30 days after placement shall be replaced at the expense of the Contractor as per Specification Item 662.

REMOVAL OF PAVEMENT MARKINGS

1. Pavement markings that are no longer applicable, could create confusion or direct a motorist toward or into the closed portion of the roadway shall be removed or obliterated before the roadway is opened to traffic.
2. The above shall not apply to detours in place for less than three days, where flaggers and/or sufficient channelizing devices are used in lieu of markings to outline the detour route.
3. Pavement markings shall be removed to the fullest extent possible, so as not to leave a discernable marking. This shall be by any method approved by TxDOT Specification Item 677 for "Eliminating Existing Pavement Markings and Markers".
4. The removal of pavement markings may require resurfacing or seal coating portions of the roadway as described in Item 677.
5. Subject to the approval of the Engineer, any method that proves to be successful on a particular type pavement may be used.
6. Blast cleaning may be used but will not be required unless specifically shown in the plans.
7. Over-painting of the markings SHALL NOT BE permitted.
8. Removal of raised pavement markers shall be as directed by the Engineer.
9. Removal of existing pavement markings and markers will be paid for directly in accordance with Item 677, "ELIMINATING EXISTING PAVEMENT MARKINGS AND MARKERS," unless otherwise stated in the plans.
10. Black-out marking tape may be used to cover conflicting existing markings for periods less than two weeks when approved by the Engineer.

Temporary Flexible-Reflective Roadway Marker Tabs



STAPLES OR NAILS SHALL NOT BE USED TO SECURE TEMPORARY FLEXIBLE-REFLECTIVE ROADWAY MARKER TABS TO THE PAVEMENT SURFACE

1. Temporary flexible-reflective roadway marker tabs used as guidemarks shall meet the requirements of DMS-8242.
2. Tabs detailed on this sheet are to be inspected and accepted by the Engineer or designated representative. Sampling and testing is not normally required, however at the option of the Engineer, either "A" or "B" below may be imposed to assure quality before placement on the roadway.
   A. Select five (5) or more tabs at random from each lot or shipment and submit to the Construction Division, Materials and Pavement Section to determine specification compliance.
   B. Select five (5) tabs and perform the following test. Affix five (5) tabs at 24 inch intervals on an asphaltic pavement in a straight line. Using a medium size passenger vehicle or pickup, run over the markers with the front and rear tires at a speed of 35 to 40 miles per hour, four (4) times in each direction. No more than one (1) out of the five (5) reflective surfaces shall be lost or displaced as a result of this test.
3. Small design variances may be noted between tab manufacturers.
4. See Standard Sheet WZ(STPM) for tab placement on new pavements. See Standard Sheet TCP(7-1) for tab placement on seal coat work.

RAISED PAVEMENT MARKERS USED AS GUIDEMARKS

1. Raised pavement markers used as guidemarks shall be from the approved product list, and meet the requirements of DMS-4200.
2. All temporary construction raised pavement markers provided on a project shall be of the same manufacturer.
3. Adhesive for guidemarks shall be bituminous material hot applied or butyl rubber pad for all surfaces, or thermoplastic for concrete surfaces.

Guidemarks shall be designated as:
YELLOW - two amber reflective surfaces with yellow body).
WHITE - one silver reflective surface with white body).

DEPARTMENTAL MATERIAL SPECIFICATIONS	
PAVEMENT MARKERS (REFLECTORIZED)	DMS-4200
TRAFFIC BUTTONS	DMS-4300
EPOXY AND ADHESIVES	DMS-6100
BITUMINOUS ADHESIVE FOR PAVEMENT MARKERS	DMS-6130
PERMANENT PREFABRICATED PAVEMENT MARKINGS	DMS-8240
TEMPORARY REMOVABLE, PREFABRICATED PAVEMENT MARKINGS	DMS-8241
TEMPORARY FLEXIBLE, REFLECTIVE ROADWAY MARKER TABS	DMS-8242

A list of prequalified reflective raised pavement markers, non-reflective traffic buttons, roadway marker tabs and other pavement markings can be found at the Material Producer List web address shown on BC(1).

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION PAVEMENT MARKINGS

BC(11)-21

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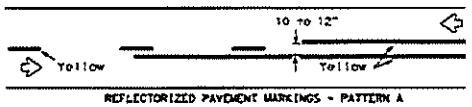
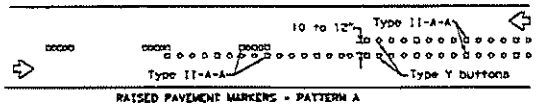
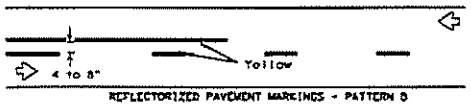
PAVEMENT MARKING PATTERNS



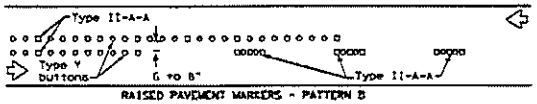
REFLECTORIZED PAVEMENT MARKINGS - PATTERN A



RAISED PAVEMENT MARKERS - PATTERN A



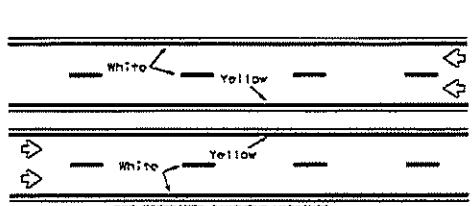
REFLECTORIZED PAVEMENT MARKINGS - PATTERN B



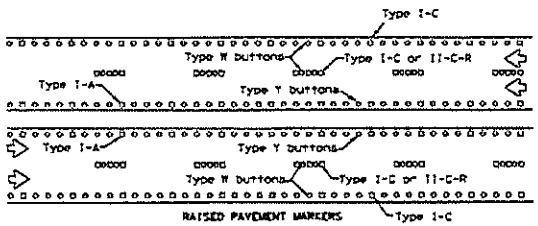
RAISED PAVEMENT MARKERS - PATTERN B

Pattern A is the TxDOT Standard, however Pattern B may be used if approved by the Engineer.
Prefabricated markings may be substituted for reflectorized pavement markings.

CENTER LINE & NO-PASSING ZONE BARRIER LINES FOR TWO-LANE, TWO-WAY HIGHWAYS



REFLECTORIZED PAVEMENT MARKINGS

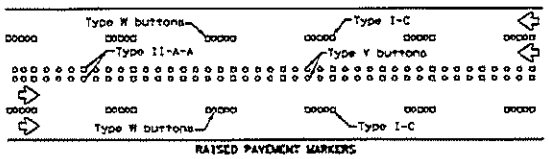


RAISED PAVEMENT MARKERS

Prefabricated markings may be substituted for reflectorized pavement markings.

EDGE & LANE LINES FOR DIVIDED HIGHWAY

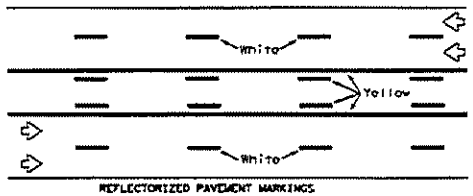
REFLECTORIZED PAVEMENT MARKINGS



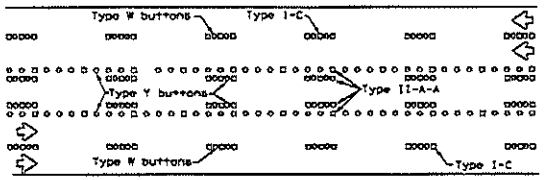
RAISED PAVEMENT MARKERS

Prefabricated markings may be substituted for reflectorized pavement markings.

LANE & CENTER LINES FOR MULTILANE UNDIVIDED HIGHWAYS



REFLECTORIZED PAVEMENT MARKINGS

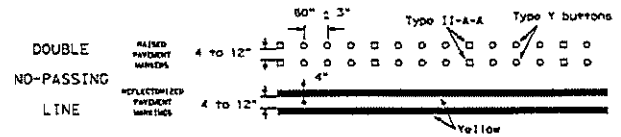


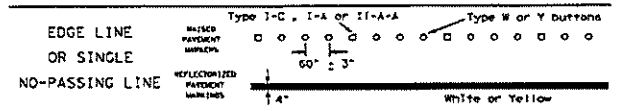
RAISED PAVEMENT MARKERS

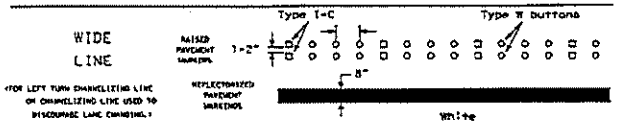
Prefabricated markings may be substituted for reflectorized pavement markings.

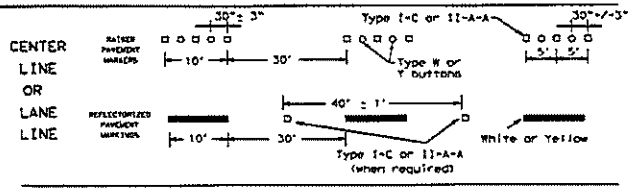
TWO-WAY LEFT TURN LANE

STANDARD WORK ZONE PAVEMENT MARKINGS DETAILS



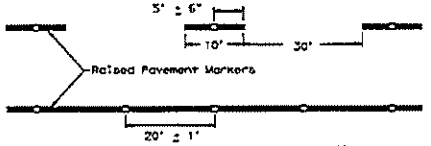






REMOVABLE MARKINGS WITH RAISED PAVEMENT MARKERS

If raised pavement markers are used to supplement REMOVABLE markings, the markers shall be applied to the top of the tape at the approximate mid length of tape used for broken lines or at 20 foot spacing for solid lines. This allows an easier removal of raised pavement markers and tape.



Centerline only - not to be used on edge lines

Raised pavement markers used on standard pavement markings shall be from the approved products list and meet the requirements of Item 672 "RAISED PAVEMENT MARKERS."

SHEET 12 OF 12

Texas Department of Transportation

Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION PAVEMENT MARKING PATTERNS

BC(12)-21

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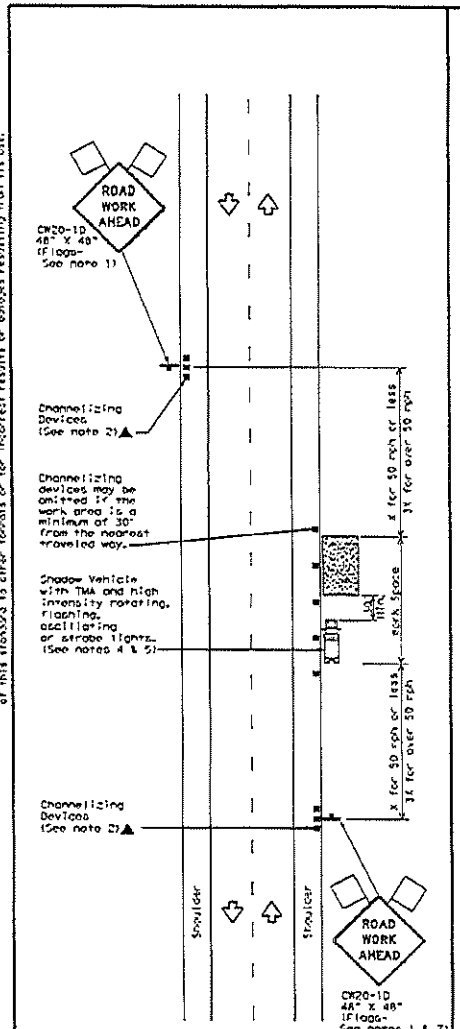
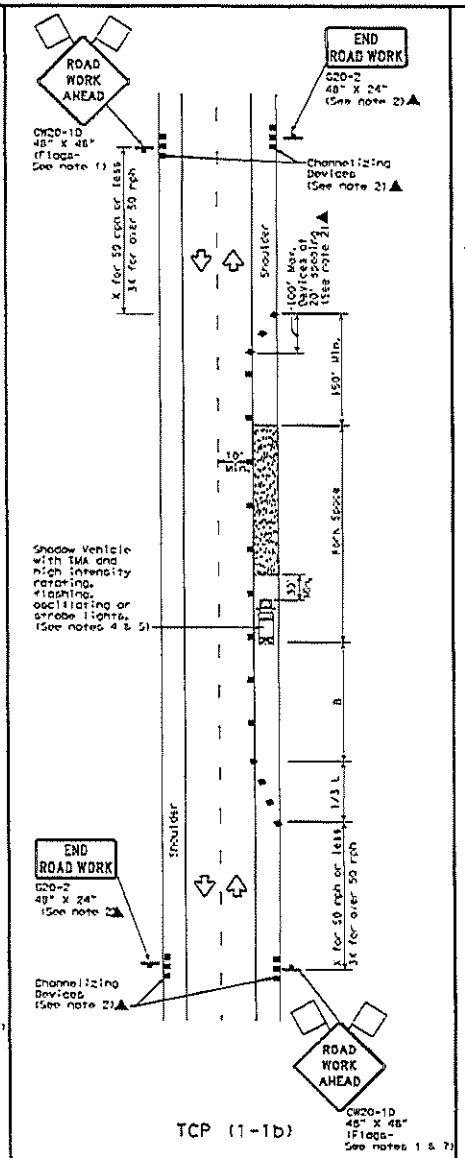


TCP (1-1a)

WORK SPACE NEAR SHOULDER

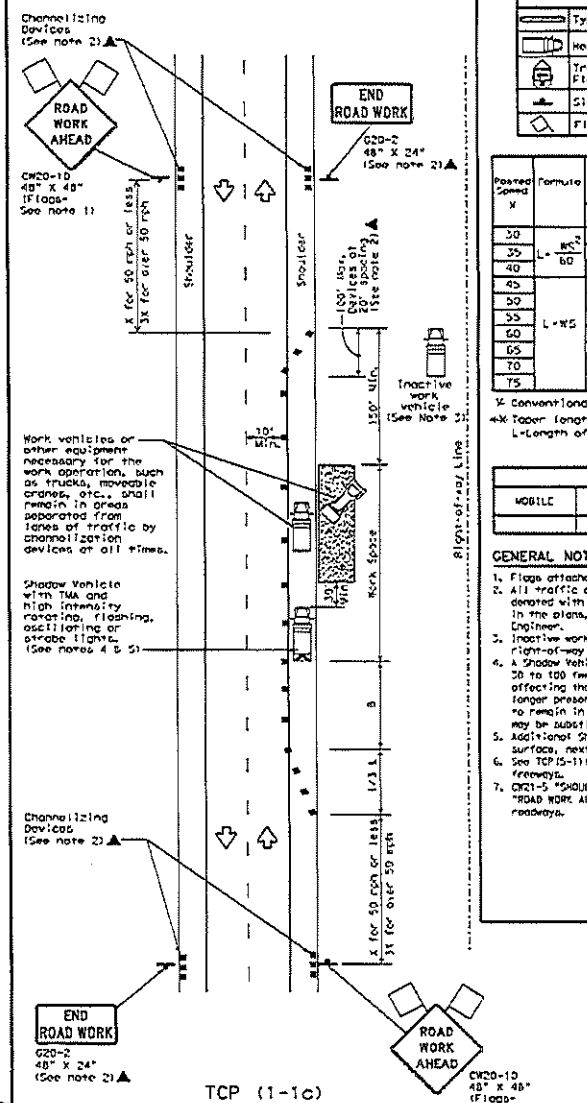
Conventional Roads



TCP (1-1b)

WORK SPACE ON SHOULDER

Conventional Roads



TCP (1-1c)

WORK VEHICLES ON SHOULDER

Conventional Roads

LEGEND			
	Type 3 Barricade		Channelizing Devices
	Heavy Work Vehicle		Truck Mounted Attenuator (TMA)
	Trailer Mounted Flashing Arrow Board		Portable Changeable Message Sign (PCMS)
	Sign		Traffic Flow
	Flag		Flagger

Posted Speed X	Formula	Minimum Desirable Taper Lengths W =			Suggested Maximum Spacing of Channelizing Devices		Minimum Sign Spacing "X" Distance	Suggested Longitudinal Buffer Space "B"
		10' Offset	11' Offset	12' Offset	On a Taper	On a Tangent		
30	L = WS²/60	150'	165'	180'	30'	60'	120'	90'
35		205'	225'	245'	35'	70'	160'	120'
40		265'	295'	320'	40'	80'	240'	155'
45	L = WS	450'	495'	540'	45'	90'	320'	195'
50		500'	550'	600'	50'	100'	400'	240'
55		550'	605'	660'	55'	110'	500'	295'
60		600'	660'	720'	60'	120'	600'	350'
65		650'	715'	780'	65'	130'	700'	410'
70		700'	770'	840'	70'	140'	800'	475'
75		750'	825'	900'	75'	150'	900'	540'

* Conventional Roads Only

** Taper lengths have been rounded off.
L=Length of Taper(FT) W=Width of Offset(FT) S=Posted Speed(MPH)

TYPICAL USAGE				
MOBILE	SHORT DURATION	SHORT TERM STATIONARY	INTERMEDIATE TERM STATIONARY	LONG TERM STATIONARY
	✓	✓		

GENERAL NOTES

1. Flags attached to signs where shown are REQUIRED.
2. All traffic control devices illustrated are REQUIRED, except those denoted with the triangle symbol may be omitted when stated elsewhere in the plans, or for routine maintenance work, when approved by the Engineer.
3. Inactive work vehicles or other equipment should be parked near the right-of-way line and not parked on the paved shoulder.
4. A Shadow Vehicle with a TMA should be used anytime it can be positioned 30 to 100 feet in advance of the area of crew exposure without adversely affecting the performance or quality of the work. If workers are no longer present but road or work conditions require the traffic control to remain in place, Type 3 Barricades or other channelizing devices may be substituted for the Shadow Vehicle and TMA.
5. Additional Shadow Vehicles with TMAs may be positioned off the paved surface, next to those shown in order to protect wider work spaces.
6. See TCP(5-1) for shoulder work on divided highways, expressways and freeways.
7. CW21-5 "SHOULDER WORK" signs may be used in place of CW20-1D "ROAD WORK AHEAD" signs for shoulder work on conventional roadways.

Texas Department of Transportation

Traffic Operations Division Standard

TRAFFIC CONTROL PLAN CONVENTIONAL ROAD SHOULDER WORK

TCP(1-1)-18

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BARRICADE AND CONSTRUCTION (BC) STANDARD SHEETS GENERAL NOTES:

1. The Barricade and Construction Standard Sheets (BC sheets) are intended to show typical examples for placement of temporary traffic control devices, construction pavement markings, and typical work zone signs. The information contained in these sheets meet or exceed the requirements shown in the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD).
2. The development and design of the Traffic Control Plan (TCP) is the responsibility of the Engineer.
3. The Contractor may propose changes to the TCP that are signed and sealed by a licensed professional engineer for approval. The Engineer may develop, sign and seal Contractor proposed changes.
4. The Contractor is responsible for installing and maintaining the traffic control devices as shown in the plans. The Contractor may not move or change the approximate location of any device without the approval of the Engineer.
5. Geometric design of lane shifts and detours should, when possible, meet the applicable design criteria contained in manuals such as the American Association of State Highway and Transportation Officials (AASHTO), "A Policy on Geometric Design of Highways and Streets," the TxDOT "Roadway Design Manual" or engineering judgment.
6. When projects abut, the Engineer(s) may omit the END ROAD WORK, TRAFFIC FINES DOUBLE, and other advance warning signs if the signing would be redundant and the work areas appear continuous to the motorists. If the adjacent project is completed first, the Contractor shall erect the necessary warning signs as shown on these sheets, the TCP sheets or as directed by the Engineer. The BEGIN ROAD WORK NEXT X MILES sign shall be revised to show appropriate work zone distance.
7. The Engineer may require duplicate warning signs on the median side of divided highways where median width will permit and traffic volumes justify the signing.
8. All signs shall be constructed in accordance with the details found in the "Standard Highway Sign Designs for Texas," latest edition. Sign details not shown in this manual shall be shown in the plans or the Engineer shall provide a detail to the Contractor before the sign is manufactured.
9. The temporary traffic control devices shown in the illustrations of the BC sheets are examples. As necessary, the Engineer will determine the most appropriate traffic control devices to be used.
10. Where highway construction or maintenance work is being undertaken, other than mobile operations as defined by the Texas Manual on Uniform Traffic Control Devices, CSJ limit signs are required. CSJ limit signs are shown on BC(2). The OBEY WARNING SIGNS STATE LAW sign, STAY ALERT TALK OR TEXT LATER and the WORK ZONE TRAFFIC FINES DOUBLE sign with plaque shall be erected in advance of the CSJ limits. The BEGIN ROAD WORK NEXT X MILES, CONTRACTOR and END ROAD WORK signs shall be erected at or near the CSJ limits. For mobile operations, CSJ limit signs are not required.
11. Traffic control devices should be in place only while work is actually in progress or a definite need exists.
12. The Engineer has the final decision on the location of all traffic control devices.
13. Inactive equipment and work vehicles, including workers' private vehicles must be parked away from travel lanes. They should be as close to the right-of-way line as possible, or located behind a barrier or guardrail, or as approved by the Engineer.

WORKER SAFETY NOTES:

1. Workers on foot who are exposed to traffic or to construction equipment within the right-of-way shall wear high-visibility safety apparel meeting the requirements of ISEA "American National Standard for High-Visibility Apparel," or equivalent revisions, and labeled as ANSI 107-2004 standard performance for Class 2 or 3 risk exposure. Class 3 garments should be considered for high traffic volume work areas or night time work.
2. Except in emergency situations, flagger stations shall be illuminated when flagging is used at night.

COMPLIANT WORKZONE TRAFFIC CONTROL DEVICES

1. Only pre-qualified products shall be used. The "Compliant Work Zone Traffic Control Devices List" (CWZTCD) describes pre-qualified products and their sources.
2. Work zone traffic control devices shall be compliant with the Manual for Assessing Safety Hardware (MASH).

THE DOCUMENTS BELOW CAN BE FOUND ON-LINE AT http://www.txdot.gov
COMPLIANT WORK ZONE TRAFFIC CONTROL DEVICES LIST (CWZTCD)
DEPARTMENTAL MATERIAL SPECIFICATIONS (DMS)
MATERIAL PRODUCER LIST (MPL)
ROADWAY DESIGN MANUAL - SEE "MANUALS (ONLINE MANUALS)"
STANDARD HIGHWAY SIGN DESIGNS FOR TEXAS (SHSD)
TEXAS MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES (TMUTCD)
TRAFFIC ENGINEERING STANDARD SHEETS

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION GENERAL NOTES AND REQUIREMENTS

BC(1)-21

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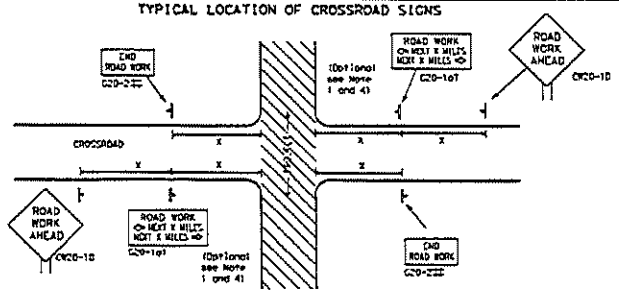
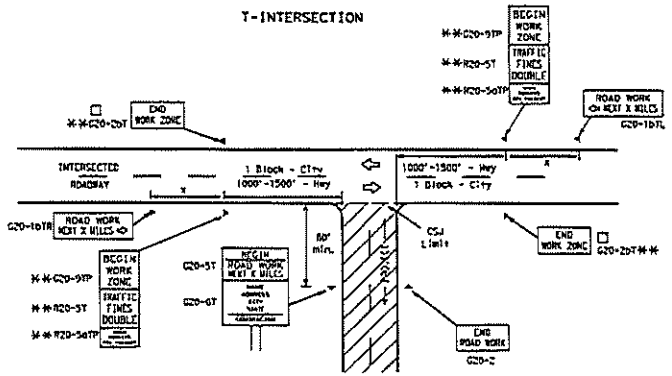
TYPICAL LOCATION OF CROSSROAD SIGNS



T-INTERSECTION



CSJ LIMITS AT T-INTERSECTION

1. The Engineer will determine the types and location of any additional traffic control devices, such as a flagger and accompanying signs, or other signs, that should be used when work is being performed at or near an intersection.
2. If construction closes the road at a T-intersection, the Contractor shall place the "CONTRACTOR NAME" (G20-6T) sign behind the Type 3 Barricades for the road closure (see BC(10) also). The "ROAD WORK NEXT X MILES" left arrow (G20-10TL) and "ROAD WORK NEXT X MILES" right arrow (G20-10TR)" signs shall be replaced by the detour signing called for in the plans.

TYPICAL CONSTRUCTION WARNING SIGN SIZE AND SPACING*△

SIZE

Sign Number or Series	Conventional Road	Expressway/ Freeway
CW20[4] CW21 CW22 CW23 CW25	48" x 48"	48" x 48"
CW1, CW2, CW7, CW8, CW9, CW11, CW14	36" x 36"	48" x 48"
CW3, CW4, CW5, CW6, CW8-3, CW10, CW12	48" x 48"	48" x 48"

SPACING

Posted Speed	Sign△ Spacing "X"
MPH	Feet (Approx.)
30	120
35	160
40	240
45	320
50	400
55	500[2]
60	600[2]
65	700[2]
70	800[2]
75	900[2]
80	1000[2]
*	*[3]

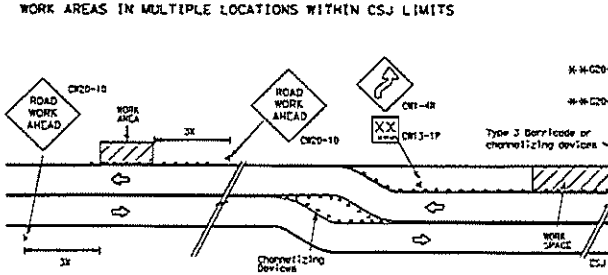
*For typical sign spacings on divided highways, expressways and freeways, see Part 6 of the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD) typical application diagrams or TCP Standard Sheets.

△ Minimum distance from work area to first advance warning sign nearest the work area and/or distance between each additional sign.

GENERAL NOTES

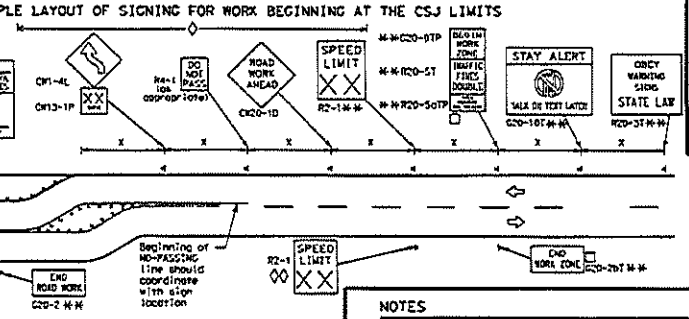
1. Special or larger size signs may be used as necessary.
2. Distance between signs should be increased as required to have 1500 feet advance warning.
3. Distance between signs should be increased as required to have 1/2 mile or more advance warning.
4. 36" x 36" "ROAD WORK AHEAD" (CW20-1D) signs may be used on low volume crossroads at the discretion of the Engineer as per TMUTCD Part 5. See Note 2 under "Typical Location of Crossroad Signs".
5. Only diamond shaped warning sign sizes are indicated.
6. See sign size listing in "TMUTCD", Sign Appendix or the "Standard Highway Sign Designs for Texas" manual for complete list of available sign design sizes.

WORK AREAS IN MULTIPLE LOCATIONS WITHIN CSJ LIMITS

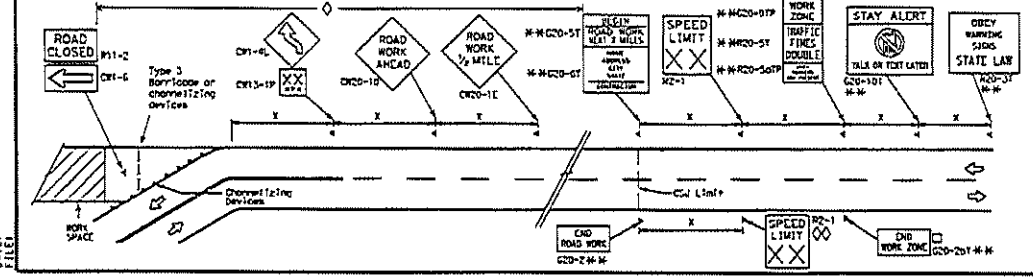


When extended distances occur between minimal work spaces, the Engineer/Inspector should ensure additional "ROAD WORK AHEAD" (CW20-1D) signs are placed in advance of these work areas to remind drivers they are still within the project limits. See the applicable TCP sheets for exact location and spacing of signs and channelizing devices.

SAMPLE LAYOUT OF SIGNING FOR WORK BEGINNING AT THE CSJ LIMITS



SAMPLE LAYOUT OF SIGNING FOR WORK BEGINNING DOWNSTREAM OF THE CSJ LIMITS



NOTES

The Contractor shall determine the appropriate distance to be placed on the G20-1 series signs and "BEGIN ROAD WORK NEXT X MILES" (G20-5T) sign for each specific project. This distance shall replace the "X" and shall be rounded to the nearest whole mile with the approval of the Engineer. No decimals shall be used.

□ The "BEGIN WORK ZONE" (G20-9TP) and "END WORK ZONE" (G20-2bT) shall be used as shown on the sample layout when advance signs are required outside the CSJ Limits. They inform the motorist of entering or leaving a part of the work zone lying outside the CSJ Limits where traffic fines may double if workers are present.

** CSJ limit signing is required for highway construction and maintenance work, with the exception of mobile operations.

◊ Area for placement of "ROAD WORK AHEAD" (CW20-1D) sign and other signs or devices as called for on the Traffic Control Plan.

◊◊ Contractor will install a regulatory speed limit sign at the end of the work zone.

LEGEND	
⟼	Type 3 Barricade
○○○	Channelizing Devices
▬	Sign
x	See Typical Construction Warning Sign Size and Spacing chart or the TMUTCD for sign spacing requirements.

Texas Department of Transportation | Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION PROJECT LIMIT

BC(2)-21

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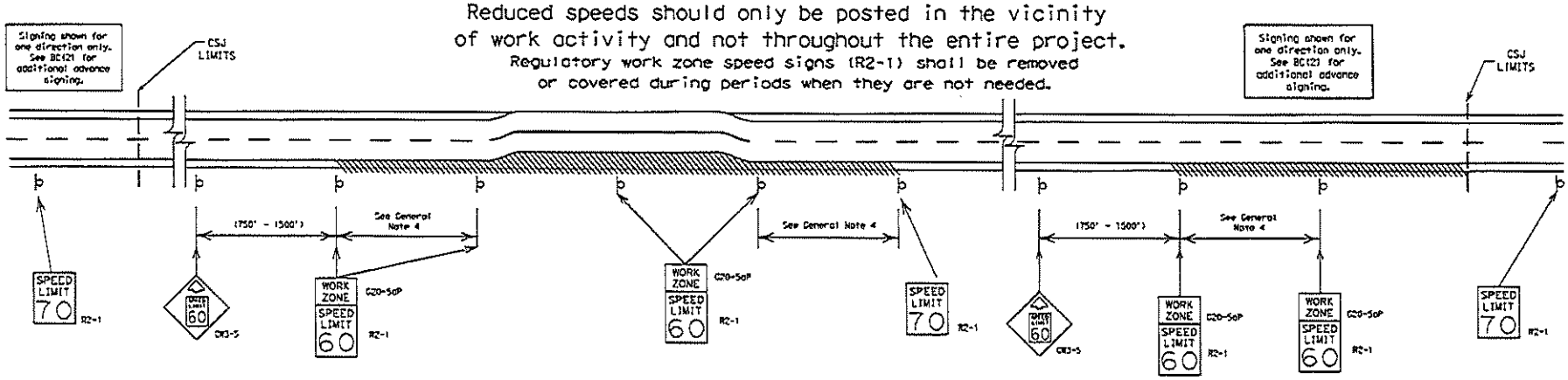
TYPICAL APPLICATION OF WORK ZONE SPEED LIMIT SIGNS

Work zone speed limits shall be regulatory, established in accordance with the "Procedures for Establishing Speed Zones," and approved by the Texas Transportation Commission, or by City Ordinance when within Incorporated City Limits.

Reduced speeds should only be posted in the vicinity of work activity and not throughout the entire project.
Regulatory work zone speed signs (R2-1) shall be removed or covered during periods when they are not needed.



GUIDANCE FOR USE:

LONG/INTERMEDIATE TERM WORK ZONE SPEED LIMITS

This type of work zone speed limit should be included on the design of the traffic control plans when restricted geometrics with a lower design speed are present in the work zone and modification of the geometrics to a higher design speed is not feasible.

Long/Intermediate Term Work Zone Speed Limit signs, when approved as described above, should be posted and visible to the motorist when work activity is present. Work activity may also be defined as a change in the roadway that requires a reduced speed for motorists to safely negotiate the work area, including:

a) rough road or damaged pavement surface
b) substantial alteration of roadway geometrics (diversions)
c) construction detours
d) grade
e) width
f) other conditions readily apparent to the driver

As long as any of these conditions exist, the work zone speed limit signs should remain in place.

SHORT TERM WORK ZONE SPEED LIMITS

This type of work zone speed limit may be included on the design of the traffic control plans when workers or equipment are not behind concrete barrier, when work activity is within 10 feet of the traveled way or actually in the traveled way.

Short Term Work Zone Speed Limit signs should be posted and visible to the motorists only when work activity is present. When work activity is not present, signs shall be removed or covered.
(See Removing or Covering on BC(4)).

GENERAL NOTES

1. Regulatory work zone speed limits should be used only for sections of construction projects where speed control is of major importance.
2. Regulatory work zone speed limit signs shall be placed on supports at a 7 foot minimum mounting height.
3. Speed zone signs are illustrated for one direction of travel and are normally posted for each direction of travel.
4. Frequency of work zone speed limit signs should be:
   40 mph and greater 0.2 to 2 miles
   35 mph and less 0.2 to 1 mile
5. Regulatory speed limit signs shall have black legend and border on a white reflective background (See "Reflective Sheeting" on BC(4)).
6. Fabrication, erection and maintenance of the "ADVANCE SPEED LIMIT" (CW3-5) sign, "WORK ZONE" (G20-5aP) plaque and the "SPEED LIMIT" (R2-1) signs shall not be paid for directly, but shall be considered subsidiary to Item 502.
7. Turning signs from view, laying signs over or down will not be allowed, unless as otherwise noted under "REMOVING OR COVERING" on BC(4).
8. Techniques that may help reduce traffic speeds include but are not limited to:
   A. Law enforcement.
   B. Flagger stationed next to sign.
   C. Portable changeable message sign (PCMS).
   D. Low-power (drone) radar transmitter.
   E. Speed monitor trailers or signs.
9. Speeds shown on details above are for illustration only. Work Zone Speed Limits should only be posted as approved for each project.
10. For more specific guidance concerning the type of work, work zone conditions and factors impacting allowable regulatory construction speed zone reduction see TxDOT form #1204 in the TxDOT e-form system.

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BARRICADE AND CONSTRUCTION WORK ZONE SPEED LIMIT

BC(3)-21

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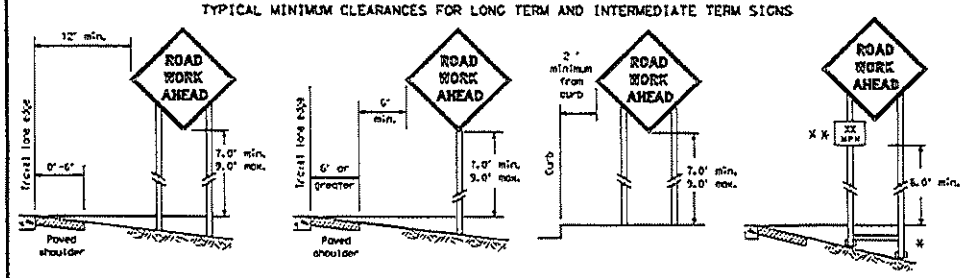
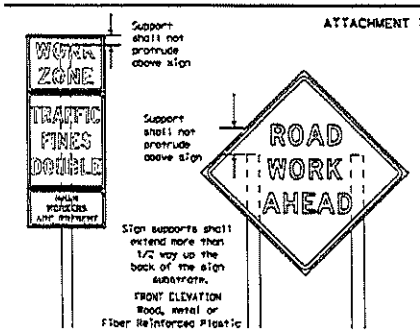
TYPICAL MINIMUM CLEARANCES FOR LONG TERM AND INTERMEDIATE TERM SIGNS



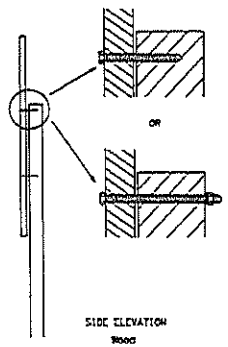
* When placing skid supports on unlevel ground, the leg post lengths must be adjusted so the sign appears straight and plumb. Objects shall NOT be placed under skids as a means of leveling.

** When plaques are placed on dual-leg supports, they should be attached to the upright nearest the travel lane. Supplemental plaques (advisory or distance) should not cover the surface of the parent sign.

ATTACHMENT FOR SIGN SUPPORTS



Splicing embedded perforated square metal tubing in order to extend post heights will only be allowed when the splice is made using four bolts, two above and two below the splice point. Splice must be located entirely behind the sign substrate, not near the base of the support. Splice insert lengths should be at least 5 times nominal post size, centered on the splice and of at least the same gauge material.

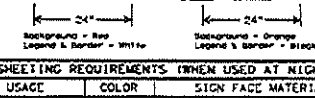


Attachment to wooden supports will be by bolts and nuts or screws. Use TxDOT's or manufacturer's recommended procedures for attaching sign substrates to other types of sign supports

Nails shall NOT be allowed. Each sign shall be attached directly to the sign support. Multiple signs shall not be joined or spliced by any means. Wood supports shall not be extended or repaired by splicing or other means.

STOP/SLOW PADDLES

1. STOP/SLOW paddles are the primary method to control traffic by flaggers. The STOP/SLOW paddle size should be 24" x 24".
2. STOP/SLOW paddles shall be retroreflectorized when used at night.
3. STOP/SLOW paddles may be attached to a staff with a minimum length of 6' to the bottom of the sign.
4. Any lights incorporated into the STOP or SLOW paddle faces shall only be as specifically described in Section 6E.03 Hand Signaling Devices in the TMUTCD.



SHEETING REQUIREMENTS (WHEN USED AT NIGHT)		
USAGE	COLOR	SIGN FACE MATERIAL
BACKGROUND	RED	TYPE B OR C SHEETING
BACKGROUND	ORANGE	TYPE B_{FL} OR C_{FL} SHEETING
LEGEND & BORDER	WHITE	TYPE B OR C SHEETING
LEGEND & BORDER	BLACK	ACRYLIC NON-REFLECTIVE FILM

CONTRACTOR REQUIREMENTS FOR MAINTAINING PERMANENT SIGNS WITHIN THE PROJECT LIMITS

1. Permanent signs are used to give notice of traffic laws or regulations, call attention to conditions that are potentially hazardous to traffic operations, show route designations, destinations, directions, distances, services, points of interest, and other geographical, recreational, specific service (LOGO), or cultural information. Drivers proceeding through a work zone need the same, if not better route guidance as normally installed on a roadway without construction.
2. When permanent regulatory or warning signs conflict with work zone conditions, remove or cover the permanent signs until the permanent sign message matches the roadway condition. For details for covering large guide signs see the TS-CD standard.
3. When existing permanent signs are moved and relocated due to construction purposes, they shall be visible to motorists at all times.
4. If existing signs are to be relocated on their original supports, they shall be installed on crashworthy bases as shown on the SMD Standard sheets. The signs shall meet the required mounting heights shown on the BC Sheets or the SMD Standards. This work should be paid for under the appropriate pay item for relocating existing signs.
5. If permanent signs are to be removed and relocated using temporary supports, the Contractor shall use crashworthy supports as shown on the BC standard sheets, TLRS standard sheets or the CRZTCD list. The signs shall meet the required mounting heights shown on the BC, or the SMD standard sheets during construction. This work should be paid for under the appropriate pay item for relocating existing signs.
6. Any sign or traffic control device that is struck or damaged by the Contractor or his/her construction equipment shall be replaced as soon as possible by the Contractor to ensure proper guidance for the motorists. This will be subsidiary to Item 502.

GENERAL NOTES FOR WORK ZONE SIGNS

1. Contractor shall install and maintain signs in a straight and plumb condition and/or as directed by the Engineer.
2. Wooden sign posts shall be painted white.
3. Barricades shall NOT be used as sign supports.
4. All signs shall be installed in accordance with the plans or as directed by the Engineer. Signs shall be used to regulate, warn, and guide the traveling public safely through the work zone.
5. The Contractor may furnish either the sign design shown in the plans or in the "Standard Highway Sign Designs for Texas" (SHSD). The Engineer/Inspector may require the Contractor to furnish other work zone signs that are shown in the TMUTCD but may have been omitted from the plans. Any variation in the plans shall be documented by written agreement between the Engineer and the Contractor's Responsible Person. All changes must be documented in writing before being implemented. This can include documenting the changes in the Inspector's TxDOT diary and having both the Inspector and Contractor initial and date the agreed upon changes.
6. The Contractor shall furnish sign supports listed in the "Compliant Work Zone Traffic Control Device List" (CWZTCD) for small roadside signs. Supports for temporary large roadside signs shall meet the requirements detailed on the Temporary Large Roadside Signs (TLRS) standard sheets. The Contractor shall install the sign support in accordance with the manufacturer's recommendations. If there is a question regarding installation procedures, the Contractor shall furnish the Engineer a copy of the manufacturer's installation recommendations so the Engineer can verify the correct procedures are being followed.
7. The Contractor is responsible for installing signs on approved supports and replacing signs with damaged or cracked substrates and/or damaged or marred reflective sheeting as directed by the Engineer/Inspector.
8. Identification markings may be shown only on the back of the sign substrate. The maximum height of letters and/or company logos used for identification shall be 1 inch.
9. The Contractor shall replace damaged wood posts. New or damaged wood sign posts shall not be spliced.

DURATION OF WORK (as defined by the "Texas Manual on Uniform Traffic Control Devices" Part 6)

1. The types of sign supports, sign mounting height, the size of signs, and the type of sign substrates can vary based on the type of work being performed. The Engineer is responsible for selecting the appropriate size sign for the type of work being performed. The Contractor is responsible for ensuring the sign support, sign mounting height and substrate meets manufacturer's recommendations in regard to crashworthiness and duration of work requirements.
   a. Long-term stationary - work that occupies a location more than 3 days.
   b. Intermediate-term stationary - work that occupies a location more than one daylight period up to 3 days, or nighttime work lasting more than one hour.
   c. Short-term stationary - daytime work that occupies a location for more than 1 hour in a single daylight period.
   d. Short, duration - work that occupies a location up to 1 hour.
   e. Mobile - work that moves continuously or intermittently (stopping for up to approximately 15 minutes.)

SIGN MOUNTING HEIGHT

1. The bottom of Long-term/Intermediate-term signs shall be at least 7 feet, but not more than 9 feet, above the paved surface, except as shown for supplemental plaques mounted below other signs.
2. The bottom of Short-term/Short Duration signs shall be a minimum of 1 foot above the pavement surface but no more than 2 feet above the ground.
3. Long-term/Intermediate-term signs may be used in lieu of Short-term/Short Duration signing.
4. Short-term/Short Duration signs shall be used only during daylight and shall be removed at the end of the workday or raised to appropriate Long-term/Intermediate sign height.
5. Regulatory signs shall be mounted at least 7 feet, but not more than 9 feet, above the paved surface regardless of work duration.

SIZE OF SIGNS

1. The Contractor shall furnish the sign sizes shown on BC (2) unless otherwise shown in the plans or as directed by the Engineer.

SIGN SUBSTRATES

1. The Contractor shall ensure the sign substrate is installed in accordance with the manufacturer's recommendations for the type of sign support that is being used. The CWZTCD lists each substrate that can be used on the different types and models of sign supports.
2. "Mesh" type materials are NOT an approved sign substrate, regardless of the rigidness of the weave.
3. All wooden individual sign panels fabricated from 2 or more pieces shall have one or more plywood cleat, 1/2" thick by 6" wide, fastened to the back of the sign and extending fully across the sign. The cleat shall be attached to the back of the sign using wood screws that do not penetrate the face of the sign panel. The screws shall be placed on both sides of the splice and spaced at 6" centers. The Engineer may approve other methods of splicing the sign face.

REFLECTIVE SHEETING

1. All signs shall be retroreflective and constructed of sheeting meeting the color and retro-reflectivity requirements of DMS-8300 for rigid signs or DMS-8310 for roll-up signs. The web address for DMS specifications is shown on BC(1).
2. White sheeting, meeting the requirements of DMS-8300 Type A, shall be used for signs with a white background.
3. Orange sheeting, meeting the requirements of DMS-8300 Type B_{FL} or Type C_{FL}, shall be used for rigid signs with orange backgrounds.

SIGN LETTERS

1. All sign letters and numbers shall be clear, and open rounded type uppercase alphabet letters as approved by the Federal Highway Administration (FHWA) and as published in the "Standard Highway Sign Design for Texas" manual. Signs, letters and numbers shall be of first class workmanship in accordance with Department Standards and Specifications.

REMOVING OR COVERING

1. When sign messages may be confusing or do not apply, the signs shall be removed or completely covered.
2. Long-term stationary or intermediate stationary signs installed on square metal tubing may be turned away from traffic 90 degrees when the sign message is not applicable. This technique may not be used for signs installed in the median of divided highways or near any intersections where the sign may be seen from approaching traffic.
3. Signs installed on wooden skids shall not be turned at 90 degree angles to the roadway. These signs should be removed or completely covered when not required.
4. When signs are covered, the material used shall be opaque, such as heavy mil black plastic, or other materials which will cover the entire sign face and maintain their opaque properties under automobile headlights at night, without damaging the sign sheeting.
5. Burlap shall NOT be used to cover signs.
6. Duct tape or other adhesive material shall NOT be affixed to a sign face.
7. Signs and anchor studs shall be removed and holes backfilled upon completion of work.

SIGN SUPPORT WEIGHTS

1. Where sign supports require the use of weights to keep from turning over, the use of sandbags with dry, cohesionless sand should be used.
2. The sandbags will be tied shut to keep the sand from spilling and to maintain a constant weight.
3. Rock, concrete, iron, steel or other solid objects shall not be permitted for use as sign support weights.
4. Sandbags should weigh a minimum of 35 lbs and a maximum of 50 lbs.
5. Sandbags shall be made of a durable material that tears upon vehicular impact. Rubber (such as tire inner tubes) shall NOT be used.
6. Rubber ballasts designed for channelizing devices should not be used for ballast on portable sign supports. Sign supports designed and manufactured with rubber bases may be used when shown on the CWZTCD list.
7. Sandbags shall only be placed along or laid over the base supports of the traffic control device and shall not be suspended above ground level or hung with rope, wire, chains or other fasteners. Sandbags shall be placed along the length of the skids to weigh down the sign support.
8. Sandbags shall NOT be placed under the skid and shall not be used to level sign supports placed on slopes.

FLAGS ON SIGNS

1. Flags may be used to draw attention to warning signs. When used, the flag shall be 16 inches square or larger and shall be orange or fluorescent red-orange in color. Flags shall not be allowed to cover any portion of the sign face.

SHEET 4 OF 12

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION TEMPORARY SIGN NOTES

BC(4)-21

FILE:	BC-21.DGN	DN: TxDOT	CK: TxDOT	DW: TxDOT	CK: TxDOT
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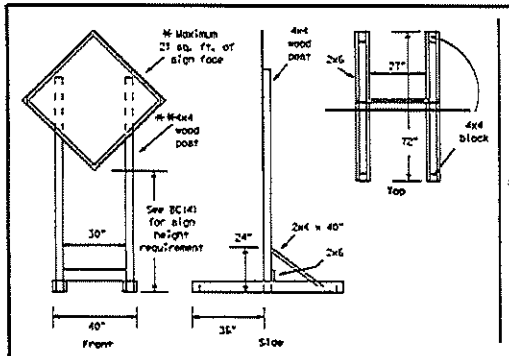
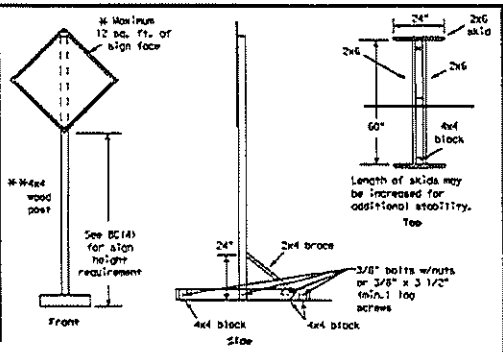
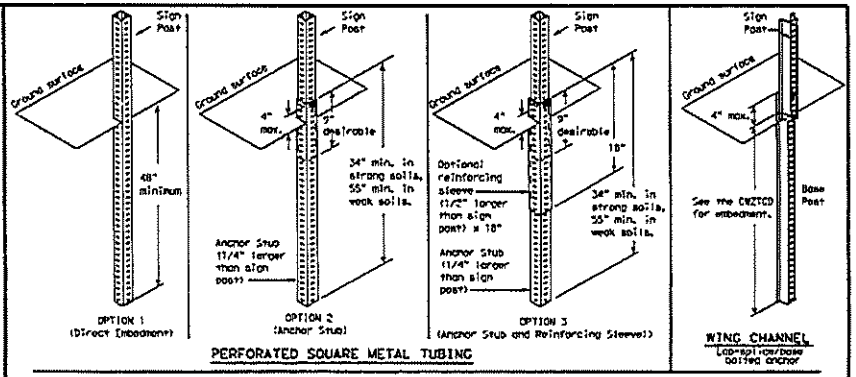




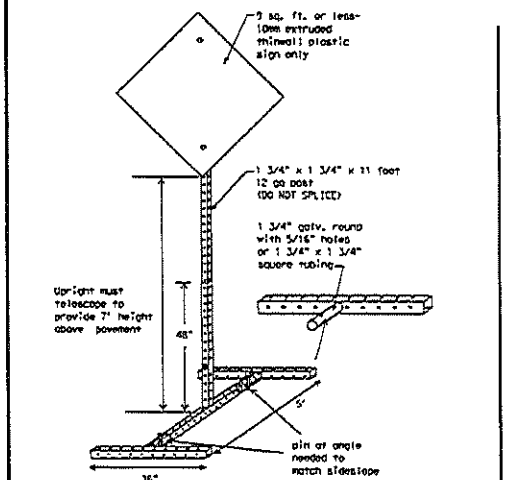
SKID MOUNTED WOOD SIGN SUPPORTS

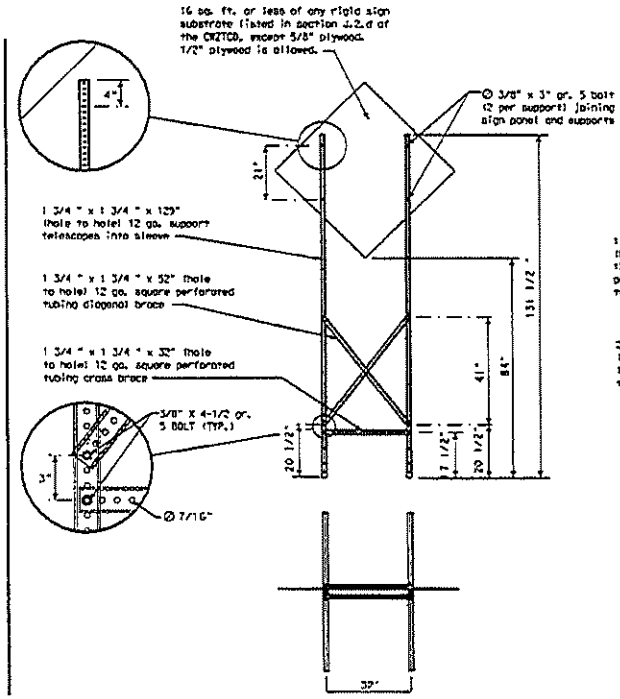
* LONG/INTERMEDIATE TERM STATIONARY - PORTABLE SKID MOUNTED SIGN SUPPORTS

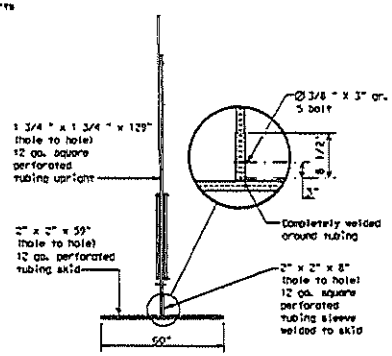


GROUND MOUNTED SIGN SUPPORTS

Refer to the CMTCD and the manufacturer's installation procedure for each type sign support.
The maximum sign square footage shall adhere to the manufacturer's recommendation.
Two post installations can be used for larger signs.







SKID MOUNTED PERFORATED SQUARE STEEL TUBING SIGN SUPPORTS

* LONG/INTERMEDIATE TERM STATIONARY - PORTABLE SKID MOUNTED SIGN SUPPORTS

WEDGE ANCHORS

Both steel and plastic Wedge Anchor Systems as shown on the SMD Standard Sheets may be used as temporary sign supports for signs up to 10 square feet of sign face. They may be set in concrete or in stuney soils if approved by the Engineer. (See web address for "Traffic Engineering Standard Sheets" on BC(1)).

OTHER DESIGNS

MORE DETAILS OF APPROVED LONG/INTERMEDIATE AND SHORT TERM SUPPORTS CAN BE FOUND ON THE CMTCD LIST. SEE BC(1) FOR WEBSITE LOCATION.

GENERAL NOTES

1. Nails may be used in the assembly of wooden sign supports, but 3/8" bolts with nuts or 3/8" x 3 1/2" lag screws must be used on every joint for final connection.
2. No more than 2 sign posts shall be placed within a 7 ft. circle, except for specific materials noted on the CMTCD List.
3. When project is completed, all sign supports and foundations shall be removed from the project site. This will be considered subsidiary to Item 502.

* See BC(4) for definition of "Work Duration."

** Wood sign posts MUST be one piece. Splicing will NOT be allowed. Posts shall be pointed white.

□ See the CMTCD for the type of sign substrate that can be used for each approved sign support.

SHEET 5 OF 12

Texas Department of Transportation | Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION TYPICAL SIGN SUPPORT

BC(5)-21

FILE:	bc-21.dgn	DN: TxDOT	CK: TxDOT	DW: TxDOT	CK: TxDOT
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CONTROL FILES

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DATED
FILE:

WHEN NOT IN USE, REMOVE THE PCMS FROM THE RIGHT-OF-WAY OR PLACE THE PCMS BEHIND BARRIER OR GUARDRAIL WITH SIGN PANEL TURNED PARALLEL TO TRAFFIC

PORTABLE CHANGEABLE MESSAGE SIGNS

1. The Engineer/Inspector shall approve all messages used on portable changeable message signs (PCMS).
2. Messages on PCMS should contain no more than 8 words (about four to eight characters per word), not including simple words such as "TO," "FOR," "AT," etc.
3. Messages should consist of a single phase, or two phases that alternate. Three-phase messages are not allowed. Each phase of the message should convey a single thought, and must be understood by itself.
4. Use the word "EXIT" to refer to an exit ramp on a freeway; i.e., "EXIT CLOSED." Do not use the term "RAMP."
5. Always use the route or interstate designation (IH, US, SH, FM) along with the number when referring to a roadway.
6. When in use, the bottom of a stationary PCMS message panel should be a minimum 7 feet above the roadway, where possible.
7. The message term "WEEKEND" should be used only if the work is to start on Saturday morning and end by Sunday evening at midnight. Actual days and hours of work should be displayed on the PCMS if work is to begin on Friday evening and/or continue into Monday morning.
8. The Engineer/Inspector may select one of two options which are available for displaying a two-phase message on a PCMS. Each phase may be displayed for either four seconds each or for three seconds each.
9. Do not "flash" messages or words included in a message. The message should be steady burn or continuous while displayed.
10. Do not present redundant information on a two-phase message; i.e., keeping two lines of the message the same and changing the third line.
11. Do not use the word "Danger" in message.
12. Do not display the message "LANES SHIFT LEFT" or "LANES SHIFT RIGHT" on a PCMS. Drivers do not understand the message.
13. Do not display messages that scroll horizontally or vertically across the face of the sign.
14. The following table lists abbreviated words and two-word phrases that are acceptable for use on a PCMS. Both words in a phrase must be displayed together. Words or phrases not on this list should not be abbreviated, unless shown in the TMUTCD.
15. PCMS character height should be at least 18 inches for trailer mounted units. They should be visible from at least 1/2 (.5) mile and the text should be legible from at least 600 feet at night and 800 feet in daylight. Truck mounted units must have a character height of 10 inches and must be legible from at least 400 feet.
16. Each line of text should be centered on the message board rather than left or right justified.
17. If disabled, the PCMS should default to an illegible display that will not alarm motorists and will only be used to alert workers that the PCMS has malfunctioned. A pattern such as a series of horizontal solid bars is appropriate.

WORD OR PHRASE	ABBREVIATION
Access Road	ACCS RD
Alternate	ALT
Avenue	AVE
Best Route	BEST RTE
Boulevard	BLVD
Bridge	BRDG
Cannot	CANT
Center	CTR
Construction ahead	CONST AHD
CROSSING	XING
Detour Route	DETOUR RTE
Do Not	DON'T
East	E
Eastbound	Eastbound E
Emergency	EMER
Emergency Vehicle	EMER VEH
Entrance, Enter	ENT
Express Lane	EXP LN
Expressway	EXPWY
XXXX Feet	XXXX FT
Fog Ahead	FOG AHD
Freeway	FWY, WY
Freeway Blocked	FWY BLKD
Friday	FRI
Hazardous Driving	HAZ DRIVING
Hazardous Material	HAZMAT
High-Occupancy	HOV
Vehicle	
Highway	HWY
Hour(s)	HR, HRS
Information	INFO
I-XX	I-XX
Junction	JCT
Left	LEFT
Left Lane	LEFT LN
Lane Closed	LN CLOSED
Lower Level	LWR LEVEL
Maintenance	MAINT

WORD OR PHRASE	ABBREVIATION
Major	MAJ
Miles	MI
Miles Per Hour	MPH
Minor	MNR
Monday	MON
Normal	NORM
North	N
Northbound	Northbound N
Parking	PKING
Road	RD
Right Lane	RT LN
Saturday	SAT
Service Road	SERV RD
Shoulder	SHLDR
Slippery	SLIP
South	S
Southbound	Southbound S
Speed	SPD
Street	ST
Sunday	SUN
Telephone	PHONE
Temporary	TEMP
Thursday	THURS
To Downtown	TO DWNTN
Traffic	TRAF
Travelers	TRVLRS
Tuesday	TUES
Time Minutes	TIME MIN
Upper Level	UPR LEVEL
Vehicles (s)	VEH, VEHS
Warning	WARN
Wednesday	WED
Weight Limit	WT LIMIT
West	W
Westbound	Westbound W
Wet Pavement	WET PVMT
Will not	WON'T

Roadway designation = IH-number, US-number, SH-number, FM-number

RECOMMENDED PHASES AND FORMATS FOR PCMS MESSAGES DURING ROADWORK ACTIVITIES

(The Engineer may approve other messages not specifically covered here.)

Phase 1: Condition Lists

Road/Lane/Ramp Closure List

FREEWAY CLOSED X MILE	FRONTAGE ROAD CLOSED
ROAD CLOSED AT SH XXX	SHOULDER CLOSED XXX FT
ROAD CLSD AT FM XXXX	RIGHT LN CLOSED XXX FT
RIGHT X LANES CLOSED	RIGHT X LANES OPEN
CENTER LANE CLOSED	DAYTIME LANE CLOSURES
NIGHT LANE CLOSURES	I-XX SOUTH EXIT CLOSED
VARIOUS LANES CLOSED	EXIT XXX CLOSED X MILE
EXIT CLOSED	RIGHT LN TO BE CLOSED
WALL DRIVEWAY CLOSED	X LANES CLOSED TUE - FRI
XXXXXXXX BLVD CLOSED	

Other Condition List

ROADWORK XXX FT	ROAD REPAIRS XXXX FT
FLAGGER XXXX FT	LANE NARROWS XXXX FT
RIGHT LN NARROWS XXXX FT	TWO-WAY TRAFFIC XX MILE
MERGING TRAFFIC XXXX FT	CONST TRAFFIC XXX FT
LOOSE GRAVEL XXXX FT	UNEVEN LANES XXXX FT
DETOUR X MILE	ROUGH ROAD XXXX FT
ROADWORK PAST SH XXXX	ROADWORK NEXT FRI-SUN
BUMP XXXX FT	US XXX EXIT X MILES
TRAFFIC SIGNAL XXXX FT	LANES SHIFT *

* LANES SHIFT in Phase 1 must be used with STAY IN LANE in Phase 2.

Phase 2: Possible Component Lists

Action to Take/Effect on Travel List		Location List	Warning List	** Advance Notice List
MERGE RIGHT	FORM X LINES RIGHT	AT FM XXXX	SPEED LIMIT XX MPH	TUE-FRI XX AM- X PM
DETOUR NEXT X EXITS	USE XXXXX RD EXIT	BEFORE RAILROAD CROSSING	MAXIMUM SPEED XX MPH	APR XX-XX X PM-X AM
USE EXIT XXX	USE EXIT I-XX NORTH	NEXT X MILES	MINIMUM SPEED XX MPH	BEGINS MONDAY
STAY ON US XXX SOUTH	USE I-XX E TO I-XX N	PAST US XXX EXIT	ADVISORY SPEED XX MPH	BEGINS MAY XX
TRUCKS USE US XXX N	WATCH FOR TRUCKS	XXXXXXX TO XXXXXXX	RIGHT LANE EXIT	MAY X-X XX PM - XX AM
WATCH FOR TRUCKS	EXPECT DELAYS	US XXX TO FM XXXX	USE CAUTION	NEXT FRI-SUN
EXPECT DELAYS	PREPARE TO STOP		DRIVE SAFELY	XX AM TO XX PM
REDUCE SPEED XXX FT	END SHOULDER USE		DRIVE WITH CARE	NEXT TUE AUG XX
USE OTHER ROUTES	WATCH FOR WORKERS			TONIGHT XX PM- XX AM
STAY IN LANE *				

* LANES SHIFT in Phase 1 must be used with STAY IN LANE in Phase 2.

** See Application Guidelines Note 6.

APPLICATION GUIDELINES

1. Only 1 or 2 phases are to be used on a PCMS.
2. The 1st phase (or both) should be selected from the "Road/Lane/Ramp Closure List" and the "Other Condition List".
3. A 2nd phase can be selected from the "Action to Take/Effect on Travel, Location, General Warning, or Advance Notice Phase Lists".
4. A Location Phase is necessary only if a distance or location is not included in the first phase selected.
5. If two PCMS are used in sequence, they must be separated by a minimum of 1000 ft. Each PCMS shall be limited to two phases, and should be understandable by themselves.
6. For advance notice, when the current date is within seven days of the actual work date, calendar days should be replaced with days of the week. Advance notification should typically be for no more than one week prior to the work.

WORDING ALTERNATIVES

1. The words RIGHT, LEFT and ALL can be interchanged as appropriate.
2. Roadway designations IH, US, SH, FM and LP can be interchanged as appropriate.
3. EAST, WEST, NORTH and SOUTH (or abbreviations E, W, N and S) can be interchanged as appropriate.
4. Highway names and numbers replaced as appropriate.
5. ROAD, HIGHWAY and FREEWAY can be interchanged as needed.
6. AHEAD may be used instead of distances if necessary.
7. FT and MI, MILE and MILES interchanged as appropriate.
8. AT, BEFORE and PAST interchanged as needed.
9. Distances or AHEAD can be eliminated from the message if a location phase is used.

PCMS SIGNS WITHIN THE R.O.W. SHALL BE BEHIND GUARDRAIL OR CONCRETE BARRIER OR SHALL HAVE A MINIMUM OF FOUR (4) PLASTIC DRUMS PLACED PERPENDICULAR TO TRAFFIC ON THE UPSTREAM SIDE OF THE PCMS. WHEN EXPOSED TO ONE DIRECTION OF TRAFFIC. WHEN EXPOSED TO TWO WAY TRAFFIC, THE FOUR DRUMS SHOULD BE PLACED WITH ONE DRUM AT EACH OF THE FOUR CORNERS OF THE UNIT.

FULL MATRIX PCMS SIGNS

1. When full matrix PCMS signs are used, the character height and legibility/visibility requirements shall be maintained as listed in Note 15 under "PORTABLE CHANGEABLE MESSAGE SIGNS" above.
2. When symbol signs, such as the "Flagger Symbol"(CW20-7) are represented graphically on the Full Matrix PCMS sign and, with the approval of the Engineer, it shall maintain the legibility/visibility requirement listed above.
3. When symbol signs are represented graphically on the Full Matrix PCMS, they shall only supplement the use of the static sign represented, and shall not substitute for, or replace that sign.
4. A full matrix PCMS may be used to simulate a flashing arrow board provided it meets the visibility, flash rate and dimming requirements on BC(7), for the same size arrow.

SHEET 6 OF 12

Texas Department of Transportation | Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION PORTABLE CHANGEABLE MESSAGE SIGN (PCMS)

BC(6)-21

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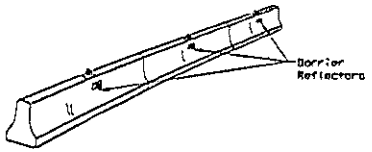
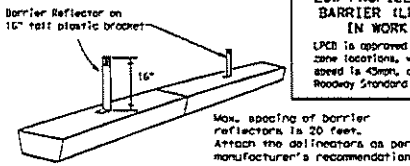
1. Barrier Reflectors shall be pre-qualified, and conform to the color and reflectivity requirements of DMS-8600. A list of prequalified Barrier Reflectors can be found at the Material Producer List web address shown on BC(1).
2. Color of Barrier Reflectors shall be as specified in the TMUTCD. The cost of the reflectors shall be considered subsidiary to Item 512.

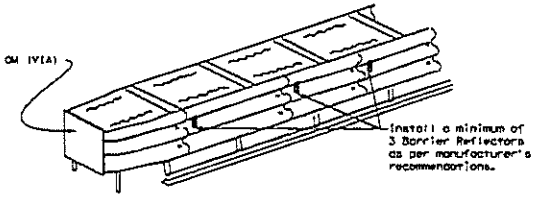


CONCRETE TRAFFIC BARRIER (CTB)

3. Where traffic is on one side of the CTB, two (2) Barrier Reflectors shall be mounted in approximately the mid-section of each section of CTB. An alternate mounting location is uniformly spaced at one end of each CTB. This will allow for attachment of a barrier grapple without damaging the reflector. The Barrier Reflector mounted on the side of the CTB shall be located directly below the reflector mounted on top of the barrier, as shown in the detail above.
4. Where CTB separates two-way traffic, three barrier reflectors shall be mounted on each section of CTB. The reflector unit on top shall have two yellow reflective faces (Bi-Directional) while the reflectors on each side of the barrier shall have one yellow reflective face, as shown in the detail above.
5. When CTB separates traffic traveling in the same direction, no barrier reflectors will be required on top of the CTB.
6. Barrier Reflector units shall be yellow or white in color to match the edgeline being supplemented.
7. Maximum spacing of Barrier Reflectors is forty (40) feet.
8. Pavement markers or temporary flexible-reflective roadway marker tabs shall NOT be used as CTB delineation.
9. Attachment of Barrier Reflectors to CTB shall be per manufacturer's recommendations.
10. Missing or damaged Barrier Reflectors shall be replaced as directed by the Engineer.
11. Single slope barriers shall be delineated as shown on the above detail.



LOW PROFILE CONCRETE BARRIER (LPCB)



DELINEATION OF END TREATMENTS

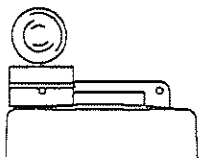
LOW PROFILE CONCRETE BARRIER (LPCB) USED IN WORK ZONES

LPCB is approved for use in work zone locations, where the posted speed is 45mph, or less. See Roadway Standard Sheet LPCB.

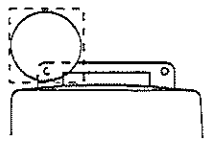
END TREATMENTS FOR CTB'S USED IN WORK ZONES

End treatments used on CTB's in work zones shall meet the appropriate crashworthy standards as defined in the Manual for Assessing Safety Hardware (MASH). Refer to the CWZTCD List for approved end treatments and manufacturers.

BARRIER REFLECTORS FOR CONCRETE TRAFFIC BARRIER AND ATTENUATORS



Type C Warning Light or approved substitute mounted on a drum adjacent to the travel way.



Warning reflector may be round or square. Must have a yellow reflective surface area of at least 30 square inches

WARNING LIGHTS

1. Warning lights shall meet the requirements of the TMUTCD.
2. Warning lights shall NOT be installed on barricades.
3. Type A-Low Intensity Flashing Warning Lights are commonly used with drums. They are intended to warn of or mark a potentially hazardous area. Their use shall be as indicated on this sheet and/or other sheets of the plans by the designation "FL". The Type A Warning Lights shall not be used with signs manufactured with Type B_H or C_H Sheeting meeting the requirements of Departmental Material Specification DMS-8300.
4. Type-C and Type D 360 degree Steady Burn Lights are intended to be used in a series for delineation to supplement other traffic control devices. Their use shall be as indicated on this sheet and/or other sheets of the plans by the designation "SB".
5. The Engineer/Inspector or the plans shall specify the location and type of warning lights to be installed on the traffic control devices.
6. When required by the Engineer, the Contractor shall furnish a copy of the warning lights certification. The warning light manufacturer will certify the warning lights meet the requirements of the latest ITE Purchase Specifications for Flashing and Steady-Burn Warning Lights.
7. When used to delineate curves, Type-C and Type D Steady Burn Lights should only be placed on the outside of the curve, not the inside.
8. The location of warning lights and warning reflectors on drums shall be as shown elsewhere in the plans.

WARNING LIGHTS MOUNTED ON PLASTIC DRUMS

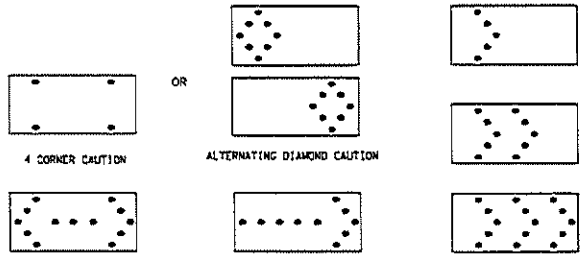
1. Type A flashing warning lights are intended to warn drivers that they are approaching or are in a potentially hazardous area.
2. Type A random flashing warning lights are not intended for delineation and shall not be used in a series.
3. A series of sequential flashing warning lights placed on channelizing devices to form a merging taper may be used for delineation. If used, the successive flashing of the sequential warning lights should occur from the beginning of the taper to the end of the merging taper in order to identify the desired vehicle path. The rate of flashing for each light shall be 65 flashes per minute, plus or minus 10 flashes.
4. Type C and D steady-burn warning lights are intended to be used in a series to delineate the edge of the travel lane on detours, on lane changes, on lane closures, and on other similar conditions.
5. Type A, Type C and Type D warning lights shall be installed at locations as detailed on other sheets in the plans.
6. Warning lights shall not be installed on a drum that has a sign, chevron or vertical panel.
7. The maximum spacing for warning lights on drums should be identical to the channelizing device spacing.

WARNING REFLECTORS MOUNTED ON PLASTIC DRUMS AS A SUBSTITUTE FOR TYPE C (STEADY BURN) WARNING LIGHTS

1. A warning reflector or approved substitute may be mounted on a plastic drum as a substitute for a Type C, steady burn warning light at the discretion of the Contractor unless otherwise noted in the plans.
2. The warning reflector shall be yellow in color and shall be manufactured using a sign substrate approved for use with plastic drums listed on the CWZTCD.
3. The warning reflector shall have a minimum retroreflective surface area (one-side) of 30 square inches.
4. Round reflectors shall be fully reflectorized, including the area where attached to the drum.
5. Square substrates must have a minimum of 30 square inches of reflectorized sheeting. They do not have to be reflectorized where it attaches to the drum.
6. The side of the warning reflector facing approaching traffic shall have sheeting meeting the color and retroreflectivity requirements for DMS 8300-Type B or Type C.
7. When used near two-way traffic, both sides of the warning reflector shall be reflectorized.
8. The warning reflector should be mounted on the side of the handle nearest approaching traffic.
9. The maximum spacing for warning reflectors should be identical to the channelizing device spacing requirements.

Arrow Boards may be located behind channelizing devices in place for a shoulder taper or merging taper, otherwise they shall be delineated with four (4) channelizing devices placed perpendicular to traffic on the upstream side of traffic.

1. The Flashing Arrow Board should be used for all lane closures on multi-lane roadways, or slow moving maintenance or construction activities on the travel lanes.
2. Flashing Arrow Boards should not be used on two-lane, two-way roadways, detours, diversions or work on shoulders unless the "CAUTION" display (see detail below) is used.
3. The Engineer/Inspector shall choose all appropriate signs, barricades and/or other traffic control devices that should be used in conjunction with the Flashing Arrow Board.
4. The Flashing Arrow Board should be able to display the following symbols:



5. The "CAUTION" display consists of four corner lamps flashing simultaneously, or the Alternating Diamond Caution mode as shown.
6. The straight line caution display is NOT ALLOWED.
7. The Flashing Arrow Board shall be capable of minimum 50 percent dimming from rated lamp voltage. The flashing rate of the lamps shall not be less than 25 nor more than 40 flashes per minute.
8. Minimum lamp "on time" shall be approximately 50 percent for the flashing arrow and equal intervals of 25 percent for each sequential phase of the flashing chevron.
9. The sequential arrow display is NOT ALLOWED.
10. The flashing arrow display is the TxDOT standard; however, the sequential chevron display may be used during daylight operations.
11. The Flashing Arrow Board shall be mounted on a vehicle, trailer or other suitable support.
12. A Flashing Arrow Board SHALL NOT BE USED to temporally shift traffic.
13. A full panel PCMS may be used to simulate a Flashing Arrow Board provided it meets visibility, flash rate and dimming requirements on this sheet for the same size arrow.
14. Minimum mounting height of trailer mounted Arrow Boards should be 7 feet from roadway to bottom of panel.

REQUIREMENTS			
TYPE	MINIMUM SIZE	MINIMUM NUMBER OF PANEL LAMPS	MINIMUM VISIBILITY DISTANCE
B	30 x 60	13	3/4 mile
C	48 x 96	15	1 mile

ATTENTION

Flashing Arrow Boards shall be equipped with automatic dimming devices.

WHEN NOT IN USE, REMOVE THE ARROW BOARD FROM THE RIGHT-OF-WAY OR PLACE THE ARROW BOARD BEHIND CONCRETE TRAFFIC BARRIER OR GUARDRAIL.

FLASHING ARROW BOARDS

TRUCK-MOUNTED ATTENUATORS

1. Truck-mounted attenuators (TMA) used on TxDOT facilities must meet the requirements outlined in the Manual for Assessing Safety Hardware (MASH).
2. Refer to the CWZTCD for the requirements of Level 2 or Level 3 TMAs.
3. Refer to the CWZTCD for a list of approved TMAs.
4. TMAs are required on freeways unless otherwise noted in the plans.
5. A TMA should be used anytime that it can be positioned 30 to 100 feet in advance of the area of crew exposure without adversely affecting the work performance.
6. The only reason a TMA should not be required is when a work area is spread down the roadway and the work crew is an extended distance from the TMA.

SHEET 7 OF 12

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION ARROW PANEL, REFLECTORS, WARNING LIGHTS & ATTENUATOR

BC(7)-21

FILE:	bc-21.dgn	DN: TxDOT	CK: TxDOT	DW: TxDOT	CK: TxDOT
©TxDOT November 2002		CONT	SECT	JOB	HIGHWAY
REVISIONS					
9-07 8-14		DIST	COUNTY		SHEET NO.
7-13 5-21					

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GENERAL NOTES

1. For long term stationary work zones on freeways, drums shall be used as the primary channelizing device.
2. For intermediate term stationary work zones on freeways, drums should be used as the primary channelizing device but may be replaced in tangent sections by vertical panels, or 42" two-piece cones. In tangent sections, one-piece cones may be used with the approval of the Engineer but only if personnel are present on the project at all times to maintain the cones in proper position and location.
3. For short term stationary work zones on freeways, drums are the preferred channelizing device but may be replaced in tapers, transitions and tangent sections by vertical panels, two-piece cones or one-piece cones as approved by the Engineer.
4. Drums and all related items shall comply with the requirements of the current version of the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD) and the "Compliant Work Zone Traffic Control Devices List" (CWZTCD).
5. Drums, bases, and related materials shall exhibit good workmanship and shall be free from objectionable marks or defects that would adversely affect their appearance or serviceability.
6. The Contractor shall have a maximum of 24 hours to replace any plastic drums identified for replacement by the Engineer/Inspector. The replacement device must be an approved device.

GENERAL DESIGN REQUIREMENTS

Pre-qualified plastic drums shall meet the following requirements:

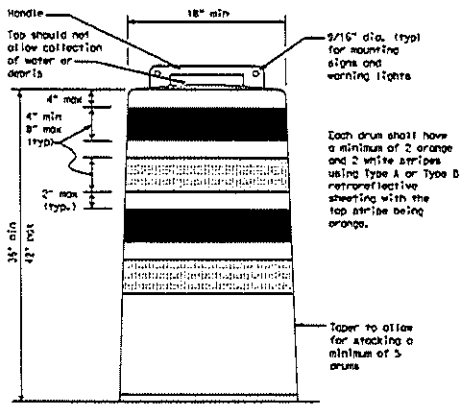
1. Plastic drums shall be a two-piece design; the "body" of the drum shall be the top portion and the "base" shall be the bottom.
2. The body and base shall lock together in such a manner that the body separates from the base when impacted by a vehicle traveling at a speed of 20 MPH or greater but prevents accidental separation due to normal handling and/or air turbulence created by passing vehicles.
3. Plastic drums shall be constructed of lightweight flexible, and deformable materials. The Contractor shall NOT use metal drums or single piece plastic drums as channelization devices or sign supports.
4. Drums shall present a profile that is a minimum of 18 inches in width at the 36 inch height when viewed from any direction. The height of drum only (body installed on base) shall be a minimum of 36 inches and a maximum of 42 inches.
5. The top of the drum shall have a built-in handle for easy pickup and shall be designed to drain water and not collect debris. The handle shall have a minimum of two widely spaced 9/16 inch diameter holes to allow attachment of a warning light, warning reflector unit or approved compliant sign.
6. The exterior of the drum body shall have a minimum of four alternating orange and white retroreflective circumferential stripes not less than 4 inches nor greater than 6 inches in width. Any non-reflectorized space between any two adjacent stripes shall not exceed 2 inches in width.
7. Bases shall have a maximum width of 36 inches, a maximum height of 4 inches, and a minimum of two footholds of sufficient size to allow base to be held down while separating the drum body from the base.
8. Plastic drums shall be constructed of ultraviolet stabilized, orange, high-density polyethylene (HDPE) or other approved material.
9. Drum body shall have a maximum unballasted weight of 11 lbs.
10. Drum and base shall be marked with manufacturer's name and model number.

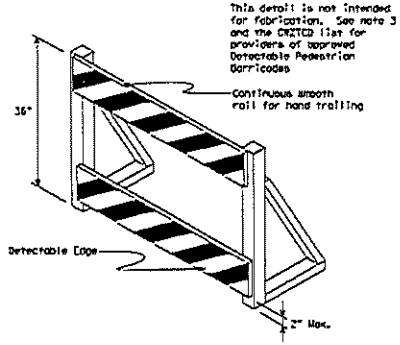
RETROREFLECTIVE SHEETING

1. The stripes used on drums shall be constructed of sheeting meeting the color and retroreflectivity requirements of Departmental Materials Specification DMS-8300, "Sign Face Materials," Type A or Type B reflective sheeting shall be supplied unless otherwise specified in the plans.
2. The sheeting shall be suitable for use on and shall adhere to the drum surface such that, upon vehicular impact, the sheeting shall remain adhered in-place and exhibit no delaminating, cracking, or loss of retroreflectivity other than that loss due to abrasion of the sheeting surface.

BALLAST

1. Unballasted bases shall be large enough to hold up to 50 lbs. of sand. This base, when filled with the ballast material, should weigh between 35 lbs (minimum) and 50 lbs (maximum). The ballast may be sand in one to three sandbags separate from the base, sand in a sand-filled plastic base, or other ballasting devices as approved by the Engineer. Stacking of sandbags will be allowed, however height of sandbags above pavement surface may not exceed 12 inches.
2. Bases with built-in ballast shall weigh between 40 lbs. and 50 lbs. Built-in ballast can be constructed of an integral crumb rubber base or a solid rubber base.
3. Recycled truck tire sidewalls may be used for ballast on drums approved for this type of ballast on the CWZTCD list.
4. The ballast shall not be heavy objects, water, or any material that would become hazardous to motorists, pedestrians, or workers when the drum is struck by a vehicle.
5. When used in regions susceptible to freezing, drums shall have drainage holes in the bottoms so that water will not collect and freeze becoming a hazard when struck by a vehicle.
6. Ballast shall not be placed on top of drums.
7. Adhesives may be used to secure base of drums to pavement.





DETECTABLE PEDESTRIAN BARRICADES

1. When existing pedestrian facilities are disrupted, closed, or relocated in a TTC zone, the temporary facilities shall be detectable and include accessibility features consistent with the features present in the existing pedestrian facility. Refer to PEDESTS-2) for Pedestrian Control requirements for Sidewalk Diversions, Sidewalk Detours and Crosswalk Closures.
2. Where pedestrians with visual disabilities normally use the closed sidewalk, a Detectable Pedestrian Barricade shall be placed across the full width of the closed sidewalk instead of a Type 3 Barricade.
3. Detectable pedestrian barricades similar to the one pictured above, longitudinal channelizing devices, some concrete barriers, and wood or chain link fencing with a continuous detectable edging can satisfactorily delineate a pedestrian path.
4. Tape, rope, or plastic chain strung between devices are not detectable, do not comply with the design standards in the "Americans with Disabilities Act Accessibility Guidelines (ADAAG)" and should not be used as a control for pedestrian movements.
5. Warning lights shall not be attached to detectable pedestrian barricades.
6. Detectable pedestrian barricades should use 8" nominal barricade rails as shown on BC(10) provided that the top rail provides a smooth continuous rail suitable for hand trailing with no splinters, burrs, or sharp edges.

18" x 24" Sign
(Maximum Sign Dimension)
Chevron CW1-8, Opposing Traffic Lane Divider, Driveway Sign D70a, Keep Right R4 series or other signs as approved by Engineer

12" x 24"
Vertical Panel
mount with diagonals sloping down towards travel way

Plywood, Aluminum or Metal sign substrates shall NOT be used on plastic drums

SIGNS, CHEVRONS, AND VERTICAL PANELS MOUNTED ON PLASTIC DRUMS

1. Signs used on plastic drums shall be manufactured using substrates listed on the CWZTCD.
2. Chevrons and other work zone signs with an orange background shall be manufactured with Type B_{FL} or Type C_{FL} Orange sheeting meeting the color and retroreflectivity requirements of DMS-8300, "Sign Face Material," unless otherwise specified in the plans.
3. Vertical Panels shall be manufactured with orange and white sheeting meeting the requirements of DMS-8300 Type A or Type B. Diagonal stripes on Vertical Panels shall slope down toward the intended traveled lane.
4. Other sign messages (text or symbolic) may be used as approved by the Engineer. Sign dimensions shall not exceed 18 inches in width or 24 inches in height, except for the R9 series signs discussed in note 8 below.
5. Signs shall be installed using a 1/2 inch bolt (nominal) and nut, two washers, and one locking washer for each connection.
6. Mounting bolts and nuts shall be fully engaged and adequately torqued. Bolts should not extend more than 1/2 inch beyond nuts.
7. Chevrons may be placed on drums on the outside of curves, on merging tapers or on shifting tapers. When used in these locations, they may be placed on every drum or spaced not more than on every third drum. A minimum of three (3) should be used at each location called for in the plans.
8. R9-9, R9-10, R9-11 and R9-11a Sidewalk Closed signs which are 24 inches wide may be mounted on plastic drums, with approval of the Engineer.

Texas Department of Transportation | Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION CHANNELIZING DEVICES

BC(8)-21

FILE:	bc-21.dgn	DN: TxDOT	CK: TxDOT	DW: TxDOT	CK: TxDOT
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4-03 8-14		DIST	COUNTY		SHEET NO.
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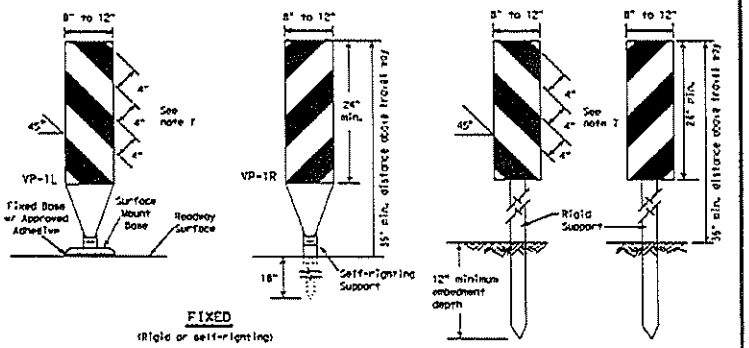
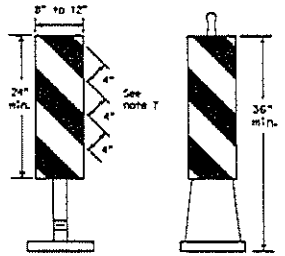


FIXED
(Rigid or self-righting)

DRIVEABLE

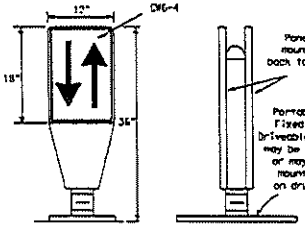


(Rigid or self-righting)

PORTABLE

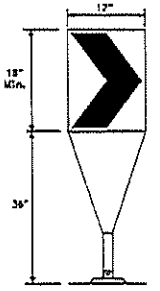
1. Vertical Panels (VP's) are normally used to channelize traffic or divide opposing lanes of traffic.
2. VP's may be used in daytime or nighttime situations. They may be used at the edge of shoulder drop-offs and other areas such as lane transitions where positive daytime and nighttime delineation is required. The Engineer/Inspector shall refer to the Roadway Design Manual for additional requirements on the use VP's for drop-offs.
3. VP's should be mounted back to back if used at the edge of cuts adjacent to two-way two lane roadways. Stripes are to be reflective orange and reflective white and should always slope downward toward the travel lane.
4. VP's used on expressways and freeways or other high speed roadways, may have more than 270 square inches of retroreflective area facing traffic.
5. Self-righting supports are available with portable base. See "Compliant Work Zone Traffic Control Devices List" (CWZTCD).
6. Sheeting for the VP's shall be retroreflective Type A or Type B conforming to Departmental Material Specification DMS-8300, unless noted otherwise.
7. Where the height of reflective material on the vertical panel is 36 inches or greater, a panel stripe of 6 inches shall be used.

VERTICAL PANELS (VPs)



1. Opposing Traffic Lane Dividers (OTLD) are delineation devices designed to convert a normal one-way roadway section to two-way operation. OTLD's are used on temporary centerlines. The upward and downward arrows on the sign's face indicate the direction of traffic on either side of the divider. The base is secured to the pavement with an adhesive or rubber weight to minimize movement caused by a vehicle impact or wind gust.
2. The OTLD may be used in combination with 42" cones or VPs.
3. Spacing between the OTLD shall not exceed 500 feet. 42" cones or VPs placed between the OTLD's should not exceed 100 foot spacing.
4. The OTLD shall be orange with a black non-reflective legend. Sheeting for the OTLD shall be retroreflective Type B_N or Type C_N conforming to Departmental Material Specification DMS-8300, unless noted otherwise. The legend shall meet the requirements of DMS-8300.

OPPOSING TRAFFIC LANE DIVIDERS (OTLD)



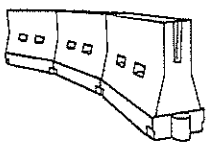
Fixed Base w/ Approved Adhesive (Driveable Base, or Flexible Supports can be used)

1. The chevron shall be a vertical rectangle with a minimum size of 12 by 18 inches.
2. Chevrons are intended to give notice of a sharp change of alignment with the direction of travel and provide additional emphasis and guidance for vehicle operators with regard to changes in horizontal alignment of the roadway.
3. Chevrons, when used, shall be erected on the outside of a sharp curve or turn, or on the far side of an intersection. They shall be in line with and at right angles to approaching traffic. Spacing should be such that the motorist always has three in view, until the change in alignment eliminates the need.
4. To be effective, the chevron should be visible for at least 500 feet.
5. Chevrons shall be orange with a black nonreflective legend. Sheeting for the chevron shall be retroreflective Type B_N or Type C_N conforming to Departmental Material Specification DMS-8300, unless noted otherwise. The legend shall meet the requirements of DMS-8300.
6. For Long Term Stationary use on tapers or transitions on freeways and divided highways, self-righting chevrons may be used to supplement plastic drums but not to replace plastic drums.

CHEVRONS

GENERAL NOTES

1. Work Zone channelizing devices illustrated on this sheet may be installed in close proximity to traffic and are suitable for use on high or low speed roadways. The Engineer/Inspector shall ensure that spacing and placement is uniform and in accordance with the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD).
2. Channelizing devices shown on this sheet may have a driveable, fixed or portable base. The requirement for self-righting channelizing devices must be specified in the General Notes or other plan sheets.
3. Channelizing devices on self-righting supports should be used in work zone areas where channelizing devices are frequently impacted by errant vehicles or vehicle related wind gusts making alignment of the channelizing devices difficult to maintain. Locations of these devices shall be detailed elsewhere in the plans. These devices shall conform to the TMUTCD and the "Compliant Work Zone Traffic Control Devices List" (CWZTCD).
4. The Contractor shall maintain devices in a clean condition and replace damaged, nonreflective, faded, or broken devices and bases as required by the Engineer/Inspector. The Contractor shall be required to maintain proper device spacing and alignment.
5. Portable bases shall be fabricated from virgin and/or recycled rubber. The portable bases shall weigh a minimum of 30 lbs.
6. Pavement surfaces shall be prepared in a manner that ensures proper bonding between the adhesives, the fixed equipment bases and the pavement surface. Adhesives shall be prepared and applied according to the manufacturer's recommendations.
7. The installation and removal of channelizing devices shall not cause detrimental effects to the final pavement surfaces. Including pavement surface discoloration or surface integrity. Driveable bases shall not be permitted on final pavement surfaces. The Engineer/Inspector shall approve all application and removal procedures of fixed bases.



LONGITUDINAL CHANNELIZING DEVICES (LCD)

1. LCDs are crashworthy, lightweight, deformable devices that are highly visible, have good target value and can be connected together. They are not designed to contain or redirect a vehicle on impact.
2. LCDs may be used instead of a line of cones or drums.
3. LCDs shall be placed in accordance w/ application and installation requirements specific to the device, and used only when shown on the CWZTCD list.
4. LCDs should not be used to provide positive protection for obstacles, pedestrians or workers.
5. LCDs shall be supplemented with retroreflective delineation as required for temporary barriers on BC(7) when placed roughly parallel to the travel lanes.
6. LCDs used as barricades placed perpendicular to traffic should have at least one row of reflective sheeting meeting the requirements for barricade rails as shown on BC(10). Place reflective sheeting near the top of the LCD along the full length of the device.

WATER BALLASTED SYSTEMS USED AS BARRIERS

1. Water ballasted systems used as barriers shall not be used solely to channelize road users, but also to protect the work space per the appropriate Manual for Assessing Safety Hardware (MASH) crashworthiness requirements based on roadway speed and barrier application.
2. Water ballasted systems used to channelize vehicular traffic shall be supplemented with retroreflective delineation or channelizing devices to improve daytime/nighttime visibility. They may also be supplemented with pavement markings.
3. Water ballasted systems used as barriers shall be placed in accordance to application and installation requirements specific to the device, and used only when shown on the CWZTCD list.
4. Water ballasted systems used as barriers should not be used for a merging taper except in low speed (less than 45 MPH) urban areas. When used on a taper in a low speed urban area, the taper shall be delineated and the taper length should be designed to optimize road user operations considering the available geometric conditions.
5. When water ballasted systems used as barriers have blunt ends exposed to traffic, they should be attenuated as per manufacturer recommendations or flared to a point outside the clear zone.

If used to channelize pedestrians, longitudinal channelizing devices or water ballasted systems must have a continuous detectable portion for users of long canes and the top of the unit shall not be less than 32 inches in height.

HOLLOW OR WATER BALLASTED SYSTEMS USED AS LONGITUDINAL CHANNELIZING DEVICES OR BARRIERS

Posted Speed	Formula	Minimum Desirable Taper Lengths ** 10' Offset	11' Offset	12' Offset	Suggested Maximum Spacing of Channelizing Devices On a Taper	On a Tangent
30	L= WS²/60	150'	165'	180'	30'	60'
35		205'	225'	245'	35'	70'
40		265'	295'	320'	40'	80'
45	L=WS	450'	495'	540'	45'	90'
50		500'	550'	600'	50'	100'
55		550'	605'	660'	55'	110'
60		600'	660'	720'	60'	120'
65		650'	715'	780'	65'	130'
70		700'	770'	840'	70'	140'
75		750'	825'	900'	75'	150'
80		800'	880'	960'	80'	160'

** Taper lengths have been rounded off.
L=Length of Taper (FT.) W=Width of Offset (FT.)
S=Posted Speed (MPH)

SUGGESTED MAXIMUM SPACING OF CHANNELIZING DEVICES AND MINIMUM DESIRABLE TAPER LENGTHS

Texas Department of Transportation

Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION CHANNELIZING DEVICES

BC(9)-21

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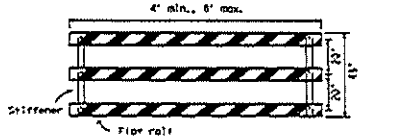
TYPE 3 BARRICADES

1. Refer to the Compliant Work Zone Traffic Control Devices List (CWZTCD) for details of the Type 3 Barricades and a list of all materials used in the construction of Type 3 Barricades.
2. Type 3 Barricades shall be used at each end of construction projects closed to all traffic.
3. Barricades extending across a roadway should have stripes that slope downward in the direction toward which traffic must turn in detouring. When both right and left turns are provided, the chevron striping may slope downward in both directions from the center of the barricade. Where no turns are provided at a closed road, striping should slope downward in both directions toward the center of roadway.
4. Striping of rails, for the right side of the roadway, should slope downward to the left. For the left side of the roadway, striping should slope downward to the right.
5. Identification markings may be shown only on the back of the barricade rails. The maximum height of letters and/or company logos used for identification shall be 1".
6. Barricades shall not be placed parallel to traffic unless an adequate clear zone is provided.
7. Warning lights shall NOT be installed on barricades.
8. Where barricades require the use of weights to keep from turning over, the use of sandbags with dry, cohesionless sand is recommended. The sandbags will be filled only to keep the sand from splitting and to maintain a constant weight. Sand bags shall not be attached in a manner that covers any portion of a barricade rail's reflective sheeting. Rock, concrete, iron, steel or other solid objects will NOT be permitted. Sandbags should weigh a minimum of 35 lbs and a maximum of 50 lbs. Sandbags shall be made of a durable material that tears upon vehicular impact. Rubber (such as tire inner tubes) shall not be used for sandbags. Sandbags shall only be placed along or upon the base supports of the device and shall not be suspended above ground level or hung with rope, wire, chains or other fasteners.
9. Sheeting for barricades shall be retroreflective Type A or Type B conforming to Departmental Material Specification DMS-8300 unless otherwise noted.

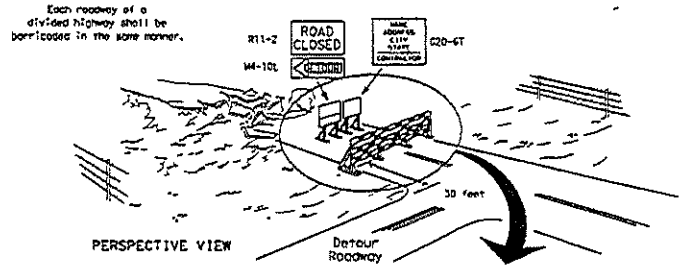
Barricades shall NOT be used as a sign support.

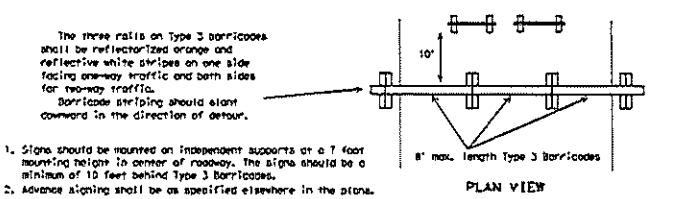
TYPICAL STRIPING DETAIL FOR BARRICADE RAIL



Stiffener may be inside or outside of support, but no more than 2 stiffeners shall be allowed on one barricade.

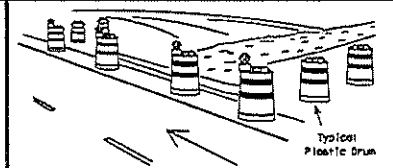
TYPICAL PANEL DETAIL
FOR SKID OR POST TYPE BARRICADES



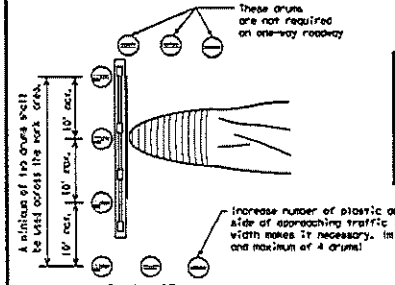


1. Signs should be mounted on independent supports at a 7 foot mounting height in center of roadway. The signs should be a minimum of 10 feet behind Type 3 Barricades.
2. Advance signing shall be as specified elsewhere in the plans.

TYPE 3 BARRICADE (POST AND SKID) TYPICAL APPLICATION

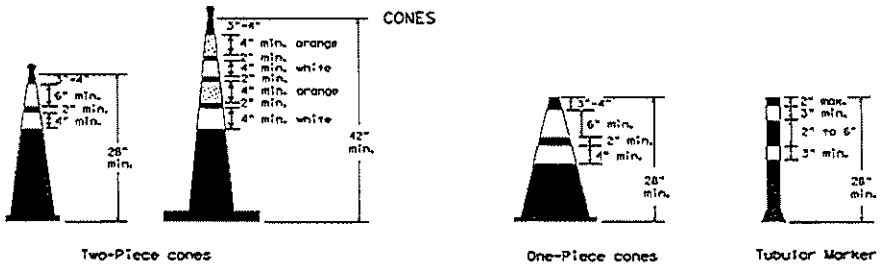


1. Where positive redirectional capability is provided, drums may be omitted.
2. Plastic construction fencing may be used with drums for safety as required in the plans.
3. Vertical Panels on flexible supports may be substituted for drums when the shoulder width is less than 4 feet.
4. When the shoulder width is greater than 12 feet, steady-burn lights may be omitted if drums are used.
5. Drums must extend the length of the culvert widening.

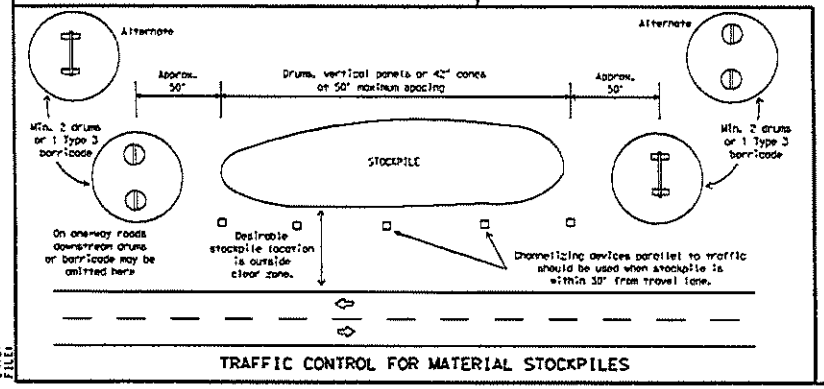


LEGEND	
	Plastic drum
	Plastic drum with steady burn light or yellow warning reflector
SB	Steady burn warning light or yellow warning reflector

CULVERT WIDENING OR OTHER ISOLATED WORK WITHIN THE PROJECT LIMITS



Two-Piece cones | One-Piece cones | Tubular Marker



TRAFFIC CONTROL FOR MATERIAL STOCKPILES

28" Cones shall have a minimum weight of 9 1/2 lbs.

42" 2-piece cones shall have a minimum weight of 30 lbs. including base.

1. Traffic cones and tubular markers shall be predominantly orange, and meet the height and weight requirements shown above.
2. One-piece cones have the body and base of the cone molded in one consolidated unit. Two-piece cones have a cone shaped body and a separate rubber base, or ballast, that is added to keep the device upright and in place.
3. Two-piece cones may have a handle or loop extending up to 8" above the minimum height shown, in order to aid in retrieving the device.
4. Cones or tubular markers shall have white or white and orange reflective bands as shown above. The reflective bands shall have a smooth, sealed outer surface and meet the requirements of Departmental Material Specification DMS-8300 Type A or Type B.
5. 28" cones and tubular markers are generally suitable for short duration and short-term stationary work as defined on BC(4). These should not be used for intermediate-term or long-term stationary work unless personnel is on-site to maintain them in their proper upright position.
6. 42" two-piece cones, vertical panels or drums are suitable for all work zone durations.
7. Cones or tubular markers used on each project should be of the same size and shape.

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION CHANNELIZING DEVICES

BC(10)-21

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WORK ZONE PAVEMENT MARKINGS

GENERAL

1. The Contractor shall be responsible for maintaining work zone and existing pavement markings, in accordance with the standard specifications and special provisions, on all roadways open to traffic within the CSJ limits unless otherwise stated in the plans.
2. Color, patterns and dimensions shall be in conformance with the "Texas Manual on Uniform Traffic Control Devices" (TMUTCD).
3. Additional supplemental pavement marking details may be found in the plans or specifications.
4. Pavement markings shall be installed in accordance with the TMUTCD and as shown on the plans.
5. When short term markings are required on the plans, short term markings shall conform with the TMUTCD, the plans and details as shown on the Standard Plan Sheet WZ(STPM).
6. When standard pavement markings are not in place and the roadway is opened to traffic, DO NOT PASS signs shall be erected to mark the beginning of the sections where passing is prohibited and PASS WITH CARE signs at the beginning of sections where passing is permitted.
7. All work zone pavement markings shall be installed in accordance with Item 662, "Work Zone Pavement Markings."

RAISED PAVEMENT MARKERS

1. Raised pavement markers are to be placed according to the patterns on BC(12).
2. All raised pavement markers used for work zone markings shall meet the requirements of Item 672, "RAISED PAVEMENT MARKERS" and Departmental Material Specification DMS-4200 or DMS-4300.

PREFABRICATED PAVEMENT MARKINGS

1. Removable prefabricated pavement markings shall meet the requirements of DMS-8241.
2. Non-removable prefabricated pavement markings (Type D tape) shall meet the requirements of DMS-8240.

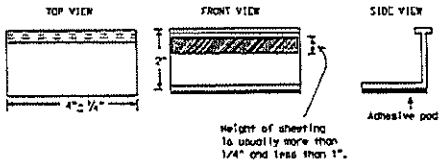
MAINTAINING WORK ZONE PAVEMENT MARKINGS

1. The Contractor will be responsible for maintaining work zone pavement markings within the work limits.
2. Work zone pavement markings shall be inspected in accordance with the frequency and reporting requirements of work zone traffic control device inspections as required by Form 599.
3. The markings should provide a visible reference for a minimum distance of 300 feet during normal daylight hours and 150 feet when illuminated by automobile low-beam headlights at night, unless sight distance is restricted by roadway geometrics.
4. Markings failing to meet this criteria within the first 30 days after placement shall be replaced at the expense of the Contractor as per Specification Item 662.

REMOVAL OF PAVEMENT MARKINGS

1. Pavement markings that are no longer applicable, could create confusion or direct a motorist toward or into the closed portion of the roadway shall be removed or obliterated before the roadway is opened to traffic.
2. The above shall not apply to detours in place for less than three days, where flaggers and/or sufficient channelizing devices are used in lieu of markings to outline the detour route.
3. Pavement markings shall be removed to the fullest extent possible, so as not to leave a discernable marking. This shall be by any method approved by TxDOT Specification Item 677 for "Eliminating Existing Pavement Markings and Markers".
4. The removal of pavement markings may require resurfacing or seal coating portions of the roadway as described in Item 677.
5. Subject to the approval of the Engineer, any method that proves to be successful on a particular type pavement may be used.
6. Blast cleaning may be used but will not be required unless specifically shown in the plans.
7. Over-painting of the markings SHALL NOT BE permitted.
8. Removal of raised pavement markers shall be as directed by the Engineer.
9. Removal of existing pavement markings and markers will be paid for directly in accordance with Item 677, "ELIMINATING EXISTING PAVEMENT MARKINGS AND MARKERS," unless otherwise stated in the plans.
10. Black-out marking tape may be used to cover conflicting existing markings for periods less than two weeks when approved by the Engineer.

Temporary Flexible-Reflective Roadway Marker Tabs



STAPLES OR NAILS SHALL NOT BE USED TO SECURE TEMPORARY FLEXIBLE-REFLECTIVE ROADWAY MARKER TABS TO THE PAVEMENT SURFACE

1. Temporary flexible-reflective roadway marker tabs used as guidemarks shall meet the requirements of DMS-8242.
2. Tabs detailed on this sheet are to be inspected and accepted by the Engineer or designated representative. Sampling and testing is not normally required, however at the option of the Engineer, either "A" or "B" below may be imposed to assure quality before placement on the roadway.
   A. Select five (5) or more tabs at random from each lot or shipment and submit to the Construction Division, Materials and Pavement Section to determine specification compliance.
   B. Select five (5) tabs and perform the following test. Affix five (5) tabs at 24 inch intervals on an asphaltic pavement in a straight line. Using a medium size passenger vehicle or pickup, run over the markers with the front and rear tires at a speed of 35 to 40 miles per hour, four (4) times in each direction. No more than one (1) out of the five (5) reflective surfaces shall be lost or displaced as a result of this test.
3. Small design variances may be noted between tab manufacturers.
4. See Standard Sheet WZ(STPM) for tab placement on new pavements. See Standard Sheet TCP(7-1) for tab placement on seal coat work.

RAISED PAVEMENT MARKERS USED AS GUIDEMARKS

1. Raised pavement markers used as guidemarks shall be from the approved product list, and meet the requirements of DMS-4200.
2. All temporary construction raised pavement markers provided on a project shall be of the same manufacturer.
3. Adhesive for guidemarks shall be bituminous material hot applied or butyl rubber pad for all surfaces, or thermoplastic for concrete surfaces.

Guidemarks shall be designated as:
YELLOW - two amber reflective surfaces with yellow body).
WHITE - one silver reflective surface with white body).

DEPARTMENTAL MATERIAL SPECIFICATIONS	
PAVEMENT MARKERS (REFLECTORIZED)	DMS-4200
TRAFFIC BUTTONS	DMS-4300
EPOXY AND ADHESIVES	DMS-6100
BITUMINOUS ADHESIVE FOR PAVEMENT MARKERS	DMS-6130
PERMANENT PREFABRICATED PAVEMENT MARKINGS	DMS-8240
TEMPORARY REMOVABLE, PREFABRICATED PAVEMENT MARKINGS	DMS-8241
TEMPORARY FLEXIBLE, REFLECTIVE ROADWAY MARKER TABS	DMS-8242

A list of prequalified reflective raised pavement markers, non-reflective traffic buttons, roadway marker tabs and other pavement markings can be found at the Material Producer List web address shown on BC(1).

Texas Department of Transportation — Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION PAVEMENT MARKINGS

BC(11)-21

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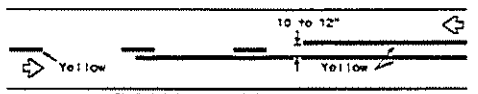
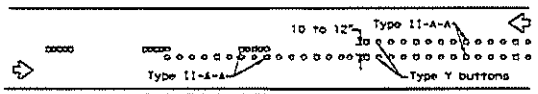
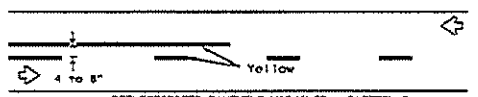
PAVEMENT MARKING PATTERNS



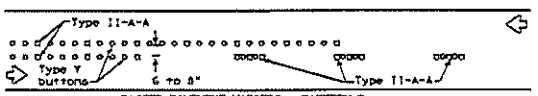
REFLECTORIZED PAVEMENT MARKINGS - PATTERN A



RAISED PAVEMENT MARKERS - PATTERN A



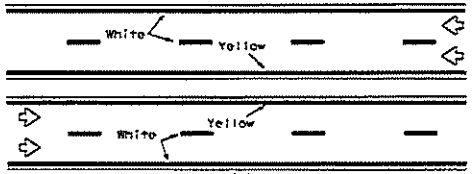
REFLECTORIZED PAVEMENT MARKINGS - PATTERN B



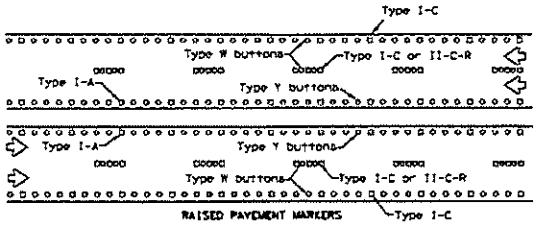
RAISED PAVEMENT MARKERS - PATTERN B

Pattern A is the TxDOT Standard, however Pattern B may be used if approved by the Engineer.
Prefabricated markings may be substituted for reflectorized pavement markings.

CENTER LINE & NO-PASSING ZONE BARRIER LINES FOR TWO-LANE, TWO-WAY HIGHWAYS



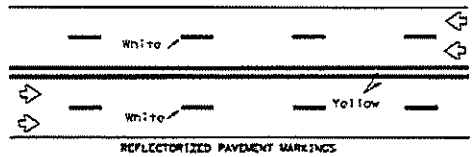
REFLECTORIZED PAVEMENT MARKINGS



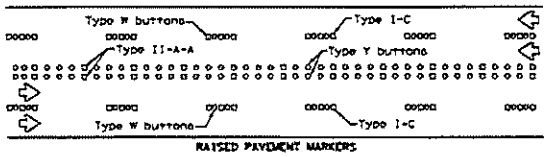
RAISED PAVEMENT MARKERS

Prefabricated markings may be substituted for reflectorized pavement markings.

EDGE & LANE LINES FOR DIVIDED HIGHWAY



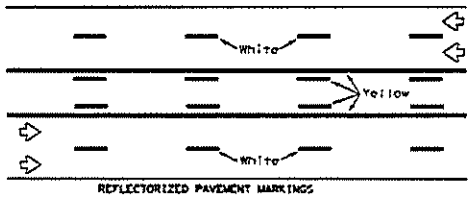
REFLECTORIZED PAVEMENT MARKINGS



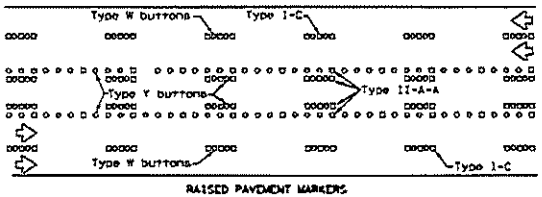
RAISED PAVEMENT MARKERS

Prefabricated markings may be substituted for reflectorized pavement markings.

LANE & CENTER LINES FOR MULTILANE UNDIVIDED HIGHWAYS



REFLECTORIZED PAVEMENT MARKINGS

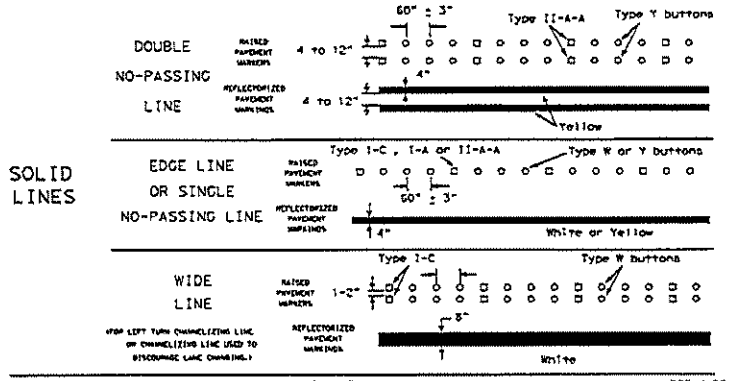


RAISED PAVEMENT MARKERS

Prefabricated markings may be substituted for reflectorized pavement markings.

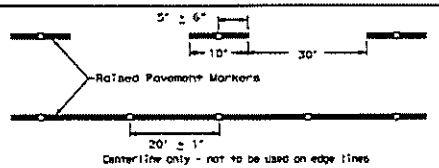
TWO-WAY LEFT TURN LANE

STANDARD WORK ZONE PAVEMENT MARKINGS DETAILS



REMOVABLE MARKINGS WITH RAISED PAVEMENT MARKERS

If raised pavement markers are used to supplement REMOVABLE markings, the markers shall be applied to the top of the tape at the approximate mid length of tape used for broken lines or at 20 foot spacing for solid lines. This allows an easier removal of raised pavement markers and tape.



Centerline only - not to be used on edge lines

Raised pavement markers used as standard pavement markings shall be from the approved products list and meet the requirements of Item 672 "RAISED PAVEMENT MARKERS."

SHEET 12 OF 12

Texas Department of Transportation | Traffic Safety Division Standard

BARRICADE AND CONSTRUCTION PAVEMENT MARKING PATTERNS

BC(12)-21

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ITEM #9

AGENDA ITEM NO: _____

SUBMITTED BY: Mike Barrow, Assistant City Manager
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Discussion and Possible Action regarding Adopting the 2024 International Building Codes, 2024 Uniform Plumbing Code, 2023 National Electric Code and Local Amendments.

ANALYSIS

Building codes and fire codes are updated to improve safety and reduce fatalities, reduce property damage, improve energy efficiency, and add new technologies and materials into construction. Adoption of updated codes allows for a uniform standard across different jurisdictions. The following codes will need to be updated. International codes would be updated to the 2024 edition and National Electric Codes would be updated to the 2023 edition.

1. 2018 International Building Code
2. 2018 International Existing Building Code
3. 2018 International Residential Code
4. 2017 National Electric Code
5. 2018 International Plumbing Code
6. 2018 Uniform Plumbing Code
7. 2018 International Swimming Pool and Spa Code
8. 2018 International Mechanical Code
9. 2018 International Property Maintenance Code
10. 2018 International Energy Conservation Code
11. 2018 International Fuel Gas Code
12. 2018 International Fire Code – It would also adopt all referenced NFPA codes within, such as, but not limited to:
    1. NFPA 10 – Standard for portable fire extinguishers
    2. NFPA 13 – Standard for the installation of sprinkler systems
    3. NFPA 30 – Flammable and Combustible Liquids Code
    4. NFPA 58 – Liquified Petroleum Gas Code
    5. NFPA 70 – National Electrical Code
    6. NFPA 72 – National Fire Alarm and Signaling Code
    7. NFPA 96 – Ventilation Control and Fire Protection of Commercial Cooking Operations
    8. NFPA 99 – Health Care Facilities Code
    9. NFPA 101 – Life Safety Code (usually referenced for special safety requirements)
    10. NFPA 285 – Fire Tests for Exterior Wall Assemblies

    Chapter 80 of the International Fire Code lists all referenced codes
    https://up.codes/viewer/austin/ifc-2024/chapter/80/referenced-standards#80
13. Local Amendments – Local amendments modify, remove or add requirements to specific requirements of the adopted codes. These can be found in the Code of Ordinances Chapter 14 Article II – Local Amendments.

RECOMMENDATION

Looking for authorization to bring back to City Council review of and updating of the current International Codes, National Electric Code, and Unified Plumbing Code.

FINANCIAL IMPACTS

Cost of new Code Books are expected to be $2,500.00 or less.

ITEM #10

AGENDA ITEM NO: _____

SUBMITTED BY: Mike Barrow, Assistant City Manager
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Discussion and Possible Action regarding Approving a Proposal from AMS for Retrofit, Controls, and Replacement of Air Conditioner Condenser Unit at the Sealy Police Department.

ANALYSIS

There are two proposals totaling $97,589.49. The two proposals are for:

Work Scope

1. OAHU-1 (ACCU-09) Condenser Coil, (2) Compressors, Fan Motors, Blades, Capacitors and Contactor Replacements. $47,883.24
2. OAHU-2 (ACCU-10) Condenser Unit, Evaporator Coil, start up and test HVAC system and verify proper operation, and seal and insulate duct connections where work performed. $49,706.25

See Exhibits A and B attached.

RECOMMENDATION

Recommend city council approve the two proposals in an amount not to exceed $100,000.00.

FINANCIAL IMPACTS

This project is coded to Proj 267-001 and expense code 10-550-56020.

AMS
American Mechanical Services LLC

Exhibit A

March 30, 2026

Proposal

Sealy Police Department
1320 Rexville Road
Sealy, Tx. 77474

Attention: Chris Hudson
Subject: OAHU-1 (ACCU-09) & Exhaust fan Rebuild
(ACCU6 & ACCU-7 Repairs)
Location: Police Station

We are pleased to propose the following for consideration of pricing for the work performed for the price of **$47,883.24**

WORK SCOPE

OAHU-1 (ACCU-09)

Condenser Coil, (2) Compressors, Fan Motors, Blades, Capacitors & Contactors Replacement

- Pump down and recover existing refrigerant from system
- Remove existing condenser coil
- Remove both existing compressors
- Remove existing condenser fan motors and fan blades
- Remove existing capacitors and contactors
- Install new factory-approved condenser coil
- Install two new compressors
- Install new condenser fan motors and balanced fan blades
- Install new properly rated capacitors
- Install new contactors
- Replace liquid line driers
- Pressure test entire system with nitrogen
- Perform one complete system evacuation to manufacturer specifications
- Recharge system with correct type and amount of refrigerant
- Start up unit and verify proper operation

Final Checks (OAHU-1/ACCU-09)

- Verify refrigerant pressures and temperatures
- Check compressor and motor amp draw
- Confirm proper fan rotation and airflow
- Inspect electrical connections
- Test system under full cooling load
- Confirm unit is operating properly

March 30, 2026

(EF-6, EF-5, EF-8, EF-2) Exhaust Fan Rebuild, (ACCU-07) Capacitors, and (ACCU-6) (1) Fan Motor.

Services Included

- **Rebuild four (4) existing exhaust fans, including disassembly, inspection, and reinstallation (EF-6, EF-5, EF-8, EF-2 need new bearings replacement.)**
- **Replace two (2) capacitors (ACCU-07 the capacitors connections have indication of overheating.)**
- **Replace one (1) fan motor (ACCU-6 The condenser fan motor made a noise at start up, it sounded like bearings are going bad)**
- **Reconnect to existing electrical and controls**
- **Test and verify proper operation of all equipment**

Cleanup

- **Remove and dispose of replaced parts**
- **Leave work area clean**

Controls Review

- **Subcontracting company for onsite support to troubleshoot Sealy PD Carrier iVu controls System**

This proposal does not include any Sales Tax, Damage by Crane and Permit Fees, Freight or any special handling charges that may be applicable.

This proposal will remain in effect for a period of Thirty (30) days upon receipt.

Should you have any questions, or if we can be of further assistance to you, please do not hesitate to contact me.

Exclusions: Tariffs, Overtime, Sunday work, Taxes, Addition freight charges, Mold or Asbestos abatement, Insulation, Shutdown and drainage of building, Paint, Tile work grout or replacement, Wall repairs cut of patch of sheet rock, Ceiling tile or grid work, Electrical work, Concrete patch or repair, Fire protection, Excavation, Personal lift equipment, Crane equipment, Fence replacement or repair, Controls, Parking fees, Appliances

*****Any current or future tax, duty, tariff or governmental charge affecting the manufacturer costs of production, sales, services, delivery and shipment of Equipment, Material or Parts which the Contractor is otherwise required to pay or collect in connection with the sale, purchase, delivery, performance, storage, processing, use or consumption of Equipment, Material or Parts after the contract award shall be the responsibility of the customer to pay. Said tax, future tax, duty, tariff or governmental charge will be added to the price of the contract or work order after notification to the customer of said increase. *****

All new materials and workmanship shall be installed according to specifications. Our goal is to serve clients to the best of our ability.

This proposal may be withdrawn by us if not accepted within 30-days.

Should you have any questions, or if we can be of further assistance to you, please do not hesitate to contact AMSI

Sincerely,

Brian A Tran
Account Executive

*Purchase Orders#*_____
Signature:_____

AMS of Houston LLC.
Email: Batman@amsofusa.com
Cell: 713-992-6097

Printed Name:_____
DATE:_____

AMS
American Mechanical Services LLC

Exhibit B

March 30, 2026

Proposal

Sealy Police Department
1320 Rexville Road
Sealy, Tx. 77474

Attention: Chris Hudson
Subject: OAHU-2 (ACCU-10)
Location: Police Station

We are pleased to propose the following for consideration of pricing for the work performed for the price of **$49,706.25**

WORK SCOPE:

Removal of Existing Equipment

- Disconnect and safely remove the existing outdoor **(OAHU-2)** condenser unit.
- Disconnect and remove the existing evaporator coil from the indoor **(ACCU-10)**
- Recover refrigerant.
- Properly dispose of removed equipment and materials.

Installation of New Condenser Unit (OAHU-2)

- Supply and install new outdoor condenser unit of specified capacity.
- Set condenser on existing or new equipment pad and secure in place.
- Reconnect refrigerant lines, electrical disconnect, and control wiring.
- Pressure test and evacuate refrigerant lines.
- Charge system with refrigerant per manufacturer specifications.

Replacement of Evaporator Coil (ACCU-10)

- Supply and install new DX evaporator coil with hot gas reheat
- Modify or adapt plenum/transition as required for proper fit.
- Reconnect refrigerant lines and condensate drain piping.
- Insulate refrigerant suction line where required.

Startup and Testing

- Start up the HVAC system and verify proper operation.
- Check refrigerant pressures, airflow, and electrical connections.
- Verify thermostat communication and system performance.

Finalization

- Seal and insulate duct connections where work was performed.
- Clean work area and remove installation debris.
- Provide basic system operation overview to owner.

This proposal does not include any Sales Tax, Damage by Crane and Permit Fees, Freight or any special handling charges that may be applicable.

This proposal will remain in effect for a period of Thirty (30) days upon receipt.

Should you have any questions, or if we can be of further assistance to you, please do not hesitate to contact me.

Exclusions: Tariffs, Overtime, Sunday work, Taxes, Addition freight charges, Mold or Asbestos abatement, Insulation, Shutdown and drainage of building, Paint, Tile work grout or replacement, Wall repairs cut of patch of sheet rock, Ceiling tile or grid work, Electrical work, Concrete patch or repair, Fire protection, Excavation, Personal lift equipment, Crane equipment, Fence replacement or repair, Controls, Parking fees, Appliances

*****Any current or future tax, duty, tariff or governmental charge affecting the manufacturer costs of production, sales, services, delivery and shipment of Equipment, Material or Parts which the Contractor is otherwise required to pay or collect in connection with the sale, purchase, delivery, performance, storage, processing, use or consumption of Equipment, Material or Parts after the contract award shall be the responsibility of the customer to pay. Said tax, future tax, duty, tariff or governmental charge will be added to the price of the contract or work order after notification to the customer of said increase. *****

All new materials and workmanship shall be installed according to specifications. Our goal is to serve clients to the best of our ability.

This proposal may be withdrawn by us if not accepted within 30-days.

Should you have any questions, or if we can be of further assistance to you, please do not hesitate to contact AMSI

Sincerely,

Brian A Tran
Account Executive
AMS of Houston LLC.
Email: Batran@amsofusa.com
Cell: 713-992-6097

*Purchase Orders#*_____
Signature:_____
Printed Name:_____
DATE:_____

Outlook

FW: 2nd proposal for replacement

From Ternus, Jim <Jim.Ternus@strand.com>
Date Mon 3/30/2026 1:46 PM
To Michael Barrow <mbarrow@ci.sealy.tx.us>
Cc Tinsley, Ryan <Ryan.Tinsley@strand.com>; Sales, Nick <Nick.Sales@strand.com>

2 attachments (506 KB)
SEALY PD Condenser AHU proposal.docx; SEALY PD RETROFIT proposal.docx;

Mike,

As discussed over the telephone earlier today, Nick Sales and I reviewed the attached proposals and these now identify the HVAC equipment that will be repaired/replaced that aligns with the units identified requiring service. Repair/replacement of the system controls, OAHU-1 and -2, ACCU-9 and -10 as identified during our review of the system last year, are addressed in these proposals. Some additional items including exhaust fan rebuilds were identified by the contractor during their subsequent inspection of the system equipment.

Sincerely,

Jim Ternus, P.E.
Strand Associates, Inc.®
608.251.4843 ext. 1167
jim.ternus@strand.com | www.strand.com
P.E. (MI, VA, WI)

Excellence In Engineering℠

From: Brian A. Tran <BATran@amsofusa.com>
Sent: Friday, March 27, 2026 8:03 PM
To: Russell Grimes <rgrimes@ci.sealy.tx.us>; Michael Barrow <mbarrow@ci.sealy.tx.us>; Ternus, Jim <Jim.Ternus@strand.com>; Kimbra Hill <khill@ci.sealy.tx.us>; Patrick Parsons <pparsons@ci.sealy.tx.us>; Stephen Bozich <sbozich@ci.sealy.tx.us>
Cc: Tinsley, Ryan <Ryan.Tinsley@strand.com>; Sales, Nick <Nick.Sales@strand.com>; Chris Hudson <chudson@ci.sealy.tx.us>; Mario E. Valenzuela <MValenzuela@amsofusa.com>
Subject: RE: 2nd proposal for replacement

Some people who received this message don't often get email from batran@amsofusa.com. Learn why this is important
[EXTERNAL EMAIL]: Verify sender before opening links or attachments.

Final Revise, I forgot to take off some cost after removing electric heater on the Condenser/AHU replacement proposal. My apologies.

Brian A Tran
Account Executive
AMS of Houston LLC.
CELL: 832-584-4596

HVAC Equipment, Supplies, and Installation of HVAC Equipment BuyBoard Contract 720-23
Trade Services BuyBoard Contract 733-24

Maintenance (All Trades) and Job Order Contracting (JOC-IDIQ) Single Trade Component 24/047TC-04

AWARDED VENDOR

25010401 Trades, Labor, and Materials (NON-JOC)
25010402 Trades, Labor, and Materials (JOC)

From: Brian A. Tran
Sent: Friday, March 27, 2026 7:32 PM
To: 'Russell Grimes' <rgrimes@ci.sealy.tx.us>; Michael Barrow <mbarrow@ci.sealy.tx.us>; Ternus, Jim <Jim.Ternus@strand.com>; Kimbra Hill <khill@ci.sealy.tx.us>; Patrick Parsons <pparsons@ci.sealy.tx.us>; Stephen Bozich <sbozich@ci.sealy.tx.us>
Cc: Tinsley, Ryan <Ryan.Tinsley@strand.com>; Sales, Nick <Nick.Sales@strand.com>; Chris Hudson <chudson@ci.sealy.tx.us>; Mario E. Valenzuela <MValenzuela@amsofusa.com>
Subject: RE: 2nd proposal for replacement

Sorry for the delay,

The proposal has been divided into two separate sections to clearly distinguish between repair scope and full unit replacement. This approach improves organization, enhances clarity for review, and allows for more accurate evaluation of each scope independently.

Brian A Tran
Account Executive
AMS of Houston LLC.
CELL: 832-584-4596

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 2/27/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Arthur J. Gallagher Risk Management Services, LLC
702 King Farm Blvd., Suite 210
Rockville MD 20850

CONTACT NAME: Donda Waite
PHONE (A/C, No, Ext): | **FAX (A/C, No):**
E-MAIL ADDRESS: Donda_Waite@ajg.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Old Republic Insurance Company	24147
INSURER B : Travelers Property Casualty Company of America	25674
INSURER C : Zurich American Insurance Company	16535
INSURER D : Gemini Insurance Company	10833
INSURER E :	
INSURER F :	

INSURED AMERI17
American Mechanical Services of Houston, LLC
Branch #9314
13627 Stafford Road
Stafford TX 77477

COVERAGES **CERTIFICATE NUMBER:** 861425421 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	Y	Y	MWZY312169	3/1/2026	3/1/2027	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
	X Contractual Liab						MED EXP (Any one person)	$ 10,000
	X No XCU Exclusion						PERSONAL & ADV INJURY	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 4,000,000
	POLICY [X] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$ 4,000,000
	OTHER:							$
A D	AUTOMOBILE LIABILITY	Y	Y	MWTB315582 GVE100364301	3/1/2026 3/1/2026	3/1/2027 3/1/2027	COMBINED SINGLE LIMIT (Ea accident)	$ 4,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
B	X UMBRELLA LIAB X OCCUR	Y	Y	CUP2T41452A-26-NF	3/1/2026	3/1/2027	EACH OCCURRENCE	$ 10,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$ 10,000,000
	DED RETENTION $ 0							$ FOLLOWS FORM
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N		Y	MWC312170	3/1/2026	3/1/2027	X PER STATUTE OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBEREXCLUDED? [N] N/A	N/A					E.L. EACH ACCIDENT	$ 1,000,000
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
C	Property/Installation Floater Leased/Rented Equipment	Y		CPP-3327714-01	1/1/2026	1/1/2027	All Risk Any One Item Deductible	$1,000,000 $300,000 $10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Continental Insurance Co. NAIC #35289. Policy #7018226549 3/1/26-3/1/27 Excess Over Umbrella Limit: $10,000,000 / Aggregate: $10,000,000.
City of Sealy, TX is included as additional insureds, ATIMA, and waivers of subrogation apply in their favor when required by written contract per the attached endorsements. Umbrella policy Follows Form over the GL, Auto & Employers Liability. Sixty (60) days prior written notice of cancellation/change in coverage applies.
Endorsements attached:
Commercial General Liability Policy Endorsements:
CG2010-1219-Additional Insured-Owners, Lessees or Contractors-Scheduled Person or Organization;
CG2037-1219-Additional Insured-Owners, Lessees or Contractors-Completed Operations;
See Attached...

CERTIFICATE HOLDER

City of Sealy, TX
415 Main Street
P.O.Box 517
Attn: Finance Department
Sealy TX 77474

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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AGENCY CUSTOMER ID: AMERI17

LOC #:

ADDITIONAL REMARKS SCHEDULE

AGENCY Arthur J. Gallagher Risk Management Services, LLC	NAMED INSURED American Mechanical Services of Houston, LLC Branch #9314 13627 Stafford Road Stafford TX 77477
POLICY NUMBER	
CARRIER / NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

CG2453-1219-Waiver of Transfer of Rights of Recovery Against Others To Us;
Automobile Liability Policy Endorsements:
CA2048-1013-Designated Insured for Covered Auto Liability Coverage;
CA0443-1120-Waiver of Transfer of Rights of Recovery Against Others To Us (Waiver of Subrogation);
Workers Compensation Policy Endorsements:
WC000313-Waiver of Our Right to Recover From Others Endorsement

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POLICY NUMBER: MWTB-315582

COMMERCIAL AUTO
CA 20 48 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: American Mechanical Holdings, Inc., Et al (see attached)

Endorsement Effective Date: 03/01/2026

SCHEDULE

Name Of Person(s) Or Organization(s):
All persons or organizations as required by written contract or agreement.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph **A.1.** of Section **II** – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph **D.2.** of Section **I** – Covered Autos Coverages of the Auto Dealers Coverage Form.

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OLD REPUBLIC INSURANCE COMPANY

SCHEDULE OF NAMED INSUREDS

American Mechanical Holdings, Inc.
DAC Acquisition Company LLC
DAC Acquisition GP, LLC
AMS National Inc.
American Mechanical Services of Maryland Inc.
American Mechanical Services of Colorado Springs LLC
American Mechanical Services of Denver LLC
American Mechanical Services of Houston LLC
American Mechanical Services of Texas LLC
Southcoast Heating & Air Conditioning LP
Tri-Pacific Heating & Air Conditioning LP
Anderson Air Conditioning LP
Air Conditioning Assoc Inc.
American Mechanical Services of Maryland LLC
AMS Mechanical Services LLC dba AMS Mechanical Services of Indianpolis LLC

ORRM 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: American Mechanical Holdings, Inc. et al (see attached)

Endorsement Effective Date: 03/01/2026

SCHEDULE

Name(s) Of Person(s) Or Organization(s):
All persons or organizations as required by written contract or agreement

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
All persons or organizations when required by written contract or agreement	All completed operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
All persons or organizations when required by written contract or agreement	All Locations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION) – AUTOMATIC

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART DESIGNATED SITES
POLLUTION LIABILITY LIMITED COVERAGE PART DESIGNATED SITES
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY DESIGNATED TANKS

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery against any person or organization, because of any payment we make under this Coverage Part, to whom the insured has waived its right of recovery in a written contract or agreement. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person or organization prior to loss.

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WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

AS REQUIRED BY WRITTEN CONTRACT, TO THE EXTENT ALLOWABLE BY LAW

DATE OF ISSUE: 03/01/2026 POLICY NUMBER: MWC312170

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ITEM #11

AGENDA ITEM NO: _____

SUBMITTED BY: Kimbra Hill, City Manager
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Discussion and Possible Action regarding an Ordinance Amending Chapter 70- Parks and Recreation, Amending Sec. 70-31.

ANALYSIS

This amendment keeps the Parks Board structure the same, five members appointed by the Mayor and confirmed by Council, serving without compensation, but adds some flexibility to the residency requirement.

Right now, all members have to live in the city. This would allow Council to appoint someone who lives in the ETJ/Austin County, but only if Council makes a clear determination that the person brings relevant expertise tied to the purpose of the Parks Board.

The language is written so this isn't just a general exception. If Council chooses to appoint someone from outside the city limits, that person has to have professional or certified experience in areas that directly relate to parks and recreation, things like landscape architecture, horticulture, parks management, environmental science, sports complex management, sports tourism, or similar fields. It also allows for individuals with recognized credentials, like a Texas Master Gardener.

The intent here is to allow some flexibility to bring in specialized knowledge when it would benefit the Board's work, while still keeping Council in control of that decision. It does not change the overall makeup or oversight of the Board, and the expectation remains that appointments are made in a way that supports the purpose and function of the Parks Board.

This also supports Council's goal of continuing to build stronger relationships with community organizations and volunteer groups. Allowing some flexibility in residency helps support those efforts without taking away from local oversight.

Council still maintains full discretion in appointments. Council would determine whether a candidate's experience and level of involvement justify the appointment and whether it serves the best interest of the City.

Overall, this is a balanced approach. It keeps the Board grounded locally, while giving Council the ability to bring in specialized expertise when it makes sense and adds value to the City's parks, programs, and long-term planning efforts.

The City Manager would continue to serve as an ex officio member.

Sec. 70-31. Created; membership.

There is created and established a parks board in and for the city. The parks board shall consist of five members, who shall be appointed by the mayor, subject to confirmation by the city council. Members of the parks board shall serve without compensation, and each shall be a resident of the city; **provided, that the city council may appoint a member or members who resides in Austin County if the council finds that such member possesses expertise related to the purposes of the parks board. Such member must also have professional or certified experience in landscape architecture, horticulture, arboriculture, parks and recreation management, environmental science, sports complex management, sports tourism, sports league oversight and management, event recruitment, or tournament operations or be designated as a Texas Master Gardener or possess similar credentials.** The city manager shall be an ex officio member of the board.

ITEM #12

AGENDA ITEM NO: _____

SUBMITTED BY: Patrick Parsons, Public Works Director
MEETING DATE: April 7, 2026

STAFF REPORT

DESCRIPTION

Discussion and Possible Action regarding repurposing the Harry Nowak Fountain at the City Hall.

ANALYSIS

City staff has put a lot of money a time into the fountain we have also tried to put goldfish to keep it clean. Before we put more money into the fountain but we still want respect the legacy of Harry H. Nowak. There are lots of options but haven't made a choice but some examples are concrete it in and have it seating for overflow court, shade structure, Christmas tree during the holidays or plant a tree there. At this time, we need to repaint the fountain again.

RECOMMENDATION

Staff recommends to repurpose the fountain to dress up City Hall.

FINANCIAL IMPACTS

NOWAK FOUNTAIN
IN MEMORY OF
HARRY H. NOWAK
MAYOR
AUG. 27, 1949
DEC. 19, 1967
FIRE CHIEF
APRIL 8, 1936
DEC. 19, 1967
ERECTED BY HIS FRIENDS
MAY, 1968

STOP

ITEM #13

AGENDA ITEM NO:

Discussion and Possible Action regarding Amending the City's Organizational Chart to Add Assistant Public Works Director and Job Description of the Same

SUBMITTED BY: Patrick Parsons, Public Works Director

MEETING DATE: April 7, 2026

STAFF REPORT

SUMMARY

The Public Works Department is responsible for the oversight, operation, and maintenance of critical municipal infrastructure, including water, wastewater, gas, streets, drainage, and related capital improvement projects. As the City continues to experience growth, the scope and complexity of Public Works operations have increased significantly.

Currently, the Public Works Department is managing over $34.1 million in capital improvement projects, requiring substantial coordination, oversight, regulatory compliance, and project management. These project demand continuous attention to timelines, budgets, contractor coordination, and reporting requirements.

At present, the Public Works Director oversees all divisions, including multiple superintendents responsible for water, sewer, gas, and streets/parks operations. In addition, the Director is responsible for capital project management, regulatory compliance, budgeting, personnel management, and community engagement.

Administrative support within the department is limited to one administrative assistant, who has recently taken on additional responsibility, including the oversight of rental facilities and the scheduling and coordination of custodial staff. This expanded workload further limits the department's ability to provide adequate administrative and operational support to Public Works leadership.

With increasing capital project demands, limited administrative support, heightened regulatory requirements, and expanding service expectations, the current organizational structure is no longer sufficient to effectively manage operations, maintain responsiveness, or provide strategic oversight.

ANALYSIS

The addition of an Assistant Public Works Director position will strengthen the Department's operational capacity and improve organizational efficiency by:

- **Enhancing Oversight and Supervision:**
  The Assistant Director will provide direct supervision of division superintendents, ensuring consistent management across all Public Works functions and improving accountability and coordination.
- **Supporting Capital Project Delivery:**
  The department is currently managing over $34.1 million in active capital improvement projects, significantly increasing the complexity and workload of project oversight. The Assistant Public Works Director will play a critical role in coordinating project timelines, budgets, contractors, and regulatory requirements, helping ensure projects are delivered efficiently, on schedule, and within budget.
- **Improving Operational Efficiency:**
  By redistributing responsibilities, the Public Works Director will be able to focus on strategic planning, policy development, and high-level decision-making, while the Assistant Director manages day-to-day operations.
- **Strengthening Regulatory Compliance:**
  The position will assist with oversight of reporting requirements and coordination with state and federal regulatory agencies, reducing risk and ensuring compliance with applicable laws.
- **Enhancing Emergency Response and Continuity:**
  Given the critical nature of Public Works services, the Assistant Director will provide additional leadership during emergency events and ensure continuity of operations.
- **Improving Customer Service and Community Engagement:**
  The Assistant Director will serve as an additional point of contact for the public, improving communication and responsiveness.
- **Addressing Administrative and Operational Capacity Constraints:**
  The department currently operates with limited administrative support, consisting of only one administrative assistant who has recently assumed additional responsibilities, including facility rentals and custodial coordination. As a result, many operational, coordination, and administrative tasks fall directly on the Public Works Director. The addition of an Assistant Director will help bridge this gap by providing necessary operational oversight and support, ensuring that both administrative and technical functions are effectively managed.

The proposed organizational change will place the Assistant Public Works Director directly under the Public Works Director, with superintendents (water, sewer, gas, and streets/parks) reporting to the Assistant Director.

JOB DESCRIPTION

The proposed job description outlines the duties, qualifications, and expectations for the Assistant Public Works Director position, including oversight of utility operations, personnel management, capital project coordination, regulatory compliance, and emergency response responsibilities.

The position requires significant experience in public works operations, project management, and municipal utility systems, ensuring that the individual selected will have the expertise necessary to support the Department effectively.

RECOMMENDATION

As the City continues to grow, the demands placed on the Public Works Department have increased in both volume and complexity. The addition of an Assistant Public Works Director is a proactive step to ensure effective management, maintain service levels, and support future growth.

Staff recommends approval of the proposed organizational amendment and job description.

Proposed Job Description

Job Description

Assistant Public Works Director

Department: Public Works	Hourly Rate Range: $34.29-$48.00
Reports To: Director of Public Works	FLSA: Exempt

Job Summary:

- Under general direction of the Director of Public Works
- Administer the Public Works Department which consists of water, sewer, gas & solid waste
- Perform related work as directed

Essential Duties and Responsibilities:

Essential functions, as defined under the Americans with Disabilities Act, may include any of the following representative duties, knowledge, and skills. Essential functions require presence in the workplace on a regular basis. In order to accomplish this, regular attendance MUST be maintained. This is not a comprehensive listing of all functions, and duties of this position; employees may be assigned duties and are expected to perform other related duties, as assigned, which are not listed below; The omission of an essential function does not preclude management from assigning specific duties not listed herein if such functions are a logical assignment to the position. Reasonable accommodations will be made as required. The job description does not constitute an employment agreement and is subject to change at any time by the employer. Essential duties and responsibilities may include, but are not limited to, the following:

1. Oversees and manages the Water Distribution, Wastewater Collection, Wastewater and Water Treatment, and Automated Metering Infrastructure
2. Supports and assists the Director of Public Works in the direct supervision, oversight, and management of utility services
3. Serves as the City's liaison with regulatory authorities in responding to requests for information and other reporting requirements
4. Directs, assigns, and inspects work assigned to supervisory staff and work crews
5. Ensures effective financial management of certain projects through the preparation of capital and operating budget priorities
6. Coordinates emergency repairs and outlines materials and personnel to make repairs
7. Ensure the administrative management of the department's personnel functions through monitoring all operational activities within the department
8. Establishes and tracks short and long-range water and wastewater forecast requirements and provides recommended course of action to management and City Council
9. Provides support to the management, and maintenance of the City's Storm Water Management Program, coordinates implementation and enforcement
10. Maintains a physical inventory and fixed asset record of all materials, equipment, vehicles, and supplies
11. Supports the relationship between the City and the public by demonstrating courteous and cooperative behavior when interacting with citizens, visitors, and city staff; maintains confidentiality of work-related issues and city information
12. Directs and evaluates the activities of the division superintendents, supervisors, outside contractors, which includes planning, supervising, and coordinating the design, construction, and maintenance of water, sewer, gas, streets
13. Review work in progress and upon completion at various work sites
14. Advises subordinates on work methods, policies, and materials
15. Assists in preparing estimates on construction jobs and related improvements
16. Coordinates work of the divisions of the department
17. Assists in preparing annual reports and budgets

Assistant Public Works Director

Department: Public Works	Hourly Rate Range: $34.29-$48.00
Reports To: Director of Public Works	FLSA: Exempt

18. Prepares documents and reports to local, State, and Federal regulatory agencies
19. Assists in developing policies, procedures, and long-range plans for implementation within the department
20. Assists in the selection, training, evaluation and disciplining of personnel in the Utility Departments
21. Prepares specifications and approves purchases of materials, supplies, equipment, vehicles, etc.
22. Effectively and courteously communicates with public and other employees by presentations both orally and in person, in private or public meetings
23. Ability to learn how to operate a GIS mapping system, personal computer, and all light equipment.
24. Subject to 24-hour call
25. Provide services to the general public when emergency conditions warrant it, either in preparation for, or as a reaction to, one or more disastrous events such as: a civil disturbance, hurricane, tornado, earthquake, flood, ice storm, fire, chemical accident including a hazardous material spill, possible public exposure to hazardous conditions, or other disasters which threaten the safety of the citizens
26. This position is considered essential during a natural or manmade disaster and/or a catastrophic event. This position may be required to provide services or perform duties for the benefit of the public and continuity of City operations. These may include services or duties different from those performed in the usual course and scope of this position
27. Other duties as assigned

Physical Demands and Working Environment

(The physical demands and environmental conditions described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions)

- While performing the duties of this job, the employee is frequently required to sit, talk, or hear. The employee is occasionally required to reach with hands and arms. The use of hands is required for the manipulation of various office equipment/machines. The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, color vision, and the ability to adjust focus. While performing the duties of this job the employee is normally exposed to outside weather conditions. The noise level in the work environment is usually moderate. The employee occasionally works near moving mechanical parts and is occasionally exposed to wet and/or humid conditions, fumes, or airborne particles.
  This position requires regular and reliable physical attendance at the assigned work location to perform the essential functions of the job. This position may also require physical attendance at public meetings, such as City Council meetings, board meetings, community events, or other functions, as directed by the Department Head and/or City Manager. All employees are expected to maintain a professional presence and remain responsive and accessible during assigned working hours, as well as during on-call designation times.

Minimum Qualifications

Education, Training, and Experience Guidelines:

- High School diploma or equivalent

Assistant Public Works Director

Department: Public Works	Hourly Rate Range: $34.29-$48.00
Reports To: Director of Public Works	FLSA: Exempt

- Bachelor degree in civil or mechanical engineering, business, or public administration; or at least 10 years of experience as a public works director in a similar size city or at least 10 years of experience as an assistant public works director for a larger city, preferred
- Obtain or acquire accredited training courses in water and wastewater system distribution, collection and maintenance
- Ten (10) years of experience in the construction, operation, and maintenance of utilities, and project management experience in a responsible administrative position
- Or any equivalent combination of education and/or experience

Knowledge/Skills/Abilities:

- Ability to read and interpret documents such as operating and maintenance instructions, and procedure manuals
- Ability to write routine reports and correspondence
- Ability to communicate effectively and efficiently ideas, facts, and technical information accurately, thoroughly, and in an easily understood manner
- Ability to utilize Microsoft Office, Incode, and other specialty software programs
- Ability to make accurate mathematical calculations
- Ability to maintain confidentiality
- Ability to identify, analyze, and solve problems, identify alternatives or solutions, and in a respectful, tactful, courteous, effective, and professional manner
- Ability to organize and complete multiple work assignments, meeting objectives and deadlines, and follow directions
- Knowledge of principles, practices, and methods of municipal utility billing and collections
- Knowledge of federal, state, and local regulations and laws pertaining to water, wastewater, and stormwater utilities
- Skill in the use of computer and data-entry equipment
- Skill in establishing and maintaining effective working relationships
- Ability to interpret and understand the city policies and procedures
- Ability to perform all the physical requirements of the position with or without an accommodation

License, Certifications, and Other Requirements:

- Valid Texas Class "C" Driver's License and must meet City's driving standards
- Class B License in Water and Wastewater or the ability to obtain within 24 months of hire
- Stormwater Certification or ability to obtain certification is preferred
- Natural gas system qualifications and training as required for Sealy Gas System or obtain within one year
- Must have the ability to pass a pre-employment drug screen, physical examination, criminal background, and MVR check

Assistant Public Works Director

Department: Public Works	Hourly Rate Range: $34.29-$48.00
Reports To: Director of Public Works	FLSA: Exempt

This job description is not an employment agreement, contract agreement or contract. Management has the exclusive right to alter this job description at any time without notice.

I have read and understand and agree that this job description applies to my current position and that I am responsible for meeting the requirements outlined in this job description.

_____ _____

Printed Name Signature

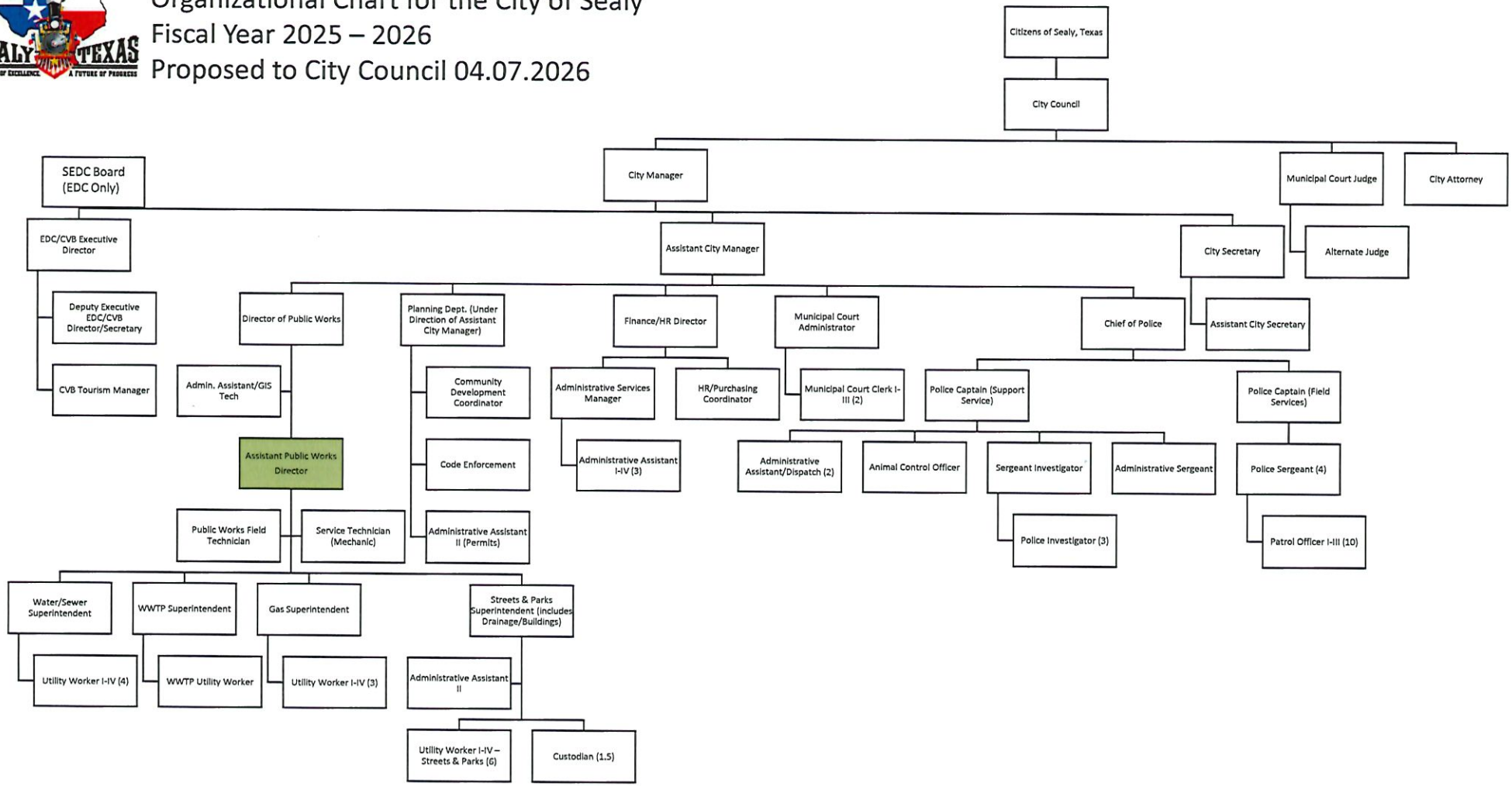
_____

Date

This description is intended to indicate the kinds of tasks and levels of work difficulty required of the position given this title and shall not be construed as declaring what the specific duties and responsibilities of any particular position shall be. It is not intended to limit or in any way modify the right of management to assign, direct and control the work of employees under supervision. The listing of duties and responsibilities shall not be held to exclude other duties not mentioned that are of similar kind or level of difficulty.

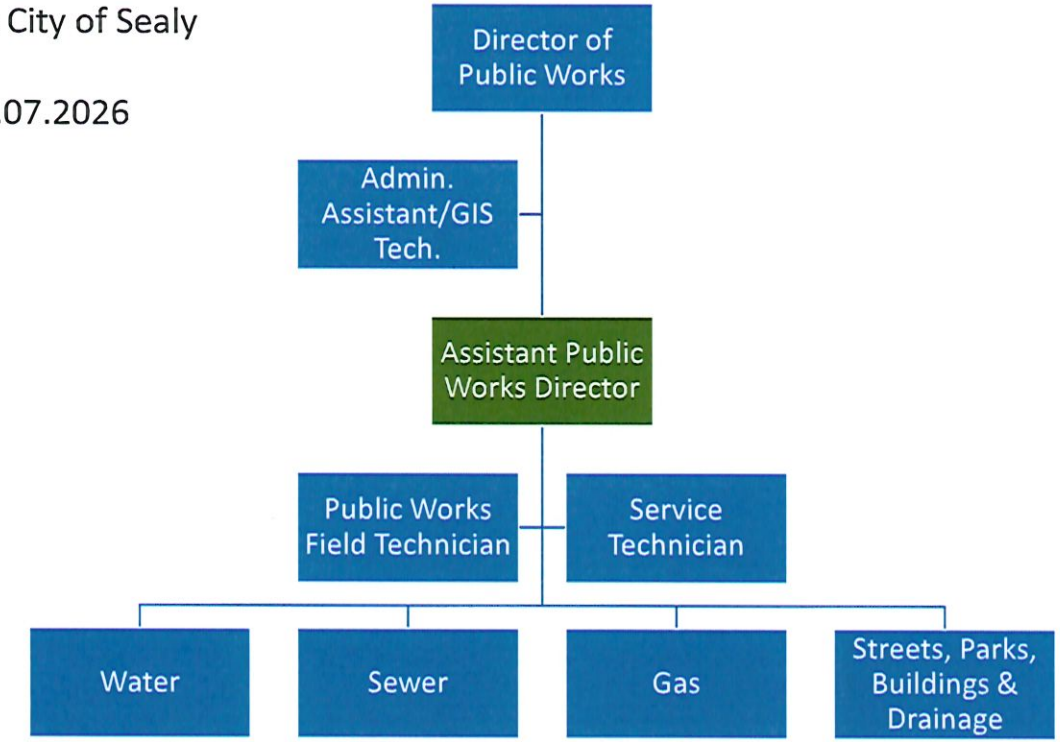
Proposed Organizational Chart

Organizational Chart for the City of Sealy
Fiscal Year 2025 – 2026
Proposed to City Council 04.07.2026



Department: Public Works

Organizational Chart for the City of Sealy
Fiscal Year 2025 – 2026
Proposed to City Council 04.07.2026



ITEM #14

AGENDA ITEM NO:

Discussion and Possible Action regarding Amending the City's Pay Scale to Add an Assistant Public Works Director.

SUBMITTED BY: Jennifer Matura, Finance/HR Director

MEETING DATE: April 7, 2026

STAFF REPORT

SUMMARY

The Public Works Department has requested the addition of an Assistant Public Works Director position to support increased operational demands, capital project oversight, and departmental management needs.

If approved, the new position must be added the City's existing pay scale. Approval of this item is contingent upon prior approval of the agenda item establishing the Assistant Public Works Director position within the City's organizational chart.

ANALYSIS

The proposed placement of the Assistant Public Works Director within Pay Grade 5 (Exempt) is based on the scope of responsibility, leadership and decision-making authority, technical expertise and experience requirements, and internal equity.

JOB DESCRIPTION

The proposed pay range for this position is $71,323.20 to $99,840.00 annually. Actual financial impact will depend on the selected candidate's qualifications and placement within the range. Funding for the position will be split evenly in the Water, Sewer, and Gas Enterprise personnel budgets. If approved, a budget amendment will be brought forth at a later date upon successful hiring of a qualified candidate and determination of annual pay.

RECOMMENDATION

Staff recommends approval of the proposed pay scale, contingent upon approval of the position

Track Changes

CITY OF SEALY
PAY SCALE
~~10/21/2025~~ 4/7/2026

EXEMPT POSITIONS						
JOB TITLE	**HOURLY MINIMUM**	**HOURLY MIDPOINT**	**HOURLY MAXIMUM**	**ANNUAL MINIMUM**	**ANNUAL MIDPOINT**	**ANNUAL MAXIMUM**
EXEMPT - PAY GRADE 1						
CVB Tourism Manager	$ 24.00	$ 28.80	$ 33.60	$ 49,920.00	$ 59,904.00	$ 69,888.00
EXEMPT - PAY GRADE 2						
Administrative Services Manager HR/Purchasing Coordinator Human Resources Administrator Assistant City Secretary Deputy EDC/CVB Executive Director/Secretary	$ 28.00	$ 33.60	$ 39.20	$ 58,240.00	$ 69,888.00	$ 81,536.00
EXEMPT - PAY GRADE 3						
Reserved for Future Use	$ 29.96	$ 35.95	$ 41.94	$ 62,316.80	$ 74,776.00	$ 87,235.20
EXEMPT - PAY GRADE 4						
Water/Sewer Superintendent WWTP Superintendent Gas Superintendent Streets & Parks Superintendent (includes buildings & Drainage)	$ 32.05	$ 38.46	$ 44.87	$ 66,664.00	$ 79,996.80	$ 93,329.60
EXEMPT - PAY GRADE 5						
City Secretary Municipal Court Administrator **Assistant Public Works Director**	$ 34.29	$ 41.14	$ 48.00	$ 71,323.20	$ 85,571.20	$ 99,840.00
EXEMPT - PAY GRADE 6						
EDC/CVB Executive Director Director of Public Works Director of Finance Planning Director	$ 36.69	$ 44.02	$ 51.36	$ 76,315.20	$ 91,561.60	$ 106,828.80
EXEMPT - PAY GRADE 7						
Assistant City Manager	$ 42.19	$ 50.62	$ 59.06	$ 87,755.20	$ 105,289.60	$ 122,844.80
EXEMPT - PAY GRADE 8						
City Manager	UNGRADED			UNGRADED		

Clean Version

CITY OF SEALY
PAY SCALE
4/7/2026

POLICE DEPARTMENT						
JOB TITLE	**HOURLY MINIMUM**	**HOURLY MIDPOINT**	**HOURLY MAXIMUM**	**ANNUAL MINIMUM**	**ANNUAL MIDPOINT**	**ANNUAL MAXIMUM**
PD CIVILIAN - PAY GRADE 1						
Admin Asst. I / Dispatch	$ 18.00	$ 20.25	$ 22.50	$ 37,440.00	$ 42,120.00	$ 46,800.00
PD CIVILIAN - PAY GRADE 2						
Admin Asst. II / Dispatch	$ 20.00	$ 22.50	$ 25.00	$ 41,600.00	$ 46,800.00	$ 52,000.00
PD CIVILIAN - PAY GRADE 3						
Admin Asst. III / Dispatch	$ 22.00	$ 24.75	$ 27.50	$ 45,760.00	$ 51,480.00	$ 57,200.00
PD CIVILIAN - PAY GRADE 4						
Cadet	$ 24.00	$ 24.00	$ 24.00	$ 49,920.00	$ 49,920.00	$ 49,920.00
PD SWORN NON-EXEMPT - PAY GRADE 1						
Police Officer (COMPLETING FIELD TRAINING)	$ 30.05	$ 30.05	$ 30.05	$ 62,504.00	$ 62,504.00	$ 62,504.00
PD SWORN NON-EXEMPT - PAY GRADE 2						
Police Officer I	$ 30.65	$ 34.48	$ 38.31	$ 63,752.00	$ 71,718.40	$ 79,684.80
PD SWORN NON-EXEMPT - PAY GRADE 3						
Police Investigator	$ 31.10	$ 34.99	$ 38.87	$ 64,688.00	$ 72,779.20	$ 80,849.60
PD SWORN NON-EXEMPT - PAY GRADE 4						
Police Officer II	$ 31.26	$ 35.17	$ 39.07	$ 65,020.80	$ 73,153.60	$ 81,265.60
PD SWORN NON-EXEMPT - PAY GRADE 5						
Police Officer III	$ 31.88	$ 35.87	$ 39.85	$ 66,310.40	$ 74,609.60	$ 82,888.00
PD SWORN NON-EXEMPT - PAY GRADE 6						
Police Sergeant Detective Sereant Administrative Sergeant	$ 36.66	$ 41.24	$ 45.82	$ 76,252.80	$ 85,779.20	$ 95,305.60
PD SWORN EXEMPT - PAY GRADE 1						
Police Captain	$ 43.25	$ 48.66	$ 54.06	$ 89,960.00	$ 101,212.80	$ 112,444.80
PD SWORN EXEMPT - PAY GRADE 2						
Assistant Chief of Police	$ 47.57	$ 53.52	$ 59.46	$ 98,945.60	$ 111,321.60	$ 123,676.80
PD SWORN EXEMPT - PAY GRADE 3						
Chief of Police	$ 49.94	$ 56.18	$ 62.42	$ 103,875.20	$ 116,854.40	$ 129,833.60

Proposed to CC 04.07.2026

CITY OF SEALY
PAY SCALE
4/7/2026

NON-EXEMPT POSITIONS						
JOB TITLE	**HOURLY MINIMUM**	**HOURLY MIDPOINT**	**HOURLY MAXIMUM**	**ANNUAL MINIMUM**	**ANNUAL MIDPOINT**	**ANNUAL MAXIMUM**
NON-EXEMPT - PAY GRADE 1						
Seasonal Laborer Custodian	$ 14.00	$ 16.80	$ 19.60	$ 29,120.00	$ 34,944.00	$ 40,768.00
NON-EXEMPT - PAY GRADE 2						
Deputy Court Clerk Administrative Assistant I	$ 18.00	$ 21.60	$ 25.20	$ 37,440.00	$ 44,928.00	$ 52,416.00
NON-EXEMPT - PAY GRADE 3						
Administrative Assistant II Streets/Parks I	$ 19.26	$ 23.11	$ 26.96	$ 40,060.80	$ 48,068.80	$ 56,076.80
NON-EXEMPT - PAY GRADE 4						
Administrative Assistant III Court Collections Specialist Code Enforcement Officer I/Health Inspector Utility Worker I (Water, Sewer, Gas) Streets/Parks II Permits Technician	$ 20.60	$ 24.72	$ 28.84	$ 42,848.00	$ 51,417.60	$ 59,987.20
NON-EXEMPT - PAY GRADE 5						
Administrative Assistant IV Community Development Coordinator Public Works Admin/GIS Utility Worker II (Water, Sewer, Gas) Streets/Parks III Mechanic	$ 22.04	$ 26.44	$ 30.85	$ 45,843.20	$ 54,995.20	$ 64,168.00
NON-EXEMPT - PAY GRADE 6						
Animal Control Officer Customer Service Technician Public Works Field Technician Utility Worker III (Water, Sewer, Gas) Streets/Parks IV	$ 23.58	$ 28.29	$ 33.01	$ 49,046.40	$ 58,843.20	$ 68,660.80
NON-EXEMPT - PAY GRADE 7						
Executive Assistant to the City Manager Assistant Planner Building Inspector Utility Worker IV (Water, Sewer, Gas)	$ 25.23	$ 30.27	$ 35.32	$ 52,478.40	$ 62,961.60	$ 73,465.60

CITY OF SEALY
PAY SCALE
4/7/2026

EXEMPT POSITIONS						
JOB TITLE	**HOURLY MINIMUM**	**HOURLY MIDPOINT**	**HOURLY MAXIMUM**	**ANNUAL MINIMUM**	**ANNUAL MIDPOINT**	**ANNUAL MAXIMUM**
EXEMPT - PAY GRADE 1						
CVB Tourism Manager	$ 24.00	$ 28.80	$ 33.60	$ 49,920.00	$ 59,904.00	$ 69,888.00
EXEMPT - PAY GRADE 2						
Administrative Services Manager HR/Purchasing Coordinator Human Resources Administrator Assistant City Secretary Deputy EDC/CVB Executive Director/Secretary	$ 28.00	$ 33.60	$ 39.20	$ 58,240.00	$ 69,888.00	$ 81,536.00
EXEMPT - PAY GRADE 3						
Reserved for Future Use	$ 29.96	$ 35.95	$ 41.94	$ 62,316.80	$ 74,776.00	$ 87,235.20
EXEMPT - PAY GRADE 4						
Water/Sewer Superintendent WWTP Superintendent Gas Superintendent Streets & Parks Superintendent (includes buildings & Drainage)	$ 32.05	$ 38.46	$ 44.87	$ 66,664.00	$ 79,996.80	$ 93,329.60
EXEMPT - PAY GRADE 5						
City Secretary Municipal Court Administrator Assistant Public Works Director	$ 34.29	$ 41.14	$ 48.00	$ 71,323.20	$ 85,571.20	$ 99,840.00
EXEMPT - PAY GRADE 6						
EDC/CVB Executive Director Director of Public Works Director of Finance Planning Director	$ 36.69	$ 44.02	$ 51.36	$ 76,315.20	$ 91,561.60	$ 106,828.80
EXEMPT - PAY GRADE 7						
Assistant City Manager	$ 42.19	$ 50.62	$ 59.06	$ 87,755.20	$ 105,289.60	$ 122,844.80
EXEMPT - PAY GRADE 8						
City Manager	UNGRADED			UNGRADED		

ITEM #15

ITEM #16

REPORTS OR REQUESTS FROM THE CITY MANAGER AND DISCUSSION

ITEM #17

REPORTS, ANNOUNCEMENTS, OR REQUESTS FROM COUNCILMEMBERS