MINUTES OF THE
CONROE CITY COUNCIL

July 11 & 12, 2018

CALL TO ORDER
CALL OF ROLL

PRESENT: Mayor Powell
Mayor Pro Tem Coon
Council Members Gibson, McDonald, Ham and Czajkoski
City Administrator Paul Virgadamo
City Attorney Marcus Winberry
City Secretary Soco Gorjón

After a roll call by the City Secretary establishing a quorum was present, the meeting was called to order
at 2:00 p.m. by Mayor Powell.

The meeting agenda, which was posted in accordance with the Texas Government Code, Chapter 551,
was presented.

Agenda folders containing data relating to agenda items had been furnished to Council Members prior to
the meeting of the Council.

Agenda items were considered by the Council. The action taken concerning such item is shown on the
official Council Action Sheet attached hereto and made a part of these Minutes.

After all business properly brought before the Council had been considered, City Council adjourned.

ATTEST:

Soco Gorjón, City Secretary

Minutes
July 11 & 12, 2018
Workshop and Regular Meeting
1
WORKSHOP AGENDA

OFFICIAL MINUTES OF THE CONROE CITY COUNCIL

Mayor Powell recognized Police Officer R. Rekart for 9 years of service.

Mayor Powell recognized John and Janice Bleyl for their 38th Wedding Anniversary.

2018 CDBG FAIR HOUSING POSTER CONTEST WINNERS
This item will be discussed tomorrow.

PRESENTATION OF THE CONROE FOUNDERS DAY CELEBRATION
Director of Community Development Nancy Mikeska introduced Lynn Hawthorne-Howard and her guests to Council. Mrs. Hawthorne presented a proposal to have an annual Founders Day Celebration, honoring Isaac Conroe on the date of his death, August 2, 1897, for Council's review and consideration.

MINIMUM HOUSING STANDARDS
This item was deferred.

AMEND CHAPTER 18, CODE OF ORDINANCES; SHIPPING CONTAINERS
Director of Community Development Nancy Mikeska asked Council to consider amending Chapter 18, Code of Ordinances to prohibit the placement of shipping containers at designated locations on commercial property. Mrs. Mikeska recommended revising Chapter 18 to include; shipping containers on property other than industrial property must be screened from view from any public place. Additionally, Mrs. Mikeska stated that this Ordinance would authorize staff to issue permits allowing the temporary placement of shipping containers at locations where otherwise prohibited by this section, if staff determines that the use is reasonable, and is not intended to avoid the construction of storage or screening improvements that are reasonably required for normal business operations. Mrs. Mikeska pointed out that a permit issued under this section will expire 90 days after the date of issuance.

Mayor Powell questioned how this Ordinance would be applied to large business such as Wal-Mart and small businesses that might need the additional storage space. Mayor Powell stated that the goal was to make Conroe a beautiful City without putting an undue burden on business owners. Mayor Pro Tem Coon voiced his support for the proposed Ordinance reiterating that while it was important to listen to the citizens, the Council had a responsibility to keep Conroe a clean city. Councilman Ham stated that he could not support this Ordinance as written. He stated it was too vague.

AMEND CHAPTER 18, CODE OF ORDINANCES; VEHICLE STORAGE
Director of Community Development Nancy Mikeska presented a proposed Ordinance that would prohibit certain vehicle storage practices by auto repair businesses within the City limits for Council's review and consideration. Mrs. Mikeska pointed out that this Ordinance would apply to auto repair business, not oil and lube businesses. She explained that the Ordinance would stipulate that cars could not set idle for longer than 30 days.

Mayor Powell stated that this was a serious problem within our City and corrective measures were needed. Councilman Gibson noted that 30 days was too long of a time. Mrs. Mikeska advised that since we have not had an Ordinance like this in Conroe, starting with 30 days would allow business owners time to plan and arrange to stay in compliance. Councilman McDonald supported the 30 days period, however, he pointed out that sometimes it could take 3 weeks to get parts in for vehicles. Councilman Czajkoski asked Mrs. Mikeska if her department had spoken to the business owners and obtained their feedback. Mrs. Mikeska stated that they did not speak with business owners. Mayor Pro Tem Coon voiced his support for the proposed Ordinance.

ADOPT CDBG 2018 ANNUAL ACTION PLAN-ACCEPTANCE AND IMPLEMENTATION OF GRANT
Director of Community Development Nancy Mikeska presented a Resolution adopting the CDBG 2018 Annual Action Plan and authorize the Mayor to sign all documents for transmittal to the U.S. Department of Housing and Urban Development and for the acceptance and implementation of the grant for Council's review and consideration. Mrs. Mikeska stated that this year's budget was $632,204.00 and thanked Congressman Brady's office for his work and support in Washington D.C.

Minutes
July 11 & 12, 2018
Workshop and Regular Meeting
CIP UPDATE
Director of Capital Projects/Transportation Tommy Woolley presented the CIP Update to Mayor and Council (Attached as Exhibit "A"). Additional updates were also given by Director of Parks and Recreation Mike Riggens and by Norman McGuire Director of Public Works.

BID AWARD - NEW SIGN BUILDING AND STORAGE COVERS – PUBLIC WORKS SERVICE CENTER
Director of Public Works Norman McGuire asked Council to consider awarding bid for construction of “New Sign Building and Storage Covers”, at the Public Works Service Center, to MJR Services Inc. in the amount of $563,715.00.

Councilman McDonald inquired if the 20% difference in project cost between MJR and Huffco was due to the omission of the 3-phase electricity. Mr. McGuire replied that it was left out of both bids and MJR was still the low bidder. Mr. McGuire informed that MJR was asked to amend their bid to include the 3-phase electricity.

BID AWARD - WATER WELL SCADA PROJECT
Director of Public Works Norman McGuire addressed Council and asked them to consider awarding the bid for Water Well SCADA (Supervisory Control and Data Acquisition) Project Prime Controls, Inc. in the amount of $375,000.00. Mr. McGuire explained that currently they are using data over three platforms and their goal is to consolidate and only use one platform.

Councilman Ham inquired if the new software monitored the water well levels. Mr. McGuire stated it captured flows, production, and has the capability of operating it from the desktop.

LONGMIRE CREEK ESTATES PHASE 1 PAYMENT
Assistant Finance Director Collin Boothe asked Council to consider the Longmire Creek Estates Phase 1 payment. Mr. Boothe explained that in 2010, the City Council approved an agreement with Signorelli Holdings (SIG-LONGMIRE, LLC) regarding the Longmire Creek Estates Subdivision. He pointed out that the agreement stated that once the subdivision’s certified assessed valuation equaled or exceeded 10 times the amount of eligible costs, the City was obligated to pay for the water, drainage, dry utilities, and roadway infrastructure as a reimbursement to the developer. Mr. Boothe advised the subdivision has met the valuation requirement, and the City was now obligated to make a payment of $1,070,907. He furthermore informed Council that previously a Public Improvement District (PID) was created to collect revenues from residents in the subdivision to offset the City’s cost of this obligation, and the PID has collected approximately $98,184, which will be utilized toward this payment, and the remaining amount ($972,723) will be financed by the City in the 2018-A CO issuance.

Councilman McDonald inquired as to how long the PID payments were required by the homeowner. Mr. Boothe stated the PID payments are for 25 years; the homeowner can pay it all at one time or finance it over 25 years.

MONTGOMERY COUNTY VETERANS MEMORIAL COMMISSION - UPDATE VETERANS MEMORIAL PARK
Former Judge Jimmy Edwards addressed Council and presented an update on the progress of the Montgomery County Veterans Memorial Park. Mayor and Council Members spoke in support of this project.

STRATEGIC PARTNERSHIP AGREEMENTS - MUDS 106, 111, 157 AND 158
City Attorney Marc Winberry presented the proposed Strategic Partnership Agreements for Star Ridge Master Planned Community MUDs 106, 111, 157 and 158 for Council’s review and consideration. Mr. Winberry further explained that the Star Ridge Development was located in the southwest ETJ of Conroe in an area generally bounded by SH 242, Old Houston Road and FM 1314. He pointed out that the development would be served by four MUDs, all of which have been previously approved by City Council subject to SPA requirements. He stated that MUD 157 was a proposed Master District that will have the central water and sewer plants to serve the other three districts. Mr. Winberry pointed out there would be no residents in the Master District and will contract with the other three districts to share the central capacity costs. Mr. Winberry added that a 16-year term of annexation immunity was requested for MUD 111 and a date not later than 2040 (22 years deferral) was requested for the remaining MUDs.
STRATEGIC PARTNERSHIP AGREEMENTS - MUDS 106, 111, 157 AND 158 - CONTINUATION

Mayor Pro Tem Coon asked for clarification regarding the Dec 31, 2040 deadline, and why it has been prolonged out until 2040. Ms. Mallory Craig, representative of the law firm representing the MUDs, stated that it had to do with the developers and the plan for developing the MUDs, since the developers are not sure when the MUD will actually be developed; so this timeframe seemed like a good compromise. The dates provided were based on the developer’s anticipation of completion. Mr. Winberry clarified what Council was being asked to approve the general blessing to this agreement so that the district has a degree of confidence from the City that we support the agreement. He furthermore pointed out that the City will still have to conduct Public Hearings and actually approve the agreement once ready.

Mayor Pro Tem Coon asked if there was an extension to the term. Mr. Winberry stated there was nothing in the agreement that addresses extension of the term; however, there was a certain degree of flexibility involved in the way the annexation process was structured. Councilman Czajkoski inquired to how many homes they were proposing in this development. Ms. Craig replied that they did not have set number of homes, however, they were planning for 6,500 connections both commercial and residential.

MONTGOMERY COUNTY INTERLOCAL AGREEMENT - BARTON WOODS SECTION 3 SUBDIVISION

City Attorney Marc Winberry presented Council the proposed Interlocal Agreement with Montgomery County related to Barton Woods Section 3 Subdivision for their review and consideration. Mr. Winberry pointed out that Barton Woods Section 3 was a proposed addition to the Barton Woods Subdivision adjacent to Carl Barton Park. Mr. Winberry pointed out that Sections 1 and 2 were inside the City limits and served by Conroe utilities and most of the 28 acres of Section 3 was also inside the City but, about 6.7 is just outside the City limits and this ETJ portion includes a short stretch of Crighton Road. Mr. Winberry furthermore stated that annexation of the 6.7 acres was planned, but in order to accelerate the schedule and permit, the Interlocal Agreement would designate Conroe as the single plating authority. He noted that pending full annexation Conroe would also assume the responsibility for the small section of Crighton Road included within the subdivision. Mr. Winberry advised that Montgomery County has already approved this agreement.

CITY OF WILLIS REQUEST FOR TEMPORARY WATER SERVICE TO A PORTION OF CONROE’S ETJ

City Attorney Marc Winberry presented Council a proposed Resolution approving a request by the City of Willis to provide temporary water service in a portion of the City of Conroe ETJ, located at the northern ETJ of the City of Conroe west of I-45 in the area to be developed by Montgomery County MUDs 100 and 101. Mr. Winberry pointed out that a permanent water supply was expected to be provided by the MUDs and advised that the developer would provide any cost associated with this service.

EXECUTIVE SESSION

This item was deferred.

BRIEFING

None

COUNCIL INQUIRY TIME

None

There being no further business brought before the Council, the meeting was recessed until tomorrow at 6:00 p.m.
RECONVENE
THURSDAY, July 12, 2018 – 6:00 P.M.

OFFICIAL ACTION OF THE CONROE CITY COUNCIL

CALL TO ORDER

CALL OF ROLL

PRESENT: Mayor Powell
          Mayor Pro Tem Coon
          Council Members Gibson, McDonald and Ham
          City Administrator Paul Virgadamo
          City Attorney Marcus Winberry
          City Secretary Soco M. Gorjón

ABSENT: Council Member Czajkoski

INVOCATION/PLEDGE: Associate Pastor Dr. Dave Ralston – The Ark Church

Mayor Powell recognized Police Officer Baker for his 3 years of service with the Police Department.

RECOGNITIONS: CDBG Fair Housing Poster Contest Winners: Hailey Reno, Isabela Miranda and Kallee Maier

CITIZEN INQUIRY

Randy Smith addressed Council and stated that ordinances such as fence, sign, storage containers, etc. were infringing on his personal and property rights. He stated that they were interfering with his business. He pleaded with Council to listen to the public and rescind these new laws.

Rigby Owen, Jr. addressed Council and asked them to form a committee and/or talk with the public regarding the ordinances before they took action on them. He addressed the container issue and implored Council not to take action until they spoke with business owners and with the public.

Mayor of Woodloch Ralph Leina, Jr. addressed Council and stated he would like to “mend the bridges” with the City with regard to his predecessors and would like to collaborate with Conroe to clean-up the boundary lines with regard to the ETJ boundaries. City Attorney Marc Winberry stated that the City recently approved annexation for MUD 15, a 4-acre tract on the South side of 242, south of Woodloch community. He would be happy to work with Mr. Leina to clarify the City’s position.

AMEND CHAPTER 18, CODE OF ORDINANCES; SHIPPING CONTAINERS

Mayor Powell pointed out that he would like to see more research and discussion regarding this topic before taking final action.

Mayor Pro Tem Coon made a motion to amend Chapter 18 as discussed. Councilman Gibson seconded the motion.

Mayor Pro Tem Coon asked Director of Community Development Nancy Mikeska to explain the process of implementation of the proposed Ordinance. Mrs. Mikeska stated that with any Ordinance, the City allowed a timeframe for implementation; however, they have not yet set the timeframe for implementation with regard to this Ordinance. Mrs. Mikeska reiterated that this Ordinance focused on the screening of the storage container; screen with shrubbery, fencing or remove it from the public view. Mayor Pro Tem Coon followed up with an inquiry regarding the grandfathering. Mrs. Mikeska pointed out that there was not a grandfather clause provided in this Ordinance. Mrs. Mikeska reminded Mayor Pro Tem Coon that the ordinances her department brought to Council were a direct correlation to the requests of Council to her department, and her department tries to bring solutions to the problems that the public have voiced to Council as issues. After a lengthy discussion, Mayor Powell addressed Council stating that this was a delicate situation, and recognized the hardship this could put on the small business owner and suggested a voluntary program; asking business owners to voluntarily make their storage containers more aesthetically pleasing to the public. Councilman Ham stated that he could not support this Ordinance as presented because it was too vague. Councilman McDonald stated that our personal freedoms
AMEND CHAPTER 18, CODE OF ORDINANCES; SHIPPING CONTAINERS - CONTINUATION
were important. He supported Mayor Powell’s idea to make this a voluntary request to help beautify our City rather than penalize the business owner. Councilman Gibson stated he would not mind focusing on the downtown area at this time. Mrs. Mikeska expressed concerns on how a voluntary program would be implemented and on how to hold businesses accountable. Mayor Pro Tem Coon reiterated his concern for the downtown area and stated he would support an ordinance regarding downtown corridor. Motion failed.

AMEND CHAPTER 18, CODE OF ORDINANCES; VEHICLE STORAGE – AUTO REPAIR BUSINESS
Councilman Ham stated he could not support this amendment as written because it was too vague. Councilman McDonald stated he spoke with several business owners and the owners shared their concerns since it would adversely affect their businesses.
Mayor Pro Tem Coon made a motion to approve amending Chapter 18, Code of Ordinances to prohibit certain vehicle storage practices by auto repair businesses as presented. Councilman Gibson seconded the motion. Mayor Pro Tem Coon and Councilman Gibson voted Aye, Councilman Ham, Council McDonald and Mayor Powell voted Nay. Motion failed.

ADOPT CDBG 2018 ANNUAL ACTION PLAN-ACCEPTANCE AND IMPLEMENTATION OF GRANT
Councilman Ham made a motion to approve the proposed Resolution adopting the CDBG 2018 Annual Action Plan and authorizing the Mayor to sign all documents for transmittal to the U.S. Department of Housing and Urban Development for the acceptance and implementation of the grant as presented. Mayor Pro Tem Coon seconded the motion. Motion carried unanimously.

SET PUBLIC HEARING FOR THE FY 2018-19 OPERATING BUDGET
Asst. City Administrator/CFO Steve Williams asked Council to set the Public Hearing for the Operating Budget for August 9, 2018, in the Council Chambers at Conroe City Hall, 300 W. Davis at 6:00 pm. Councilman McDonald made a motion to set a Public Hearing for the FY 2018-2019 Operating Budget for August 9, 2018, as requested. Councilman Gibson seconded the motion. Motion carried unanimously.

CITY OF WILLIS REQUEST - TEMPORARY WATER SERVICE TO A PORTION OF CONROE’S ETJ
Councilman Ham made a motion to approve the proposed Resolution approving a request by the City of Willis to provide temporary water service in a portion of the City of Conroe ETJ, as presented. Councilman Gibson seconded the motion. Motion carried unanimously.

CONSENT AGENDA
A motion was made by Councilman Gibson, seconded by Councilman Ham to approve the Consent Agenda, Items 6-12 as presented. The motion carried unanimously.
- Award Bid for construction of new sign building and storage covers, at the Public Works Service Center, to MJR Services, Inc. in the amount of $563,715.00.
- Award Bid for Water Well SCADA Project to Prime Controls LP in the amount of $375,000.00.
- Approved Longmire Creek Estates Phase 1 payment.
- Authorized staff to establish schedule and publish public hearing notices for consideration of proposed strategic Partnership Agreements for Star Ridge Master Planned Community MUDs 106, 111, 157, and 156.
- Approved Interlocal Agreement with Montgomery County related to Barton Woods Section 3 Subdivision.
- Approved Minutes held on June 13 and 14, 2018.

Payment of Statements:
- Precise Services, Inc Inv. No. 3 – Construction/League Line & Plantation Sidewalks $142,727.20
- Lockwood, Andrews & Newnam, Inc Inv. No. 42 – New WWTP Project Phase IV $250,792.84
- Buckalew Chevrolet Inv. No. T181301/1277/1271 – 2018 Chevy Tahoe Patrol Vehicles $101,994.00
- T Construction LLC Inv. No. 2 – SSOI Section 6 Sewer Rehab/Construction $127,011.77
- Chastang Enterprises Inv. No. 37303 – F750 Reg. Cab w/dump body $ 75,579.00
- CP&Y Inv. No. 2 – Prof. Svs: Design fees for Calecot St & Waterline, Ext. Design Fees $ 68,363.80
- SJRA/GRP Division Inv. No. June ’16 Consumption – Surface Water Fee $904,329.96

There being no further business to consider, a motion was made by Councilman Ham, seconded by Councilman McDonald to adjourn the meeting.
CIP Updates

Windsor Lake Lift Station
- Pumps, Controls, and Generator have been tested for functionality.
- Contractor preparing for final bypass. Scheduled completion August 2018.

Windsor Force Main
- Force Main Pipe and gravity section complete.
- Preparing for manhole installation and testing. Scheduled completion July 2018

IH 45 Sanitary Sewer 105 to Hillcrest,
- Project is substantially completion. Removed the Hillcrest and Skytop lift stations.
- Contractor working on final cleanup. Scheduled completion July 2018

MP Clark - Project is substantially completion.

Wilson Road Widening
- Phase 1 detour; installing underground water & sewer utilities and cross culvert; Entergy relocates
- Scheduled completion December 2018

SH 105 Access Management Project (TxDOT) - Started work on south side driveways & sidewalks; working on irrigation system and interior beds. Planting will begin when water and power (solar) is complete.

Smaller Projects under construction
- Asphalt Overlay project - Project substantially complete; add Change Order for First Street.
- Safe Route to School sidewalks – Contractor 90% complete pouring sidewalks on 1st Street, North LP 336, Longmire Road and 7th Street. Contractor working on Montgomery Trace, and MLK South.
- League Line & Plantation sidewalks – Project is substantially completion.
- Grace Crossing Signal (Third Coast) – TxDOT approved permit. Requested new schedule.
- Downtown signals (N Thompson & San Jacinto) – TxDOT approved permit. Start date July 30th.
- SSOI Section-6 Sanitary Sewer Rehab – Continuing pre-TV; pipe bursting on 1st Street area.
- FM 2854 Water & Sewer Relocation – Relocations complete; need pipe bursting. TxDOT to hold Pre-con for roadway widening July 12th.
- Effluent Outfall Structure – Outfall headwall structure has been installed and tied into the pipe. 500 LF of pipe has been installed; laid to 1st concrete encasement.
- Sanitary Sewer Evaluation Survey (SSES) – Collecting data; set 33 flow meters for 6 basins.
- First data/report due: 07/17/18 and Second data/report due: 12/14/18
- Grace Crossing Ext. – Pre-con held on June 27th. Started work today.
- Veterans Memorial Park Drive (Freedom Blvd) – Pre-con held on June 26th. Clearing permit.

Projects under Design
- Longmire Road Widening - 100% plans scheduled for an Aug/Sept 2018 bid. Utility relocates.
- New WWTP - scheduled for a September 2018 bid. 75% plans - VE study workshop Thursday.
- Signal - S. Loop 336 at S. Conroe Medical Drive – 90% design reviewed; submit for TxDOT Permit.
- Sidewalks - Wilson Road (Federal Funding) – ready to bid once street project at 50%
- Robinwood Water Well (Jasper) - 90 % Design; The permits for TCEQ & LSGW are complete.
- Traffic Signal - SH 75 @ Foster Drive – 100% design; need RR permit for preemption (S680K)
- Sgt. Ed Holcomb waterline – 60% design review; working on 90% plans due August 21st.
- SSOI Section-7 Sewer Rehab - Plans and specifications being finalized. Pre-TV continuing.
- Sewer Rehab - SM 105/IH 45 (Phase 3) - 90% design reviewed; final due August 3rd.
- Camelot Extension – Reviewing 60% design. Working on land donation for project with Randall’s.
- Sewer Rehab - River Point Area – 100% plans; ready to advertise. Bid Oct 2018.
- Industrial Park Rehab (Pollok Dr. & Conroe Park Dr.) – Received 100% plans; ready to bid soon.
- Old Conroe Road – LJA scoping and fee review held on June 15th.
- Lift Station Removal Pebble Glen & Longmire Pointe – reviewed 30% design, geo-tech report.
- SH105 concept West Waterline Extend., McCaleb Well with EST. Working on plans & survey.
- WWTP - Fiber Connectivity - Met with Public Works and IT; concept approved; survey underway.

Exhibit "A"
(1 of 1)
Description
Third amendment to the City’s Capital Improvement Program Budget for FY17-18

Summary
Below is a listing of proposed amendments to the FY 17-18 Capital Improvements Program (CIP). These changes are a result of the shifting needs and priorities of the City since the beginning of this fiscal year, and they will only affect FY 17-18, as the CIP is appropriated by Council on an annual basis.

Streets

- **Sidewalk - Plantation Drive (G09)** – The construction phase of this project has been approved for funding with Bus Livability grant proceeds of $250,000 and there is $10,000 in geotechnical costs to be paid by the City in FY 17-18. Therefore, the FY 17-18 appropriation for this project is reduced from $493,000 to $260,000. The savings of $437,000 in the 2017-A COs will be re-allocated to the Streets CIP project, Roadway Trans - M.P. Clark Road (892), and the 2018 COs of $46,000 will be removed.

- **Roadway Trans - M.P. Clark Road (892)** – Willis ISD is no longer participating in the M.P. Clark Road project resulting in a reduction of $687,000 from intergovernmental revenue in the Series 2017-A fund. To cover the estimated difference, project savings in the 2017-A COs on the Sidewalks CIP project, Plantation Drive (G09), allows for a transfer of $437,000 to the M.P. Clark Road project.

- **Pedestrian Access & Transit Improvements (941)** – The prior year funds appropriation of $449,000 is for Bus Livability grant proceeds. A portion of these grant proceeds, $250,000, has been reallocated to the Sidewalk - Plantation Drive (G09) project. The remainder of $199,000 is available to fund the Wilson Road project portion of the Pedestrian Access & Transit Improvements (941) project in the Series 2016 fund.

- **Street Rehab - Milltown Area Phase I (G40) and Street Rehab - Robinwood Subdivision (G39)** – At the October 12, 2017, City Council meeting, a contract was awarded to Angel Brothers for a hot mix overlay project that included both the Milltown Area and the Robinwood Subdivision. This requires a portion of the Milltown Area Phase I (G40) project budget to be re-allocated to the Street Rehab - Robinwood Subdivision (G39) project. The 2017-A COs allocation will be $1,323,000 for the Milltown Area Phase I project and $677,000 for the Street Rehab - Robinwood Subdivision project.

Signals

- **Signal - Longmire Road at League Line Road (G13)** – The scope of the project is less than anticipated and can be paid for with Operating Funds in the Signal Maintenance division. Funding of $175,000 will be removed from the 2018 COs.
• **Signals - Highway 105 at North Thompson (G31)** – At the October 12, 2017, City Council meeting, the Council approved a contract with Traffic Systems Construction, Inc. for $607,607 which exceeded the project budget by $50,000 that was going to be funded by 2018 COs. Due to project savings, the funding will instead come from the 2017-A COs.

**Parks**

• **Dr. Martin Luther King, Jr. Park Improvements (F86)** - In the FY 17-18 budget, $169,000 of prior budget funding was rolled forward; however, only $97,000 is required. The reduction in appropriation will be in the 2017-A COs.

• **Land Purchase – Parks (G71)** – At the February 15, 2018, City Council meeting, the Council approved the purchase of land adjacent to McDade Park in the amount of $110,000. Funding will come from project savings in the 2017-A COs.

**Water**

• **PRV Installation-IH 45 North of San Jacinto (G62)** – Based on a change to the scope of this project, Public Works has requested this project be eliminated from the CIP. This project may be included as part of the Jasper Water Well & Ground Storage Tank - FM 1488 project (F96) in FY 18-19. Funding of $700,000 will be removed from the 2018 RBs.

• **Water Line Extension – Chase Run (G76)** – To address water pressure issues in the Chase Run area, the Public Works Department requires materials of $600,000. The funding will come from 2010 RBs ($113,000), 2017B-1 COs ($128,000), and 2017B-2 COs ($359,000).

**Sewer**

• **Replace Equipment - Digester Blowers (G66)** – The replacement of one digester blower is included in the proposed FY 18-19 Operating Budget, and a second digester blower will be deferred until FY 19-20. Therefore, this project is removed from the FY 17-18 CIP and funding of $500,000 will be eliminated from the 2018 RBs.

• **Sewer Line Relocate - FM 2854 (G17)** – At the February 22, 2018, City Council meeting, the Council approved a professional services contract with IPR South Central, LLC for the FM 2854 Sanitary Sewer Relocation. The contract was $173,000 higher than anticipated requiring a budget increase. Funding will come from the 2017B-1 COs.

**Conroe Industrial Development Corporation (CIDC) CIP**

• At the March 15, 2018, Conroe Industrial Development Corporation meeting, the Board approved the purchase of 610 acres of land adjacent to the existing Conroe Park North Industrial Park for the expansion of the industrial park. The land purchase cost of $23,140,000 is funded by the 2018 Sales Tax Revenue Bonds.
The actual FY 17-18 appropriations will be amended to the following amounts:

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<td>$ 3,136,229</td>
<td>$ 3,136,229</td>
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<tr>
<td><strong>Total FY 17-18 Appropriation</strong></td>
<td>$ 89,947,229</td>
<td>$ 111,790,229</td>
<td>$ 21,843,000</td>
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</table>
Purpose: This budget amendment will modify the General Fund in the following manner:

1) At the April 12, 2018, City Council meeting, the Council approved the purchase of transit vehicles to serve an expanded route to include Lone Star Community College and Conroe Park North route. The Transportation Department will purchase two (2) buses for $240,000 with funding from Conroe Industrial Development Corporation. Funding will come from CIDC General Fund reserves.

2) At the April 13, 2017, City Council meeting, the Council approved the Professional Audit Services Grant to perform financial audits and financial reviews of non-profit organizations that apply to the City for General Fund and Hotel Occupancy Tax Fund grants. The City agreed to share the cost of the first year audit and review on a 50/50 basis with these organizations. The audit cost was $37,310 and the grant applicants reimbursed the City $18,655. Funding for the difference will come from General Fund reserves.

3) At the September 8, 2016, City Council meeting, the Council approved an interlocal agreement to participate with the City of Houston in the Internet Crimes Against Children (ICAC) program. Funding in the amount of $100,007 will come from the ICAC Grant through the City of Houston.

4) The Fire Department was authorized to use Tree Mitigation revenue for landscaping and irrigation costs in the amount of $8,976 at Fire Station #7. This cost is part of the contract with Christensen Building Group. Funding will come from Tree Mitigation revenue.

5) The Park Operations Department was authorized to use Tree Mitigation revenue for tree reforestation in Flournoy Park in the amount of $24,945. Funding will come from Tree Mitigation revenue.

6) The City Administrator approved the purchase of a sound shell for the stage at Heritage Place at a total cost of $23,545. Funding will come from General Fund reserves.

Fund: General Fund

Departments: 1020 - Revenues
1044 - Transportation
1100 - Finance
1300 - Fire
1450 - Park Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Acct. #</th>
<th>Current Budget</th>
<th>Change</th>
<th>Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNANTICIPATED REVENUES</td>
<td>001-1020-6060</td>
<td>$106,020</td>
<td>$18,655</td>
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<th>Acct. #</th>
<th>Current Budget</th>
<th>Change</th>
<th>Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>VEHICLES &gt; 5,000</td>
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<td>CONTRACT SERVICES</td>
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17-18 Operating Budget Amend #5 EXHIBIT A 7/18/2018 11:01 AM
Purpose: This budget amendment will modify the Water & Sewer Operating Fund in the following manner:

1) The Sewer Division was appropriated funds for Vapex Radical Odor Control system for use in FY 16-17. The Vapex system is designed to control odors at sewer liftstations. The unspent appropriation of $104,049 is requested to be rolled forward to the FY17-18 budget. The funding will come from Water & Sewer Fund Operating reserves.

Fund: Water & Sewer Operating Fund

Departments: 2883 - Pump & Motor Maintenance

<table>
<thead>
<tr>
<th>Changes in Expenditure Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
</tr>
<tr>
<td>MACH &amp; EQUIP &gt; $5,000</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
Operating Budget Amendment #5  
FY 2017-2018

Purpose: This budget amendment will modify the Conroe Industrial Development Corporation (CIDC) General Fund in the following manner:

1) At the January 18, 2018, Conroe Industrial Development Corporation meeting, the Board approved funding the purchase of transit vehicles to serve an expanded route to include Lone Star Community College and Conroe Park North route. The Transportation Department will purchase two (2) buses for $240,000 requiring a transfer to the General Fund. Funding will come from CIDC General Fund reserves.

2) The CIDC Industrial Park Land Sales Fund was established to record all land sales transactions in the Industrial Park section that was expanded in 2008. A transfer of $4,588,731 from the CIDC General Fund was completed to segregate those transactions into the new fund.

Fund: Conroe Industrial Development Corporation (CIDC) General Fund

Departments: 9000 - CIDC General Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>Acct. #</th>
<th>Current Budget</th>
<th>Change</th>
<th>Amended Budget</th>
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</thead>
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<tr>
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<td>$1,756,669</td>
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<td>$6,585,400</td>
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</table>
Purpose: This budget amendment will modify the CIDC Industrial Park Land Sales Fund in the following manner:

1) The CIDC Industrial Park Land Sales Fund was established to record all land sales transactions in the Industrial Park section that was expanded in 2008. A transfer of $4,588,731 from the CIDC General Fund was completed to segregate those transactions into the new fund.

Fund: CIDC Industrial Park Land Sales Fund

Departments: 4700 - CIDC Industrial Park Land Sales

<table>
<thead>
<tr>
<th>Description</th>
<th>Acct. #</th>
<th>Current Budget</th>
<th>Change</th>
<th>Amended Budget</th>
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<td>$</td>
<td>$4,588,731</td>
<td>$4,588,731</td>
</tr>
</tbody>
</table>
Purpose: This budget amendment will modify the Wedgewood Falls PID Fund in the following manner:

1) Beginning in FY 17-18, the Wedgewood Falls PID Fund requires an annual appropriation for estimated revenues to fund infrastructure debt payments. The Wedgewood Falls PID Fund is anticipating PID assessment revenues for FY 17-18 of $163,000.

Fund: Wedgewood Falls PID Fund

Departments: Wedgewood Falls PID

<table>
<thead>
<tr>
<th>Description</th>
<th>Acct. #</th>
<th>Current Budget</th>
<th>Change</th>
<th>Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>PID ASSESSMENT REVENUE</td>
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</tbody>
</table>
Operating Budget Amendment #5  
FY 2017-2018

Purpose: This budget amendment will modify the Animal Shelter Reserve Fund in the following manner:

1) At the January 11, 2018, City Council meeting, the Council approved a 5-year animal shelter agreement with the City of Huntsville. According to the agreement, the City of Huntsville will pay the City of Conroe $200,000 each calendar year beginning January 1, 2018. A portion of that amount will be set aside each year in a separate Animal Shelter Reserve Fund for building and property maintenance. For FY 2017-2018, the pro-rated amount to the reserve fund is $89,700.

Fund: Animal Shelter Reserve Fund

Departments: Animal Shelter Reserve

<table>
<thead>
<tr>
<th>Description</th>
<th>Acct. #</th>
<th>Current Budget</th>
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<th>Amended Budget</th>
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<tr>
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Approved by Council on ________________________.

Soco M. Gorjon, City Secretary