CITY COUNCIL WORKSHOP/REGULAR MEETING

August 7, 2023 at 6:00 PM
Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

AGENDA

Steve Fortenberry, Mayor, Ward 3
Erica Bruce, Mayor Pro Tem, Ward 3 – **Michael S. Bancale**, Council Member, At-Large
Johnny Stephens, Council Member, Ward 1 – **Johnny Price**, Council Member, Ward 2
Bob Potter, Council Member, Ward 2 – **Brad Turner,** Council Member, Ward 1

The meeting will be streamed live on the city's website at www.cityofhewitt.com/790/Hewitt-TX-TV.

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members will be physically present at the location noted above on this agenda.

WORKSHOP MEETING - 6:00 PM

WORKSHOP DECLARATION OF A QUORUM AND CALL TO ORDER

WORKSHOP AGENDA

1. Briefing and discussion concerning zone change request (Agenda Item 4).
2. Discussion concerning the FY 2023-2024 Proposed Annual Budget including Certified Tax Valuations and Certified Tax Rates.

WORKSHOP ADJOURNMENT

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATION(S) AND RECOGNITION(S)

3. Introduction of new Library Director Matthew D. Glaser.

PUBLIC HEARING(S) AND RELATED ACTION

4. Public hearing and possible action on **Ordinance No. 2023-07** to change the zoning of Lot 1 of Blocks 22, 23, and 24 located in Moonlight Park Addition Phase IV from R-1 Single-family residential to C-2 General Commercial District.

PUBLIC COMMENTS

The City Council invites citizens to speak on any topic not already scheduled for a public hearing. The Texas Open Meetings Act prohibits the Council from discussing, responding to, or acting on any comments or items not properly posted on the agenda. (Note: Members of the public who wish to speak must complete a "Public Comment Form" and present it to the City Secretary before the meeting.)

REGULAR AGENDA ITEMS

5. Approval of minutes of the City Council Workshop/Regular Meeting for July 17, 2023.

6. Presentation of the report from City Engineer Miles Whitney, P.E.

   - Update on pending utility projects.
   - Update on pending street projects.
   - Update on pending drainage projects.

7. Discussion regarding the economic development grant (380 agreement) with Rosa's Cafe.

8. Discussion and possible action regarding the authorization of a contract for Slurry Seal services with Viking Construction for the amount of $125,435.39.

9. Discussion and possible action on **Resolution No. 2023-05** declaring the official intent of the City of Hewitt, Texas, to reimburse expenditures incurred with respect to certain projects or programs or certain funds with the proceeds of debt.

10. Discussion and possible action on **Resolution No. 2023-06** approving the financing terms with Cogent Bank for various capital items.

11. Discussion and possible action on **Ordinance No. 2023-08** providing for the sale and issuance of the City of Hewitt, Texas Combination Tax and Revenue Certificates of Obligation, Series 2023; and ordaining other matters relating to the subject.

12. Discussion and possible action on setting the date of August 14, 2023, for a public hearing on the Fiscal Year 2023-2024 Proposed Annual Budget.

13. Discussion and possible action on the record vote to place adoption of the proposed 2023 tax rate on a future agenda and to set dates for two public hearings on the tax rate.

ADJOURNMENT

I certify that the above notice of meeting was posted on the Public Notice Board located in front of City Hall on **August 2, 2023**, by 5:00 PM.

CITY OF HEWITT

Lydia Lopez______

Lydia Lopez, TRMC/CMC
City Secretary

In compliance with the Americans with Disabilities Act, the City of Hewitt will provide reasonable accommodations for persons attending and/or participating in City Council meetings. The facility is wheelchair accessible, with accessible parking available at the front of the building. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting by calling the City Secretary at 254.296.5602 or by fax at 254.666.6014.

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 4.

SUBMITTED BY: Tracy Lankford, Community Development Director

ITEM DESCRIPTION:

Public hearing and possible action on **Ordinance No. 2023-07** to change the zoning of Lot 1 of Blocks 22, 23, and 24 located in Moonlight Park Addition Phase IV from R-1 Single-family residential to C-2 General Commercial District.

STAFF RECOMMENDATION/ITEM SUMMARY:

Jonathan Garza submitted a request to change the zoning designation of Lot 1 of Blocks 22, 23, and 24 located in Moonlight Park Addition Phase IV from R-1 Single-family residential to C-2 General Commercial District. These lots are located along Hewitt Dr. near the intersection of Agile St. and all are currently vacant. The Planning and Zoning Commission met on Tuesday August 1, 2023, to consider the request. After a public hearing and deliberation, the commission recommends approval of the request as submitted by a vote of 5-0.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

I move to approve **Ordinance 2023-07** rezoning Lot 1 of Blocks 22, 23, and 24 located in Moonlight Park Addition Phase IV from R-1 Single-family residential to C-2 General Commercial District.

ATTACHMENTS:

1. P&Z Agenda Packet 08012023
2. P&Z Minutes 08012023
3. Rezone ordinance 2023-07 -Moonlight Park Phase IV R-1 to C-2
4. Exhibit A

PLANNING & ZONING COMMISSION NOTICE OF MEETING

August 1, 2023 at 6:00 PM
Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

AGENDA

Commission: **Walter H. Peterson**, Chairman
Travis Bailey, Bobby Drake, Dustin Crawford, Brian Dalrymple, Michael Lee Hix, Paul Lasater
–

City Staff: **Bo Thomas** - City Manager, **Miles Whitney** - City Engineer, **Tracy Lankford** - Community Development Director, **Brittney Cantu** - Zoning Secretary

Planning and Zoning meetings are held as needed on the first Tuesday of each month at 6 PM in the City of Hewitt Council Chambers unless otherwise posted.

CALL TO ORDER

PUBLIC HEARINGS

1. Consider a request made by Jonathan Garza to rezone properties located at 1400 Agile, 1450 Round Table, and 1500 Round Table located in Moonlight Park Phase IV, Lot 1, Blocks 22, 23 & 24, from R-1 Single Family Residential to C-2 General Commercial.

REGULAR AGENDA ITEMS

2. Consider a request made by Jonathan Garza to rezone properties located at 1400 Agile, 1450 Round Table, and 1500 Round Table located in Moonlight Park Phase IV, Lot 1, Blocks 22, 23 & 24, from R-1 Single Family Residential to C-2 General Commercial.

3. Consider approval of minutes for the July 11, 2023, Planning and Zoning Commission regular meeting.

ADJOURNMENT

I, the undersigned authority, do hereby certify that the above notice of a meeting of the Planning and Zoning Commission of the City of Hewitt, Texas was posted on a Public Notice Board located in front of City Hall on June 28, 2023, by 5:00 PM.

CITY OF HEWITT

Brittney Cantu

Brittney Cantu
City of Hewitt Zoning Secretary

In compliance with the Americans with Disabilities Act, the City of Hewitt will provide reasonable accommodations for persons attending and/or participating in City Council meetings. The facility is wheelchair accessible, with accessible parking available at the front of the building. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting by calling the Zoning Secretary at 254.666.6173.

HEWITT
TEXAS

City of Hewitt
Application for Amendment of the Zoning Ordinance
To the Planning & Zoning Commission and the City Council

Legal Description of Property:

Moonlight Park Phase 4: lot 1, Block 22, 23, 24

Describe the location of the property as submitted by this application. This may be in the form of a street address, general physical description, or nearest intersection.

1400 Agile, 1450 Round Table, 1500 Round Table

Zoning Change From R-1 to C-2

Please describe the interest in property:

Existing Building(s) on Property: N/A

Total sq. ft. of all buildings on property: N/A.

Please provide the following recording information and a copy of the document (s) listed below with this application:

Ownership (deed): Doc. #/MCC No. ________________

Please provide the proposed meeting date for this application to be considered (See Meeting Schedule):

The rezoning application must be completed along with the following required information:

1. A notarized letter from the property owner authorizing applicant to present the request, if the property owner will not be presenting the request.
2. 1 PDF and 1 hard copy of plat in State Plane Coordinates using the Texas Central Zone NAD 83.
3. Submit 1 copy of building plans, if existing building(s) exist.
4. Non-refundable application fee (see Fee Schedule).
5. Application, fee, documents, etc., in completed form must be submitted to the Planning Department before or no later than 12:00 noon on the deadline date (see Meeting Schedule).

I attest that the above information is true and correct to the best of my knowledge that I am now or will be fully prepared to present the above proposal at the Planning & Zoning Commission hearing. I understand that if any of the above information is found to be wrong or inaccurate that my application may be removed from consideration prior to the time the application is voted upon by the governing body of the City.

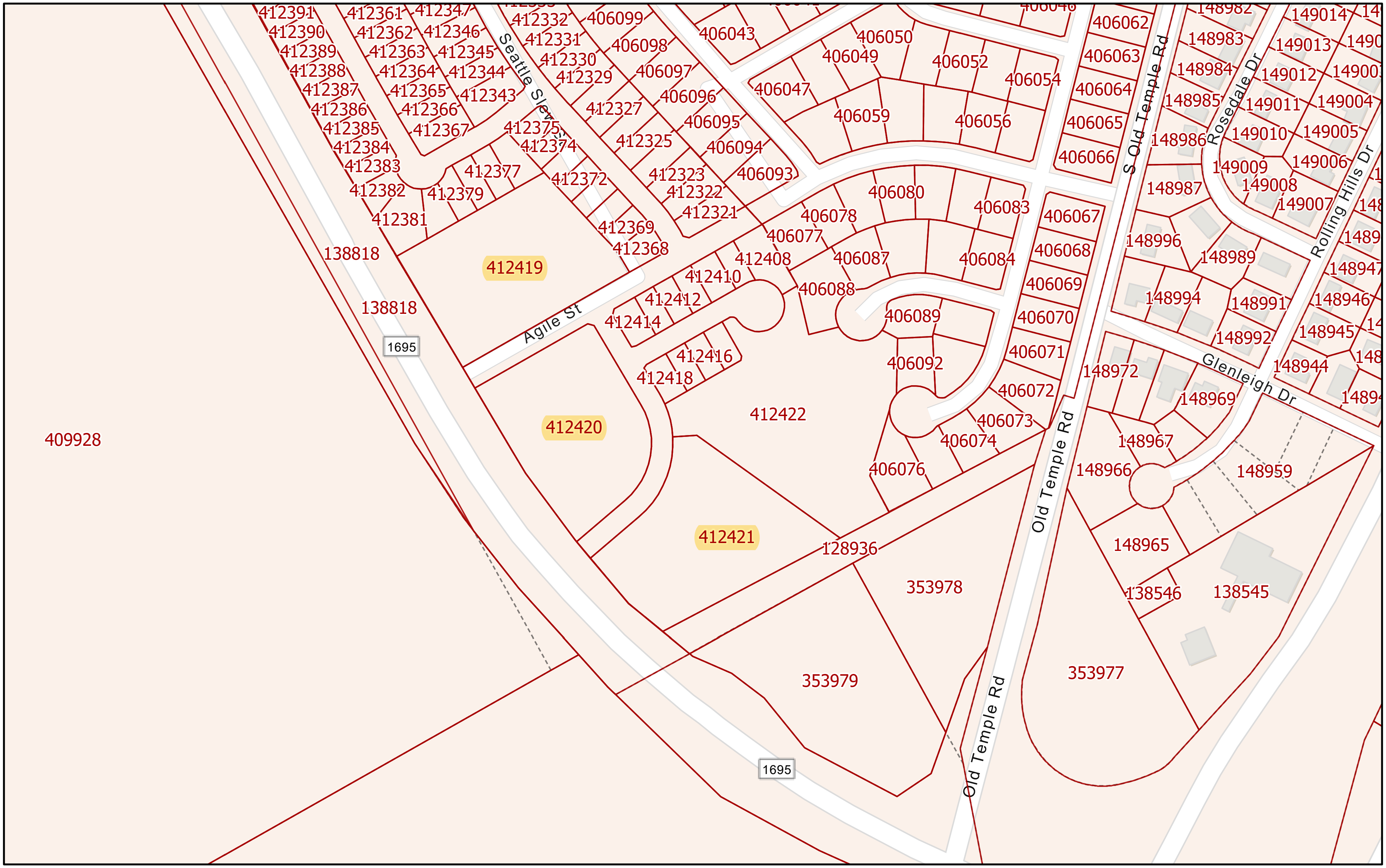
I understand that in the event the undersigned is not present or represented at the public hearing, the Zoning Commission shall have the power to dismiss this proposal either at the call of the case or after hearing and such dismissal shall constitute a denial by both the Planning & Zoning Commission and the City Council.

I reserve the right to withdraw this proposal. However, written withdrawals filed at any time after the giving of notice of the Planning and Zoning Commission hearing shall constitute a denial by the Commission and City Council. I understand that the filing fee is not refundable upon withdrawal of proposal.

Name of Property Owner: Moonlight Hewitt LLC Phone No. 254-759-8027
Mailing Address: 1224 Austin Ave City: Waco State: TX
Email Address: jonathan@tbretexas.com
Signature of Property Owner: ________ Date: 6-7-2023

Name of Applicant/Representative Jonathan Garza Phone No. 254-759-8027
Mailing Address: 1224 Austin Ave City: Waco State: TX
Email Address: jonathan@tbretexas.com
Signature of Applicant/Representative: ________ Date: 6/7/23

Moonlight Park Ph IV



6/12/2023, 1:31:17 PM

Parcels
McLennan County Boundary
Lot Lines

1:4,514

0 0.03 0.07 0.13 mi

0 0.05 0.1 0.2 km

Esri Community Maps Contributors, Baylor University, Texas Parks & Wildlife, © OpenStreetMap, Microsoft, CONANP, Esri, HERE, Garmin, McLennan County Appraisal District, BIS Consulting -

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

HEWITT
TEXAS

PLANNING & ZONING COMMISSION NOTICE OF MEETING

July 11, 2023 at 6:00 PM
Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

MINUTES

Commission: Walter H. Peterson, Chairman
Travis Bailey, Bobby Drake, Dustin Crawford, Brian Dalrymple, Michael Lee Hix, Paul Lasater
–

City Staff: Bo Thomas - City Manager, **Miles Whitney** - City Engineer, **Tracy Lankford** - Community Development Director, **Brittney Cantu** - Zoning Secretary

CALL TO ORDER

Members Present: Chairman Walt Peterson, Dustin Crawford, Brian Dalrymple, Bobby Drake, Mike Hix, Paul Lasater
Members Absent: Travis Bailey
Staff Present: Tracy Lankford, Community Development Director
Brittney Cantu, Community Development Coordinator
Miles Whitney, City Engineer

Chairman Walt Peterson called the meeting to order at 6:00PM.

REGULAR AGENDA ITEMS

1. Discussion, consideration, action if any: The Final Plat of Nature Valley Addition
   Tracy Lankford, Community Development Director, stated that the plat has all the pertinent information needed for approval, with the exception of a few typos that need to be corrected. Miles Whitney, City Engineer, stated he is aware of the typos and they are working on fixing them. Motion was made by Paul Lasater, seconded by Mike Hix, to approve the final plat of Nature Valley Addition. All six in favor, motion passed.

2. Consider approval of minutes for the May 2, 2023, Planning and Zoning Commission regular meeting.
   A motion was made by Paul Lasater, seconded by Brian Dalrymple, to approve the minutes as submitted, but allow for corrections. All six in favor, motion passed.

ADJOURNMENT

Meeting is adjourned at 6:04PM.

Approved:___________________________

ATTEST:

_______________________________ _______________________________

Brittney Cantu
City of Hewitt Zoning Secretary

PLANNING & ZONING COMMISSION NOTICE OF MEETING

August 1, 2023 at 6:00 PM
Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

MINUTES

Commission: Walter H. Peterson, Chairman
Travis Bailey, Bobby Drake, Dustin Crawford, Brian Dalrymple, Michael Lee Hix, Paul Lasater
–

City Staff: Bo Thomas - City Manager, **Miles Whitney** - City Engineer, **Tracy Lankford** - Community Development Director, **Brittney Cantu** - Zoning Secretary

CALL TO ORDER
Members Present: Chairman Walt Peterson, Travis Bailey, Dustin Crawford, Bobby Drake, Mike Hix
Members Absent: Brian Dalrymple, Paul Lasater
Staff Present: Tracy Lankford, Community Development Director
Brittney Cantu, Community Development Coordinator

Chairman Walt Peterson called the meeting to order at 6:00PM.

PUBLIC HEARINGS

1. Consider a request made by Jonathan Garza to rezone properties located at 1400 Agile, 1450 Round Table, and 1500 Round Table located in Moonlight Park Phase IV, Lot 1, Blocks 22, 23 & 24, from R-1 Single Family Residential to C-2 General Commercial.
   Public Hearing opened 6:00PM, no one spoke for or against project. Public Hearing closed 6:01PM.

REGULAR AGENDA ITEMS

2. Consider a request made by Jonathan Garza to rezone properties located at 1400 Agile, 1450 Round Table, and 1500 Round Table located in Moonlight Park Phase IV, Lot 1, Blocks 22, 23 & 24, from R-1 Single Family Residential to C-2 General Commercial.
   A motion was made by Travis Bailey, seconded by Mike Hix, to approve rezone request. All five in favor, motion to go before City Council Monday, August 7, 2023.

3. Consider approval of minutes for the July 11, 2023, Planning and Zoning Commission regular meeting.
A motion was made by Travis Bailey, seconded by Mike Hix, to approve the minutes as submitted, but allow for corrections. All five in favor, motion passed.

ADJOURNMENT
Meeting is adjourned at 6:03PM.

Approved:__________________________

ATTEST:

___________________________________ ___________________________________
Brittney Cantu
City of Hewitt Zoning Secretary

ORDINANCE NO. 2023-07

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS AMENDING ORDINANCE NO. 11-15-99 AND ALL AMENDMENTS THERETO, KNOWN AS THE ZONING ORDINANCE OF THE CITY OF HEWITT, TEXAS, CHANGING THE ZONING CLASSIFICATIONS OF THE HEREIN DESCRIBED PROPERTY FROM R-1 SINGLE-FAMILY RESIDENTIAL TO C-2 GENERAL COMMERCIAL DISTRICT PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with the Code of Ordinances of the City of Hewitt, a request was submitted by Jonathan Garza to rezone property known as, Lot 1, Blocks 22, 23, and 24 located in Moonlight Park Addition Phase IV from R-1 Single-family Residential to C-2 General Commercial District.

WHEREAS, public notice was given and property owners within 200' were notified of the rezoning request as required by state law, and

WHEREAS, a public hearing in relation thereto at which parties in interest and citizens had an opportunity to be heard was held by the City Council of the City of Hewitt on August 7, 2023, after due notice in the manner provided by law; and

WHEREAS, a public hearing of the Planning and Zoning Commission at which parties in interest and citizens had an opportunity to be heard was held on Tuesday, August 1, 2023, after due notice in the manner provided by law; and

WHEREAS, a site plan of the proposed development was presented and discussed, and

WHEREAS, the said Commission has made a report to the City Council of the City of Hewitt, Texas, recommending approval of this rezoning request by a unanimous vote; and

WHEREAS, the City Council of the City of Hewitt, Texas deems that this rezoning is in accordance with the Comprehensive Land Use Plan and is in the public interest;

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

SECTION ONE. Three lots of land in McLennan County, Texas, known as Lot 1, Blocks 22, 23, and 24 located in Moonlight Park Addition Phase IV from R-1 Single-family residential to C-2 General Commercial District

SECTION TWO. A proposed map of area is shown in Exhibit "A".

SECTION THREE. All ordinances, statutes, restrictions and regulations applicable to this property shall be complied with as well as all zoning restrictions and regulations that are applicable to this property.

SECTION FOUR. That all provisions of the ordinances of the City of Hewitt in conflict with the provisions of this Ordinance be, and the same are hereby, repealed, and all other provisions of the ordinances of the City of Hewitt not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION FIVE. Should any section, paragraph, sentence, clause, or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

SECTION SIX. Any person, firm, corporation, agent or employee thereof who violates any of the provisions of this Ordinance shall be guilty of a misdemeanor and upon conviction thereof shall be fined not to exceed Two Thousand and No/100 Dollars ($2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION SEVEN. The caption of this Ordinance shall be published within ten (10) days of its passage in a newspaper of general circulation in the City of Hewitt.

SECTION EIGHT. This Ordinance shall become effective ten (10) days after the date of its passage and upon its publication as required by law.

PASSED AND APPROVED this the 7th day of August 2023, at a Regular Meeting of the City Council of the City of Hewitt, Texas.

CITY OF HEWITT

BY: ______________________________
Steve Fortenberry, Mayor

ATTEST:

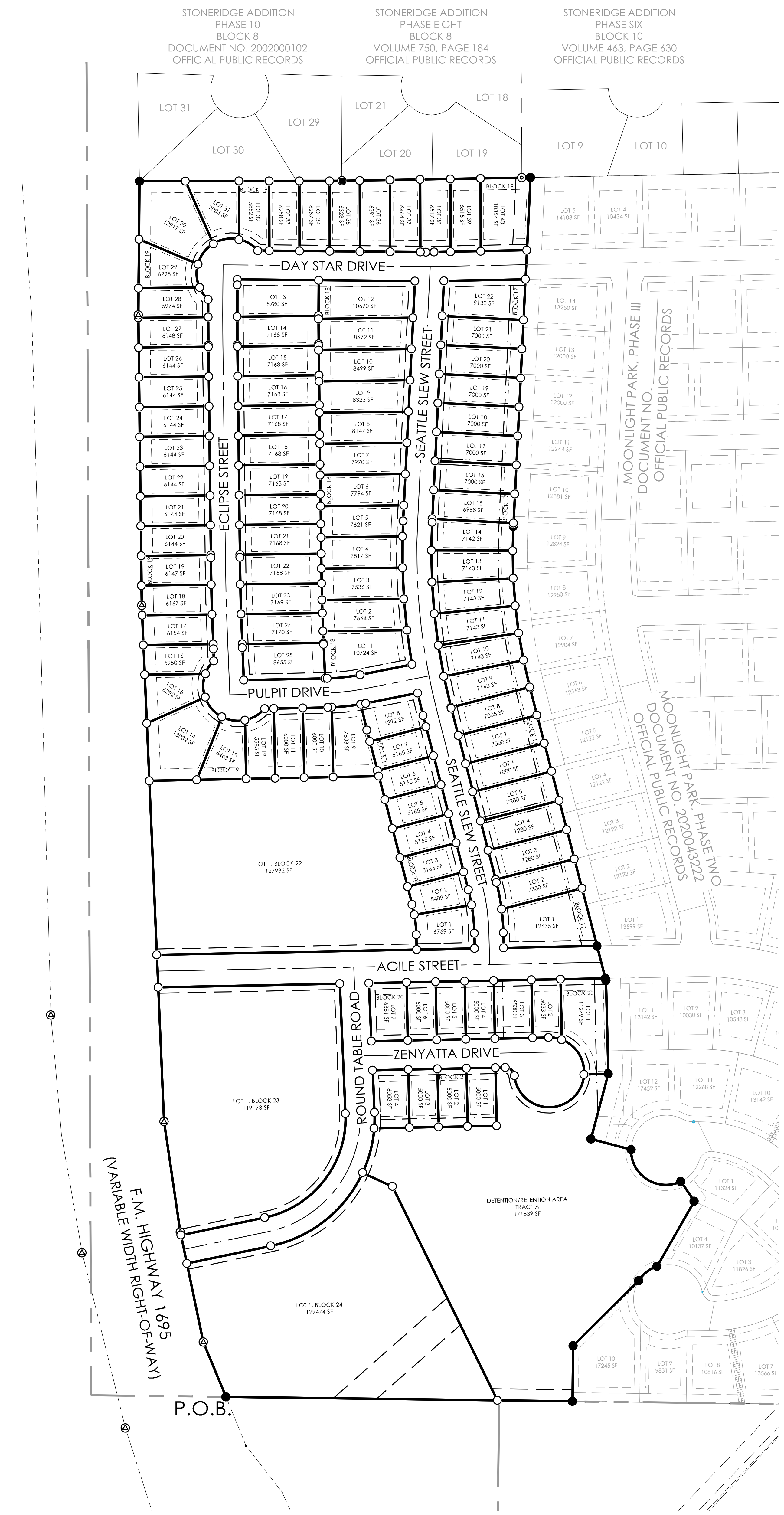
____
Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Michael W. Dixon, City Attorney

FINAL PLAT
MOONLIGHT PARK,
PHASE IV

BEING AN 33.955 ACRE TRACT OF LAND, LOCATED IN THE CARLOS OCAMPO SURVEY, ABSTRACT NO. 32, MCLENNAN COUNTY, TEXAS, SAID 33.955 ACRE TRACT, BEING A REMAINING PORTION OF THAT CALLED 106.408 ACRE TRACT OF LAND RECORDED IN DOCUMENT NO. 2017023208, OFFICIAL PUBLIC RECORDS, MCLENNAN COUNTY, TEXAS.



SCALE: 1"=200'

0 100' 200' 300' 400'

LEGEND

P.O.B.	POINT OF BEGINNING
●	FOUND PROPERTY CORNER
○	BLOCK AND PHASE CORNERS, 1/2" IRON ROD SET IN CONCRETE
⊛	3" METAL PIPE FOUND
⊛	3/8" IRON ROD FOUND
⊛	TXDOT TYPE 2 MONUMENT FOUND
D.E.	DRAINAGE EASEMENT
P.U.E.	PUBLIC UTILITY EASEMENT
B.S.L.	BUILDING SETBACK LINE
S.S.E.	SANITARY SEWER EASEMENT

PROPERTY DETAILS
- 33.955 TOTAL ACRES
- 5.555 ACRES DEDICATED RIGHT-OF-WAY
- RESIDENTIAL: NINETY-EIGHT (98) LOTS, FIVE (5) BLOCKS
- COMMERCIAL: THREE (3) LOTS, THREE (3) BLOCKS
- DRAINAGE: ONE (1)
- LOT AVERAGE: 0.278 ACRES, 12128 SQFT

NOTE: ALL PROPERTY CORNERS WILL BE SET WITH A 1/2" IRON ROD PRIOR TO RECORDING THE FINAL PLAT. MONUMENTS WILL MEET THE MINIMUM STANDARDS SET FORTH BY THE CITY OF HEWITT.

FIELD NOTES FOR A 9.240 ACRE TRACT OF LAND:

BEING A 33.955 ACRE TRACT OF LAND, LOCATED IN THE CARLOS OCAMPO SURVEY, ABSTRACT NO. 32, MCLENNAN COUNTY, TEXAS; SAID 33.955 ACRE TRACT, BEING A REMAINING PORTION OF THAT CALLED 106.408 ACRE TRACT OF LAND RECORDED IN DOCUMENT NO. 2017023208, OFFICIAL PUBLIC RECORDS, MCLENNAN COUNTY, TEXAS; SAID 33.955 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED IN THE NORTHEAST RIGHT-OF-WAY LINE OF F.M. HIGHWAY 1695, BEING THE SOUTHWEST CORNER OF THE REMAINDER OF SAID 106.408 ACRE TRACT, SAID POINT BEING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND;

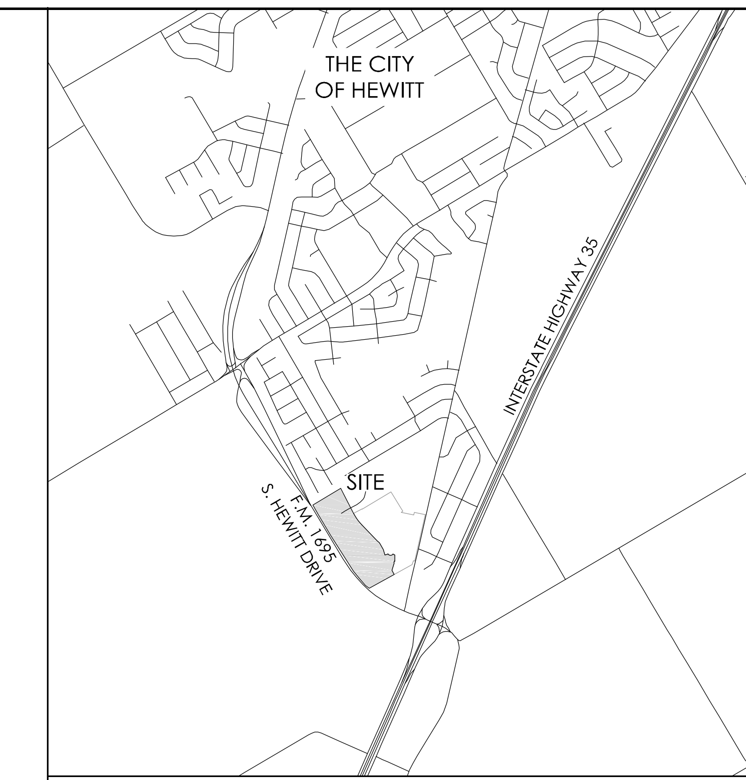
THENCE, WITH THE NORTHEAST RIGHT-OF-WAY LINE OF F.M. HIGHWAY 1695, THE SOUTHWEST LINES OF THE REMAINDER OF SAID 106.408 ACRE TRACT, THE FOLLOWING SIX (6) COURSES AND DISTANCES:

1. **N 52° 21' 23" W**, A DISTANCE OF **101.80',** TO A TXDOT TYPE 2 CONCRETE MONUMENT LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
2. **N 41° 49' 50" W**, A DISTANCE OF **193.48',** TO A TXDOT TYPE 2 CONCRETE MONUMENT LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
3. **N 38° 25' 49" W**, A DISTANCE OF **192.56',** TO A TXDOT TYPE 2 CONCRETE MONUMENT LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
4. **N 32° 28' 10" W**, A DISTANCE OF **889.55',** TO A TXDOT TYPE 2 CONCRETE MONUMENT LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
5. **N 30° 40' 09" W**, A DISTANCE OF **499.84',** TO A TXDOT TYPE 2 CONCRETE MONUMENT LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
6. **N 29° 28' 38" W**, A DISTANCE OF **230.36',** TO A 1/2" IRON ROD LOCATED IN THE NORTHEAST RIGHT-OF-WAY LINE OF F.M. HIGHWAY 1695, BEING THE NORTHWEST CORNER OF THE REMAINDER OF SAID 106.408 ACRE TRACT, THE SOUTHWEST CORNER OF THAT CALLED LOT 30, BLOCK 8, OF STONERIDGE ADDITION, PHASE 10, ACCORDING TO THE PLAT OF RECORD IN DOCUMENT NO. 2002000102, OFFICIAL PUBLIC RECORDS, MCLENNAN COUNTY, TEXAS, SAID POINT BEING THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND;
7. **THENCE,** DEPARTING THE NORTHEAST RIGHT-OF-WAY LINE OF F.M. HIGHWAY 1695, WITH A NORTHWEST LINE OF THE REMAINDER OF SAID 106.408 ACRE TRACT, THE SOUTHEAST LINE OF BLOCK 8 OF STONERIDGE ADDITION, PHASE 10, **N 59° 54' 47" E,** A DISTANCE OF **348.52',** TO A 5/8" IRON ROD LOCATED FOR AN ANGLE POINT OF THE REMAINDER OF SAID 106.408 ACRE TRACT, BEING THE SOUTHEAST CORNER OF THAT CALLED LOT 29, BLOCK 8, OF SAID STONERIDGE ADDITION, PHASE 10, THE SOUTHWEST CORNER OF THAT CALLED LOT 20, BLOCK 8, OF STONERIDGE ADDITION, PHASE EIGHT, ACCORDING TO THE PLAT OF RECORD IN VOLUME 750, PAGE 184, OFFICIAL PUBLIC RECORDS, MCLENNAN COUNTY, TEXAS, SAID POINT BEING AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
8. **THENCE,** WITH A NORTHWEST LINE OF THE REMAINDER OF SAID 106.408 ACRE TRACT, THE SOUTHEAST LINE OF BLOCK 8 OF STONERIDGE ADDITION, PHASE EIGHT, **N 58° 59' 34" E,** A DISTANCE OF **309.85',** TO A 3/8" IRON ROD LOCATED FOR AN ANGLE POINT OF THE REMAINDER OF SAID 106.408 ACRE TRACT, BEING THE SOUTHEAST CORNER OF THAT CALLED LOT 19, BLOCK 8, OF SAID STONERIDGE ADDITION, PHASE EIGHT, THE SOUTHWEST CORNER OF THAT CALLED LOT 9, BLOCK 10, OF STONERIDGE ADDITION, PHASE SIX, ACCORDING TO THE PLAT OF RECORD IN VOLUME 463, PAGE 630, OFFICIAL PUBLIC RECORDS, MCLENNAN COUNTY, TEXAS, SAID POINT BEING AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
9. **THENCE,** WITH A NORTHWEST LINE OF THE REMAINDER OF SAID 106.408 ACRE TRACT, THE SOUTHEAST LINE OF SAID LOT 9, BLOCK 10, **N 58° 54' 23" E,** A DISTANCE OF **14.82',** TO A POINT IN A NORTHWEST LINE OF THE REMAINDER OF SAID 106.408 ACRE TRACT, THE SOUTHEAST LINE OF SAID LOT 9, BLOCK 10, SAID POINT BEING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND;
10. **THENCE,** ACROSS THE REMAINDER OF SAID 106.408 ACRE TRACT, **S 27° 10' 45" E,** A DISTANCE OF **601.15',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED IN A NORTHEAST LINE OF THE REMAINDER OF SAID 106.408 ACRE TRACT, BEING THE BEGINNING OF A CURVE OF BLOCK 16 OF MOONLIGHT PARK, PHASE TWO, ACCORDING TO THE PLAT OF RECORD IN DOCUMENT NO. 2020043222, OFFICIAL PUBLIC RECORDS, MCLENNAN COUNTY, TEXAS, SAID POINT BEING THE BEGINNING OF A CURVE TO THE LEFT OF THE HEREIN DESCRIBED TRACT OF LAND;

THENCE, WITH THE EXTERIOR BOUNDARY LINES OF SAID MOONLIGHT PARK, PHASE TWO, THE FOLLOWING ELEVEN (11) COURSES AND DISTANCES:

11. WITH SAID CURVE TO THE LEFT CONTAINING A RADIUS OF 925.00', A CENTRAL ANGLE OF 017°22'36", A CHORD WHICH BEARS S 35° 52' 03" E, A CHORD DISTANCE OF 279.46', A TOTAL **CURVE LENGTH** OF **280.53',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR A POINT OF TANGENCY OF THE HEREIN DESCRIBED TRACT OF LAND;
12. **S 44° 33' 21" E,** A DISTANCE OF **520.99',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
13. **S 31° 22' 16" E,** A DISTANCE OF **160.22',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
14. **S 15° 08' 55" E,** A DISTANCE OF **116.27',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT OF LAND;
15. **N 74° 51' 05" E,** A DISTANCE OF **71.71',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;
16. WITH SAID CURVE TO THE LEFT CONTAINING A RADIUS OF 60.00', A CENTRAL ANGLE OF 115°37'13", A CHORD WHICH BEARS S 87° 25' 57" E, A CHORD DISTANCE OF 101.55', A TOTAL **CURVE LENGTH** OF **121.08',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
17. **S 63° 48' 38" E,** A DISTANCE OF **41.02',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
18. **S 00° 17' 57" E,** A DISTANCE OF **129.14',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;
19. WITH SAID CURVE TO THE LEFT CONTAINING A RADIUS OF 60.00', A CENTRAL ANGLE OF 037°50'58", A CHORD WHICH BEARS S 22° 09' 46" W, A CHORD DISTANCE OF 38.92', A TOTAL **CURVE LENGTH** OF **39.64',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
20. **S 15° 13' 11" W,** A DISTANCE OF **160.04',** TO A 1/2" IRON ROD WITH A BLUE "QUICK INC RPLS 6447" PLASTIC CAP LOCATED FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT OF LAND;
21. **S 29° 15' 40" E,** A DISTANCE OF **95.68',** TO A 1/2" IRON ROD LOCATED FOR AN EXTERIOR CORNER OF THE REMAINDER OF SAID 106.408 ACRE TRACT, BEING THE SOUTHERNMOST CORNER OF THAT CALLED LOT 10, BLOCK 13, OF SAID MOONLIGHT PARK, PHASE TWO, SAID POINT BEING AN EXTERIOR CORNER OF THE HEREIN DESCRIBED TRACT OF LAND;
22. **THENCE,** WITH A SOUTHEAST LINE OF THE REMAINDER OF SAID 106.408 ACRE TRACT, **S 60° 44' 20" W,** A DISTANCE OF **596.63',** TO THE **POINT OF BEGINNING** CONTAINING **33.955 ACRES** OF LAND.

NOTE: THE BASIS OF BEARING WAS ESTABLISHED USING THE TRIMBLE VRS NETWORK, NAD (83), TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, 4203, US SURVEY FOOT, GRID. A SURVEY PLAT WAS PREPARED BY A SEPARATE DOCUMENT.



VICINITY MAP: 1" = 4000'

THE STATE OF TEXAS §

COUNTY OF MCLENNAN §

THAT I , ______________________________, BEING THE OWNER(S) OF THE PROPERTY DESCRIBED BELOW AND WISHING TO SUBDIVIDE SAME INTO LOT(S) AND BLOCK(S), DO HEREBY ADOPT THIS PLAT ATTACHED HERETO AND TITLED "FINAL PLAT MOONLIGHT PARK, PHASE IV" TO THE CITY OF HEWITT, TEXAS AS MY (OUR) LEGAL SUBDIVISION OF SAME AND DO HEREBY DEDICATE ALL RIGHTS-OF-WAY AND/OR EASEMENTS SHOWN HEREON TO THE USE OF THE PUBLIC FOREVER. ANY PRIVATE IMPROVEMENTS PLACED IN SAID RIGHTS-OF-WAY AND/OR EASEMENTS SHALL BE PLACED AT NO RISK OR OBLIGATION TO THE PUBLIC AND MCLENNAN COUNTY AND THE COUNTY SHALL HAVE NO RESPONSIBILITY TO REPAIR OR REPLACE SUCH IMPROVEMENTS IF THEY ARE DAMAGED OR DESTROYED IN THE UTILIZATION OF THESE RIGHTS-OF-WAY AND/OR EASEMENTS. THE SALE OF THE LOT(S) SHOWN ON THIS PLAT SHALL BE MADE THEREWITH SUBJECT TO THE RESTRICTIONS AND CONDITIONS RECORDED IN THE TEXAS REAL PROPERTY RECORDS OF MCLENNAN COUNTY PERTAINING TO SAID SUBDIVISION.

____
CODY TURNER
TURNER BEHRINGER DEVELOPMENT LLC
1224 AUSTIN AVENUE, SUITE 330
WACO, TEXAS 76701

STATE OF TEXAS

COUNTY OF McLENNAN

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED ______________________, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN STATED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE ___ DAY OF ____________, 20___.

____
NOTARY PUBLIC, STATE OF TEXAS

SURVEYOR'S CERTIFICATION

I, TRAVIS QUICKSALL, DO HEREBY CERTIFY THAT I MADE AN ACTUAL AND ACCURATE SURVEY OF THE PLATTED LAND AND THAT THE CORNER MONUMENTS SHOWN ON THE FOREGOING PLAT WERE PROPERLY PLACED UNDER MY PERSONAL SUPERVISION, IN ACCORDANCE WITH THE SUBDIVISION REGULATIONS OF THE CITY OF HEWITT, TEXAS.

BY: ____________________
TRAVIS L. QUICKSALL
RPLS #6447

CERTIFICATE OF APPROVAL BY PLANNING & ZONING COMMISSION

THE STATE OF TEXAS §

COUNTY OF MCLENNAN §
APPROVED THIS ________________ DAY OF ____________________________, 20___, BY THE HEWITT PLANNING AND ZONING COMMISSION OF THE CITY OF HEWITT, TEXAS

____
CHAIRMAN

____
ZONING SECRETARY

COUNTY CLERK'S FILE NUMBER

FEMA FLOOD NOTE:
ACCORDING TO THE NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP FOR MCLENNAN COUNTY, TEXAS, MAP NUMBER 48309C0540D, EFFECTIVE DATE DECEMBER 20, 2019,THIS PROPERTY LIES IN ZONE "X", WHICH IS DEFINED AS AREAS DETERMINED TO BE OUTSIDE OF THE 100 YEAR FLOOD PLAIN. THE NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP IS FOR USE IN ADMINISTERING THE NATIONAL FLOOD INSURANCE PROGRAM; IT DOES NOT NECESSARILY IDENTIFY ALL AREAS SUBJECT TO FLOODING, PARTICULARLY FROM LOCAL DRAINAGE SOURCES OF SMALL SIZE, OR ALL PLANIMETRIC FEATURES OUTSIDE SPECIAL FLOOD HAZARD AREAS. THIS FLOOD STATEMENT DOES NOT IMPLY THAT THE PROPERTY AND/OR STRUCTURES LOCATED THEREON WILL BE FREE FROM FLOODING OR FLOOD DAMAGE. THE FLOOD HAZARD AREA IS SUBJECT TO CHANGE AS DETAILED STUDIES OCCUR AND/OR WATERSHED OR CHANNEL CONDITIONS CHANGE. THIS FLOOD STATEMENT SHALL NOT CREATE LIABILITY ON THE PART OF THE SURVEYOR.

QUICK INC. LAND SURVEYING DOES NOT MAKE OR WARRANT ANY FLOOD ZONE DETERMINATION

Quick Inc.
Land Surveying. Land Planning. Consulting.
Firm: 10194104 512-915-4950
1430 N. Robertson Road, Salado, Texas 76571

DATE: APRIL 22, 2021
JOB NO. 17-2038.4
SHEET 1 OF 5

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 5.

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Approval of minutes of the City Council Workshop/Regular Meeting for July 17, 2023.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached is a draft copy of the meeting minutes. Please review and advise if any corrections are needed.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

I move approval of the minutes as presented but to allow for corrections.

ATTACHMENTS:

1. 2023-07-17 Council Workshop Regular Meeting minutes

HEWITT
TEXAS

CITY COUNCIL REGULAR MEETING

July 17, 2023 at 6:00 PM
Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

MINUTES

Steve Fortenberry, Mayor, Ward 3
Erica Bruce, Mayor Pro Tem, Ward 3 – **Michael S. Bancale**, Council Member, At-Large
Johnny Stephens, Council Member, Ward 1 – **Johnny Price**, Council Member, Ward 2
Bob Potter, Council Member, Ward 2 – **Brad Turner,** Council Member, Ward 1

WORKSHOP MEETING - 6:00 PM

WORKSHOP DECLARATION OF A QUORUM AND CALL TO ORDER

Mayor Steve Fortenberry called the Workshop Meeting to order at 6:00 PM and announced a quorum was present. Council Member Michael Bancale attended the meeting remotely by video conference. Council Members Johnny Price and Johnny Stephens were absent.

WORKSHOP AGENDA

1. Presentation and discussion concerning FY 2023-2024 Proposed Operating and Capital Budget.
   City Manager Bo Thomas distributed an updated handout detailing the sales tax history and discussed sales tax revenue. He further reviewed the 2023 Preliminary Totals, 2023 Tax Rate Calculation Worksheet, Certificates of Obligation and the impact on the tax rate, cost of living adjustment, SAFER Grant, proposed Master Fee Schedule, and water rate plan.

WORKSHOP ADJOURNMENT

MOTION: Mayor Pro Tem Erica Bruce moved to adjourn the Workshop Meeting at 6:50 PM.
SECOND: Council Member Michael Bancale
AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: Price and Stephens
MOTION PASSED.

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

Mayor Steve Fortenberry called the Regular Meeting to order at 7:00 PM and announced a quorum was present. Council Member Michael Bancale attended the meeting remotely by video conference. Council Members Johnny Price and Johnny Stephens were absent.

PLEDGE OF ALLEGIANCE

Mayor Steve Fortenberry led the Pledge of Allegiance.

SPECIAL PRESENTATION(S) AND RECOGNITION(S)

2. Special presentation from the Hewitt Police Department.
   City Manager Bo Thomas presented Assistant City Manager Jim Devlin with his "Retired" Chief of Police badge. Devlin served 14 years with the Hewitt Police Department and 11 years as the Police Chief.

PUBLIC COMMENTS

The City Council invites citizens to speak on any topic not already scheduled for a public hearing. The Texas Open Meetings Act prohibits the Council from discussing, responding to, or acting on any comments or items not properly posted on the agenda. (Note: Members of the public who wish to speak must complete a "Public Comment Form" and present it to the City Secretary before the meeting.)
Mayor Steve Fortenberry read the statement above and inquired if the City Secretary received any public comment forms. The City Secretary received no public comment forms.

REGULAR AGENDA ITEMS

3. Approve minutes of the City Council Workshop/Regular Meeting of July 3, 2023.
   MOTION: Mayor Pro Tem Erica Bruce moved to approve the minutes but to allow for corrections.
   SECOND: Council Member Bob Potter
   AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: Price and Stephens
   MOTION PASSED.

4. Discussion and reminder concerning Cyber Security Training mandated by House Bill (HB) 3834.
   City Manager Bo Thomas reminded the Council of the required cyber security training and the deadline for completion by August 4, 2023.

5. Update on Hewitt Public Library policy.
   Library Director Waynette Ditto presented an update to the following library policies:
   - *Request for reconsideration of Library Materials Policy*
   - *Library Circulation Services Policy*
   - *Library Collection Development Policy*

6. Update on Texas Intrastate Fire Mutual Aid System (TIFMAS) Program Deployments.
   Fire Chief Jonathan Christian presented an update on the TIFMAS deployments to Perryton and Matador, TX, in response to tornado damage.

7. Briefing and discussion concerning Financial Statements ending June 30, 2023.
   City Manager Bo Thomas advised that Finance Director Lee Garcia previously sent the June Financial Statements electronically for the Council to review. He inquired if the Council had any questions. The Council raised no questions.

8. Discussion and possible action on approval of the Quarterly Investment Report for the quarter ending June 30, 2023.

   City Manager Bo Thomas presented a summary of the investment report prepared by Valley View Consulting, L.L.C.

   MOTION: Council Member Bob Potter moved to approve the quarterly report as of June 30, 2023.
   SECOND: Mayor Pro Tem Erica Bruce
   AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: Price and Stephens
   MOTION PASSED.

9. Discussion and possible action on the City of Hewitt's vote for Seat One of the McLennan County 9-1-1 Emergency Assistance District.

   City Manager Bo Thomas advised that the Council recently submitted their vote for the McLennan County 9-1-1 Emergency Assistance District. The election was conducted, and since neither of the candidates received more than 50% of the votes, a run-off between Ryan Holt and Henry Van Smith is being held.

   MOTION: Council Member Bob Potter moved to submit Ryan Holt as Hewitt's nominee.
   SECOND: Mayor Pro Tem Erica Bruce
   AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: Price and Stephens
   MOTION PASSED.

ADJOURNMENT
MOTION: Mayor Pro Tem Erica Bruce moved to adjourn the Regular Meeting at 7:48 PM.
SECOND: Council Member Michael Bancale
AYES: Bancale, Potter, Bruce, and Fortenberry
NAYES: None
ABSENT: Price and Stephens
MOTION PASSED.

Approved:**___________________________**

ATTEST:

______________________________ ______________________________

Lydia Lopez, City Secretary Steve Fortenberry, Mayor

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 6.

SUBMITTED BY: Miles Whitney, P.E.

ITEM DESCRIPTION:

Presentation of the report from City Engineer Miles Whitney, P.E.

- Update on pending utility projects.
- Update on pending street projects.
- Update on pending drainage projects.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City Engineer will present and respond to any questions regarding the Engineer's Report.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

No action is required.

ATTACHMENTS:

1. Hewitt-PR-8.1.23

HEWITT
TEXAS

CITY ENGINEER'S REPORT
August 1, 2023

Utility Projects

Chaparral, Crescent, and Will Boleman

Contracts have been executed and we are finalizing a date for a public meeting. Construction should proceed by mid to late August.

Commerce Park Plant Improvements

- Well
  Plans are being completed once material availabilities are worked out.
- Plant
  - Design work for the civil portion is being completed and electrical design is progressing.

Street/Transportation Projects

Chaparral, Crescent, and Will Boleman

Refer to update above.

E. Wall and Briarfield

ROW survey and topo has been received and is being reviewed, preliminary design has begun.

Drainage Projects

N/A

By:

STATE OF TEXAS
MILES W. WHITNEY
116154
LICENSED
PROFESSIONAL ENGINEER

Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 7.

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Discussion regarding the economic development grant (380 agreement) with Rosa's Cafe.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached is supporting documentation of the original agreement between the City of Hewitt and Rosa's Cafe (The BDC Family Limited Partnership) to reimburse the amount of $100,000. All conditions have been met and I just wanted the Council to be informed prior to releasing the grant funds.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

No action required.

ATTACHMENTS:

1. Rosa's Final
2. Rosa's Signed Agreement
3. Rosa's Supporting Documentation
4. Rosa's Communications

BOBBY COX Companies, Inc.

Augustus Plaza
5000 Overton Plaza, Suite 300
Fort Worth, Texas 76109
(817) 377-6200 ▪ Fax (817) 377-6201

Mr. Bo Thomas
City Manager
City of Hewitt
200 Patriot Court
Hewitt, Texas 76643

Re: Details of Start up expenses and employee breakdown

Dear Bo:

Again, I'm making excuses, but I do work hard at my job, and honestly don't ever take time off, but it seems that the activity surpasses my productivity. Please find in this letter the information that I think the City and you are wanting to know about our start-up cost and our productivity. The restaurant is doing well and we are excited about being a part of the Hewitt community.

Please find below what I hope are the relevant pieces of information that you need , but don't hesitate to give me a call with any questions or need for additional information:

Opening Date: February the 4th, 2022
Land Acquisition Cost: $1,800,000.00
Demolition expense to raise the Bank Building: $162,433.00
Cost of improvement and FF&E: $4,255,948.00 FF& E: $982,942.26
Total Estitmated expense of the property, demo and improvements**: $7,201,323.26**

Projected Numbers:

Employment of approximately 75 individuals
80 % full time: 60 full time
20 % part time: 15 part time
Average hourly wage: $13.75 per hour
Projected annual sales based on 7 months experience: $5,500,000.00 per year

We believe that this information is reliable and know that numbers from every aspect can and will fluctuate, but we hope we are being conservative in our projections.

We can't express our appreciation enough for the City of Hewitt for this incentive and for welcoming us with open arms. We certainly plan to reciprocate with our service and participation in the community.

Bo, thank you and your City staff for all that you have done.

Please feel free to call me at any time with any concerns or questions and we look forward to a long and profitable stay in Hewitt.

Sincerely,

Gerald Borron
Real Estate Director
Bobby Cox Companies, Inc.
5000 Overton Plaza, Suite 300
Fort Worth, Texas 79701
Direct Line: 817-377-6264
Cell: 817-991-2110

BOBBY COX Companies, Inc.

Augustus Plaza
5000 Overton Plaza, Suite 300
Fort Worth, Texas 76109
(817) 377-6200 ▪ Fax (817) 377-6201

November 30,2020

Mr. Bo Thomas
City Manager
City of Hewitt
200 Patriot Court
Hewitt, Texas 76643
(254)666-6171

Re: Project Performance Agreement
City of Hewitt and BDC FAMILY LIMITED PARTNERSHIP

Dear Mr. Thomas:

Please find enclosed two signed originals of the Performance Agreement per your request. The BDC FAMILY LIMITED PARTNERSHIP is very appreciative of the welcome reception that we have received from the City of Hewitt and especially for this economic incentive.

We are anxious to establish another Rosa's store in the area. If you could return one of the signed originals after City Approval for our records, it would be much appreciated. We will look forward to working with you and reporting our progress as we get the building constructed.

Please feel free to give me a call anytime if you have any questions.

Gerald Borron

Gerald Borron

Real Estate Director
Bobby Cox Companies, Inc.
5000 Overton Plaza, Suite 300
Fort Worth, Texas 76109
Direct: (817) 377-6264
Cell: (817)-991-2110

PROJECT PERFORMANCE AGREEMENT BETWEEN THE CITY OF HEWITT AND BDC FAMILY LIMITED PARTNERSHIP

This Project Performance Agreement is entered into by and between the City of Hewitt, Texas (hereinafter "City") and BDC Family Limited Partnership (hereinafter "Business").

1. Program Project

1. The Business proposes to construct and operate an Rosa's Café store at 703 N. Hewitt in Hewitt, McLennan County, Texas, and being more specifically described as set forth in Exhibit "A" attached hereto and incorporated herein (hereinafter "Property"). Business will make a capital investment of at least $2,750,000 (hereinafter "Project").

The Business proposes that the Store will start operations by January 1, 2022; barring extensions required by matters beyond its control (hereinafter "Operations Date").

The store is expected to employ a mixture of at least 60 full and part-time positions with an average wage of $12.50 per hour.

Projected sales revenues from the store are $5,000,000 annually.

2. Commitment and Incentives. Business agrees to construct the Project and to begin operations by the Operations Date (hereinafter "Development Requirements"). In return for the Business' agreement to meet the Development Requirements, the City agrees to pay an economic development grant to the Business as authorized by Chapter 380 of the *Texas Local Government Code* and the City's Chapter 380 Economic Development Program. The Grant is further described in Sections 3 and 4 below. The primary purpose of the grant is to fund the demolition of the existing bank building which is not laid out for other business uses and is an impediment to economic development.

3. Grant

3.1 Definitions.

"Grant" means a Chapter 380 Economic Development grant as authorized by Chapter 380 of the *Texas Local Government Code* and the City's Chapter 380 Economic Development Program. This Grant is not a sales tax rebate, rather, the amount of the grant is tied to a percentage of sales taxes generated by the Business and received by the City for purposes of providing a logical calculation.

"Agreement Year" means a calendar year within the term of this Agreement.

"Base Year" means the calendar year when this Agreement is signed-2020.

"Base Year Amount" means the total City sales tax collected by operations on the Project Premises during the Base Year. Given that there are no ongoing operations, the base year amount is $0.

"City's Sales Tax Rate" The current aggregate sales tax rate in the City as of the Effective Date is eight and one-quarter percent (8.25%), of which one and one-half percent (1.5%) represents the City's sales tax rate.

"Net Sales Tax Revenues" means the City sales tax revenues collected by the Business in excess of the Base Year Amount, less any refunds by the Business or required to be made by the City.

"Annual Grant Amount" is the amount of the grant to be paid to the Business at the end of the Agreement Year.

"Total Grant Amount" is the not-to-exceed total of all grant funds that the Business is eligible to receive under this Agreement, which is not to exceed $100,000. The Grant shall end when the not to exceed $100,000 cap is reached, regardless of whether additional time remains on the Grant Term. If the not to exceed $100,000 cap is reached during an Agreement Year, the Annual Grant Amount payable to the Business will be pro-rated.

"Grant Percentage" means the percentage provided in this Agreement to be applied in each Agreement Year to the Net Sales Tax Revenues to arrive at the Grant Amount.

"Grant Period" means the total number of Agreement Years during which the Business is eligible for a grant, which is a period of seven (7) calendar years following the start of the Business' operations.

3.2 <u>Calculation</u>.

City Sales Tax Collections attributable to the Business in Agreement Year – Base Amount and refunds = Net Sales Tax Revenues x Grant Percentage = Annual Grant Amount.

If the Business begins operations during an Agreement Year, the Annual Grant Amount will be determined on a prorated basis for the remainder of that Agreement Year, which shall count as the first Agreement Year against the Grant Period. By written election provided to the City the Business may elect to have the Grant Period start on the next January 1 instead of during a partial calendar year. If such an election is made, Business will not be entitled to any Grant Amount for the partial year.

3.3 <u>Payment</u>. The Annual Grant Amount for an Agreement Year does not become payable until the City receives full payment from the state comptroller of its share of sales taxes for the calendar year constituting the Agreement Year. Payment shall be made to the Business by the City within 30 days after receipt of payment in full of the City's share of sales taxes for the Agreement Year. The total of all Annual Grant Amounts shall not exceed the Total Grant Amount.

3.4 <u>Compliance with Development Requirements</u>. Payment to Business of any Grant funds under this Agreement is subject to the Business complying with its Development

Requirements. The effect of non-compliance is addressed in Section 6 below.

4. Grant Period and Percentage. The economic development grant provided to the Business by the City under this Agreement shall:

a) Be for a Grant Period of seven (7) years; and

b) Be at a Grant Percentage of seventy (70%) percent per year.

The Grant Period is subject to when the Total Grant Amount of not to exceed $100,000 is reached. Once the Total Grant Amount is reached the Grant ends, even if years remain under the Grant Period. In no circumstance will the total of all Annual Grant Amounts paid to the Business exceed the Total Grant Amount. If the Total Grant Amount is reached during an Agreement Year, the Grant does not apply to the rest of the year.

5. Reporting and Provision of Information.

5.1 General. The Business would necessarily have to meet its Development Requirements for the Grant to begin, it is important that the City receive information during the Project, and before the Operations Date.

5.2 Reports During Development and Construction. At least quarterly during the development and construction of the Project, the Business shall provide a written report to the City Manager showing the percentage of completion of the Project, the estimated completion date of the Project, and whether the Business is still on target for the Operations Date.

5.3 Capital Investment Verification. Prior to the Operations Date the Business shall provide the City Manager with a reasonably itemized summary of Project costs to verify that the capital investment promised has been made by the Business. The City Manager or his/her designee shall have the right to inspect records supporting the cost summary upon reasonable request.

5.4 Extension of Operations Date. The Operations Date is fixed as set forth above and shall only be extended when required due to matters clearly outside of the control of the Business. The Business must submit a written request for extension to the City Council which identifies in detail the reasons that the extension is needed. The City Council will not unreasonably withhold an extension however, it may deny an extension if the Business fails to show that the matter(s) requiring the extension were clearly beyond its control. The total of all extensions may not exceed 180 days.

6. Breach by Business.

6.1 General. If the Business builds nothing and/or never begins operations the Grant never begins and that is the remedy for the breach, therefore, the breaches addressed hereunder are less than complete breaches. These are:

a. failure to meet the $2,750,000 capital investment requirement;
b. failure to begin operations by the Operations Date (including any extensions

granted);

c. failure to provide required reports; and/or

d. failure to provide a Project cost summary to verify capital investment or to allow a review of supporting documents as required herein.

In the instance of one or more of these breaches the Total Grant Amount will be reduced on a set pro-rata basis. For (a), failure to provide at least 75% of the capital investment is a complete breach and shall result in cancellation of the Grant.

6.2 Breach of Capital Investment Requirement. Failure to provide at least 75% of the capital investment is a complete breach and shall result in cancellation of the Grant. Reductions in the Total Grant Amount for capital investment equal to or more than 75% of the required capital investment, but less than 100% will be addressed by reducing the Total Grant Amount by the percentage deficiency in capital investment. For example, if the Business achieves 90% of its capital investment requirement, the Total Grant Amount is reduced by 10%.

6.3 Failure to Begin Operations by the Operations Date (including any extensions granted). Failure to meet the Operations Date (plus approved extensions) will result in reductions to the Total Grant Amount as follows:

a. 1-12 months of delay—reduction of 1% per month; and
b. Delay exceeding 12 months---reduction of 5% per month.

6.4 Failure to Provide Reports. The City Manager and the Business shall set a date when the first report is due. Thereafter, a report is due every three months. The City Manager shall send the business a notice that its report is due at least 10 days before the due date. If the Business has been given the notice and still fails to provide a report, a warning will be given in writing to the Business by the City Manager that if it fails to provide a report within 10 days of the warning, a 1% reduction will be made to the Total Grant Amount. If the Business still fails to provide a report, a 1% reduction is made to the Total Grant Amount.

6.5 Failure to Provide Cost Summary Verification or Allow Review of Supporting Documents. If the Business fails to provide a Project cost summary verifying its capital investment or refuses to allow the City Manager or designee to review the supporting documents on reasonable request, the Grant shall be suspended until such time as the Business complies.

6.6 Reductions are Cumulative. The reductions to the Total Grant Amount set forth above are cumulative of one another.

7. Additional Requirements and Terms.

7.1 Business shall keep the Project insured against loss or damage by fire or any other casualty.

7.2 Inventory does not count as capital investment.

7.3 The City, by approving this Agreement, assumes no liability or responsibility therefore or for any defect in said Project. The relationship between parties at all times shall NOT be deemed a partnership or joint venture for purposes of this Agreement, or any other purpose.

7.4 If on account of any breach or breach by Business of its obligations under the terms, conditions, or covenants of this Agreement, it shall be necessary for City to employ or engage an attorney or attorneys to enforce or defend any of the rights or remedies hereunder, and should City prevail, City shall be entitled to any reasonable attorney's fees, costs, or expenses it incurs in connection herewith.

7.5 If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective while this agreement is in effect, such provision shall be automatically deleted from this agreement and the legality, validity and enforceability of the remaining provisions of this agreement shall not be affected thereby.

7.6 This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder are performable in McLennan County, Texas. Venue of any dispute under or arising out of this Agreement shall be in a court of competent jurisdiction in McLennan County, Texas.

7.7 This Agreement and its attachments constitute the sole and only Agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter hereof. No representations outside of this Agreement are being relied upon by the parties.

7.8 No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

7.9 The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

7.10 This Agreement is binding on the parties and their respective successors, heirs and assigns.

7.11 This agreement may be executed in multiple counterparts, each of which constitutes an original.

7.12 The City acknowledges that Business has completed and submitted to the City a Form 1295 as required by Section 2252.908 of the Government Code and agrees to acknowledge such receipt on the Texas Ethics Commission website.

7.13 As required by Chapter 2264 of the Government Code Business has executed the certification regarding the hiring of undocumented aliens attached hereto as Exhibit "B", the terms of which are incorporated herein,

7.14 As provided by Section 2270.002, Government Code, Business certifies that it does not boycott Israel, Business acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

7.15 Pursuant to Subchapter F, Chapter 2252, Texas Government Code, Business certifies Business (1) is not engaged in business with Iran, Sudan, or a foreign terrorist organization. Business acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

7.16 This Agreement shall be considered a "contract subject to his subchapter" under Section 271.152 of the Local Government Code for purposes of enforcement of this Agreement.

AGREED:

BDC Family Limited Partnership

BY: Britt Lane
BRITT LANE
ITS: PRESIDENT

DATE: 11/30/20

Also by and through its General Partner:

Bobby and Leona Cox, LLC

By: Bobby Cox
Bobby Cox
Date: 11/30/20

City of Hewitt, Texas

BY: ______________________________
BO THOMAS
ITS: CITY MANAGER

DATE: ____________________________

Attest:

____
LYDIA LOPEZ, CITY SECRETARY

Jurisdiction	Hewitt	
Report Date	Jul-23	
Company	ROSA'S CAFE & TORTILLA FACTORY LTD.	
Address	5000 OVERTON PLZ STE 300	FORT WORTH, TX 76109
ID	17526869270	
NAICS Code	722513	

Payment History

	2022	2023	
Jan		5,818.32	
Feb		6,571.15	
Mar		5,943.53	
Apr	7,617.85	5,566.98	
May	7,781.54	5,944.72	
Jun	7,276.09	(274.48)	
Jul	7,427.51	6,412.12	
Aug	6,341.50		
Sep	12,713.38		
Oct	6,514.86		
Nov	6,256.78		
Dec	6,420.56		
Total	**68,350.07**	**35,982.34**	**104,332.41**

Bo Thomas

From: Mike Dixon <mdixon@haleyolson.com>
Sent: Wednesday, July 13, 2022 2:41 PM
To: Bo Thomas
Subject: RE: 380 agreement-Rosa's

That looks good enough to me.

HALEY OLSON

ATTORNEYS AT LAW

100 N. Ritchie Road, Suite 200

Waco, Texas 76712

Phone: 254-776-3336

Fax: 254-776-6823

Email: mdixon@haleyolson.com

From: Bo Thomas <bthomas@cityofhewitt.com>
Sent: Wednesday, July 13, 2022 2:36 PM
To: Mike Dixon <mdixon@haleyolson.com>
Subject: 380 agreement-Rosa's

Mike,

Please see the attached. Is this acceptable documentation to begin dispensing their grant?

Bo Thomas
City Manager
City of Hewitt

HEWITT
TEXAS

200 Patriot Court
Hewitt, TX 76643
(254)666-6171

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 8.

SUBMITTED BY: Scott Coleman, Director of General Services

ITEM DESCRIPTION:

Discussion and possible action regarding the authorization of a contract for Slurry Seal services with Viking Construction for the amount of $125,435.39.

STAFF RECOMMENDATION/ITEM SUMMARY:

The purpose of this service is to slurry seal 10 streets throughout the City. Slurry sealing helps to smooth and extend the lifespan of the streets. Cracks and surfaces left unsealed will allow water to penetrate the asphalt, which can cause damage to the asphalt and to the base beneath it.

For more information regarding the street location and quantities, please see the attached street list and proposal. The proposed pricing is provided through the City of Hewitt and City of Grand Prairie interlocal agreement. There is $125,000.00 designated for slurry seal in the FY 2022-2023 Budget. This service is part of the City Of Hewitt Strategic Plan.

FISCAL IMPACT:

Amount Budgeted -$125,000.00
Line Items in Budget:
10-50620-50-02 $125,000.00
10-50340-50-02 $435.39

SUGGESTED MOTION:

I move approval to authorize the contract for Slurry Seal services from Viking Construction for the amount of $125,435.39.

ATTACHMENTS:

1. Street list
2. Hewitt 2023 Estimate

Viking Street List and Cost Worksheet

2023 Hewitt St. list					
		L	W	SY	Cost
Applewood	Pinewood - Lindenwood	1277	28	3,972.89	$ 12,713.24
Applewood	CUL-DE-SAC		78'	531.00	$ 1,699.20
Bonham	100 Block	1190	27	3,570.00	$ 11,424.00
Hillside	200 to Attaway	1296	27.5	3,960.00	$ 12,672.00
Chelsea	Spring Valley Rd. - EOP	1863	27	5,589.00	$ 17,884.80
Coventry	Spring Valley Rd. - EOP	1864	27	5,592.00	$ 17,894.40
Buckingham Place	Westchester Way - Kingsbury Way	1373	27	4,119.00	$ 13,180.80
Kingsbury Way	Coventry - Chelsea	894	27	2,682.00	$ 8,582.40
Westchester Way	Coventry - Chelsea	893	27	2,679.00	$ 8,572.80
Waterford	AC change to Chelsea	332	27	996.00	$ 3,187.20
Industrial	Spring Valley Rd. - I-35 access	1637	27	4,911.00	$ 15,715.20
Industrial	Widening	115	33	421.67	$ 1,349.33
Industrial	Widening	45	35	175.00	$ 560.00
				39,198.56	**$125,435.38**

PROPOSAL

VIKING CONSTRUCTION

SLURRY SEAL AND MICROSURFACING
ASPHALT PAVEMENT PRESERVATION
2592 SHELL ROAD GEORGETOWN TEXAS
512-930-5777 OFFICE, 512-966-9106 CELL
AN EQUAL OPPORTUNITY EMPLOYER

EMAIL
VCISS.COM
DAN@VCISS.COM

PROPOSAL SUBMITTED TO		PHONE		DATE
City of Hewitt, Tx.	Attn: Scott Coleman	254-666-2447		07/19/23
STREET		JOB NAME		
		Hewitt Slurry Seal		
CITY, STATE AND ZIP CODE		JOB LOCATION		Proposal #
		Various streets in Hewitt		

Member of Texas Associated General Contractors Association and the International Slurry Surfacing Association

Proposal Item Description		Quantity	Unit	Unit Price	Total
-					
Slurry Seal Type II material Various streets		39,199	SY	$3.20	$125,435.39
Quote inlcudes cleaning the streets before surfacing, traffic control, and the application of the Slurry Seal					
Quote does not include any base repair, crack seal, pavement markings or marking removal					

Attachment A is part of this proposal and agreement

All materials 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 costs will be executed only upon written orders, and will become an extra charge over and above the

AUTHORIZED SIGNATURE ______________________
Dan Welsh

estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, flood, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

NOTE: This proposal may be withdrawn by us if not accepted within __10___ days.

ACCEPTANCE OF PROPOSAL: The above prices, specifications and conditions including Attachment A are satisfactory and are hereby accepted. Viking Construction is authorized to do the work as specified. Payment will be made as outlined above. City of Hewitt, Tx. to pay for all collection costs if payment is not made as agreed

Date of Acceptance:______________________ Name of Firm: City of Hewitt, Tx.

Please approve proposal to have project scheduled By: ______________________

Owner or owners representative Title

PROPOSAL SUBMITTED TO	PHONE	FAX	DATE
City of Hewitt, Tx.	254-666-2447	0	07/19/23
	JOB NAME		PROPOSAL #
Attachment A FOR JOB NAME	Hewitt Slurry Seal		0

GENERAL CONDITIONS & EXCLUSIONS

Due to the current unstable crude oil prices ALL PRICES ARE BASED ON CURRENT CRUDE OIL PRODUCT PRICES. Market price for oil products including fuel, lubricants, asphalt materials and liquid asphalt are current, are extremely unstable, and are subject to change at any time.

Any increase in oil products and or asphalt prices from date of proposal will be passed on to Owner.

Security, if required, to be furnished by Owner. No retention on the work to be held

Payment shall be made as the work progresses in an amount equal to the value of the work done, less the sum of any previous payments. The entire amount of the contract to be paid within 30 days after completion.

Interest will accrue at the rate of 1.5% per month on any unpaid balance remaining at 60 days from invoice date.

If proposal is accepted, entire proposal including all conditions and exclusions must be made part of contract.

Unit prices shall prevail, Excludes any item not specifically listed above. Excludes removal of hazardous waters if encountered.

Motor oil spots to be scraped or treated but due to the penetration of the oil into the existing asphalt surface the material may not bond to these areas

Proposal to include the following:

1. Slurry Seal to meet VIKING CONSTRUCTION Slurry Seal Material Specifications.
2. Traffic control by work area or road closure and barricading of parking areas by area closure
3. Unit prices to prevail above the minimum amount quoted. Overruns at the unit prices quoted or by dividing the lump sum by the quantity
4. Water and stockpile site for slurry seal operations included
5. Covering of utilities to include metal manhole covers and water valves, owner to locate and mark items to be protected.

6 Viking Construction is not responsible for any sub-base problems or any damage to the asphalt or underground items due to the weight of the machinery required to complete the work

Proposal items not included:

1. Any item not specially included
2. Removal or ~~installation~~ of any pavement markings including buttons, markers, reflectors, striping, etc.
3. Testing if required by owner Public Agency Owner Project Quality Control Program and Quality Assurance Programs
4. Traffic control plan and traffic control. Plan and traffic control can be obtained for an additional cost
5. Inspection costs and notifications of agencies or others affected by the work.
6. Surveying, layout, locating underground access valve covers or manhole covers.
7. Complete elimination of any drainage problems, cracking or base failures, asphalt repairs, divot patching, concrete work
8. Removal of vehicles and items from work area.
9. ~~All sweeping and surface cleaning~~
10. ~~Surface preparations prior to slurry seal~~

Notes in reference to seal coat and slurry seal

1. The complete elimination of any drainage problems or reflective cracking is not intended or guaranteed.
2. Power steering turning marks are normal and should not be cause for concern
3. The new surface to remain tender for a few weeks and during hot temperatures.
4. Viking Construction is not responsible for damage to finished surface by power steering turning, garbage trucks, landscapers, human, vehicle or animal tracking of the fresh material.
6. Parking stall oil spots to be ground, or other wise treated, but due to penetration of the vehicle oil into the asphalt, adhesion of the slurry seal in these areas cannot be guaranteed.
7. Ravel sweeping and all sweeping and cleaning of the surface are not included
8. Work area to be accessible to slurry equipment and project to be completed while crew is in the area
9. Retention not to be held on Viking Construction portion of the work
10. Owner to keep water off of the new slurry seal surface for 2 hours after setting and dry for traffic

Viking Construction is a non-union contractor and will complete the work on a non-union basis, with non-union open merit shop employees only.

Viking Construction will not sign or become signatory to any union or sign any labor agreements

Viking Construction will not contribute or pay into any organized labor funds

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 9.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2023-05** declaring the official intent of the City of Hewitt, Texas, to reimburse expenditures incurred with respect to certain projects or programs or certain funds with the proceeds of debt.

STAFF RECOMMENDATION/ITEM SUMMARY:

On August 15, 2022, the City Council approved the financing of vehicles and equipment in the amount of $316,304. During the fiscal year, items were purchased and received. Staff is requesting a resolution of intent to reimburse these expenditures with financing approved in the current budget.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

I move approval of **Resolution No. 2023-05** declaring the official intent of the City of Hewitt, Texas, to reimburse expenditures incurred with respect to certain projects or programs or certain funds with the proceeds of debt.

ATTACHMENTS:

1. Reimbursement Resolution

RESOLUTION NO. 2023-05

A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE CITY OF HEWITT, TEXAS, TO REIMBURSE EXPENDITURES INCURRED WITH RESPECT TO CERTAIN PROJECTS OR PROGRAMS OR FROM CERTAIN FUNDS WITH THE PROCEEDS OF DEBT

WHEREAS, to facilitate an efficient borrowing program, the City of Hewitt, Texas, (the "Issuer") intends to expend money on certain projects or programs or from certain funds prior to the issuance of debt by the Issuer for such purposes; and

WHEREAS, the Issuer intends to reimburse such expenditures from the proceeds of debt to be issued by the Issuer; and

WHEREAS, to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, and Section 1.150-2 of the Income Tax Regulations, it is necessary, in order to reimburse such expenditures with the proceeds of tax-exempt debt, that the Issuer declare its official intent to make such a reimbursement of expenditures;

NOW, THEREFORE, BE IT RESOLVED by the City of Hewitt, Texas, as evidenced by this Resolution, the Issuer intends to expend money on the cost of the capital items described in Exhibit A attached hereto prior to the issuance of lease financing to reimburse such expenditures. With respect to such projects, the Issuer reasonably expects to issue debt for these projects in the estimated maximum principal amount of $315,000.

PASSED AND APPROVED this the 7th day of August 2023.

CITY OF HEWITT, TEXAS

____
Steve Fortenberry, Mayor

ATTEST:

____
Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Michael W. Dixon, City Attorney

EXHIBIT A

DESCRIPTION OF CAPITAL ITEMS

Caldwell Automotive- 2022 Tahoe SUVs-PD (2)
Bird Kultgen- 2023 F150-UF Maintenance Dept.
Tyler Technologies-Ticket Writers (6)
Extraco – PCs for Library (6)
Clark Equipment-BobCat Grader-Streets
Clark Equipment-BobCat Planer-Streets
NAFECO, Skid Unit-Fire Department

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 10.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2023-06** approving the financing terms with Cogent Bank for various capital items.

STAFF RECOMMENDATION/ITEM SUMMARY:

City staff sent out bids to fifteen potential lenders for financing in the amount of $315,000 for PD Tahoes (2), ticket writers, an F150, Library PCs, a BobCat Grader, a BobCat Planer and a FD Skid Unit. Emails were sent on July 14, 2023, and reminders on July 19, 2023. Three bids were received by July 20, 2023, 11 a.m. Following is a summary of bids received. Staff recommends approving the bid from Cogent Bank for a term of three years at a rate of 4.27%.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

I move approval of **Resolution No. 2023-06** approving the financing terms with Cogent Bank for various capital items for a term of three years at the rate of 4.27%.

ATTACHMENTS:

1. 2023-06 Resolution-Cogent Bank Financing
2. Bid Results
3. Cogent-Term Sheet

<u>Resolution No. 2023-06</u>

A RESOLUTION OF THE CITY OF HEWITT, TEXAS, APPROVING THE FINANCING TERMS WITH COGENT BANK FOR THE PURCHASE OF VARIOUS CAPITAL ITEMS

WHEREAS: The City of Hewitt, Texas ("Borrower") has previously determined to undertake a project for the financing of various vehicles and equipment (the "Project"), and the finance officer (the "Finance Officer") has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Borrower hereby determines to finance the Project through Cogent Bank ("Lender") in accordance with the proposal dated <u>July 19, 2023.</u> The amount financed will not exceed <u>$315,000.00,</u> the annual interest rate (in theabsence of default or change in tax status) will not exceed <u>4.27%,</u> and the financing term will not exceed <u>3</u> years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") will be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes will not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents will be in such final forms as the Finance Officer will approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Borrower will not take or omit to take any action the taking or omission of which will cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower's official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower's general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution will take effect immediately.

PASSED AND APPROVED this the 7th day of August 2023.

CITY OF HEWITT, TEXAS

____
Steve Fortenberry, Mayor

ATTEST:

____
Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Michael W. Dixon, City Attorney

Results from Lease Financing Bid for $315,000

Bids Received by 11 am on 7/20/2023:
Notice Emailed to all who had expressed interest in bidding on future financing: 15 potential bidders.

Bidder	Contact		3 yr Term	4 yr Term	5 yr Term	Addtl Fees
Cogent Bank	Mike Horkey		4.27%	4.28%	4.29%	$ -
		Annual	$ 114,091.94	$ 87,352.73	$ 71,334.98	
		Total	$ 342,275.82	$ 349,410.92	$ 356,674.90	
First Government	Dean Palmer		5.00%	5.50%	6.00%	$ -
		Annual	$ 126,000.00	$ 100,406.25	$ 85,680.00	
		Total	$ 378,000.00	$ 401,625.00	$ 428,400.00	
KS State Bank	David Burr		7.40%	7.28%	7.16%	$ -
		Annual	$ 120,909.49	$ 93,585.38	$ 77,154.98	
		Total	$ 362,728.47	$ 374,341.52	$ 385,774.90	

Cogent Leasing and Financing, Inc.
420 S Orange Ave., Suite 850
Orlando, FL 32801
Phone: (410) 409-7579
Email: mhorkey@cogentbank.net

July 19, 2023

Lee H. Garcia, CPA, CGFO
Finance Director
City of Hewitt
200 Patriot Court
Hewitt, TX 76643

Via Email: financedirector@cityofhewitt.com

RE: Financing Proposal for Essential Use Equipment

Dear Mr. Garcia:

Cogent Leasing and Finance, Inc. is pleased to present this proposal for tax-exempt lease financing to the City in connection with purchase of various essential-use items.

Lessee: City of Hewitt, Texas

Lessor: Cogent Leasing and Financing, Inc.

Type of Financing: Tax-exempt lease financing. The Lease will constitute a "state or local bond" with the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended.

Net Obligation: The lease shall be a net lease arrangement whereby Lessee is responsible for all costs of operation, maintenance, insurance, and taxes. Payments due under the lease agreement shall be based on the annual appropriation of funds during each year of the lease.

Equipment: Various items of essential-use equipment as more fully described in Lessee's RFP.

Total Equipment Cost: $315,000.00 (+/- 10%)

Total Lease Amount: $315,000.00 (+/- 10%)

Lease Terms: Either three (3), four (4) or five (5) year terms, each with annual payments in arrears.

Lease Rates:

Three (3) Year Lease Term:	4.27%
Four (4) Year Lease Term:	4.28%
Five (5) Year Lease Term:	4.29%

Rental Payments:	Please refer to Exhibits A, B and C Sample Amortization Schedules
Anticipated Closing Date:	On or before August 18, 2023
Rate Lock:	The indicated Lease Rates will be fixed until August 18, 2023. If, for any reason, the Lease is not closed by August 18, 2023, the Lessor may adjust the Lease Rate, at its discretion, five (5) days prior to the Lease Funding Date.
Pre-Payment Premium:	Lessee may prepay the Lease in full, but not in part, on any payment due date for 102% of the then outstanding principal balance.
Tax Status:	Lessee will designate the lease as a qualified obligation (Bank Qualified), stating that the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during the 2023 calendar year will exceed ten million dollars ($10,000,000). The interest portion of the rental payments under the lease will be excludable from the gross income of Lessor for federal income taxation purposes. Upon a determination that the interest component of the rental payments under the lease is includable in gross income of Lessor for federal income tax purposes, the interest rate on the lease will increase to a rate sufficient to restore Lessor to its after-tax yield from and after the date such interest became includable in Lessor's gross income, and taking into account all penalties, fines, interest and additions to tax.
Reimbursement:	If Lessee intends to be reimbursed for any Equipment costs associated with this Agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced and must qualify under Treasury Regulation Section 1.150.2.
Escrow Funding:	Proceeds of the Lease will be deposited with Cogent Bank at no cost to Lessee. Payments to vendors will be made directly out of the escrow account upon the delivery to and acceptance of the Equipment by the Lessee. Lessor will maintain a security interest in the Escrow account.
Authorization:	Lessee's governing board shall provide Lessor with its resolution or ordinance authorizing this Agreement and shall designate the Individual(s) to execute all necessary documents used therein.
Legal Title:	Title to the Equipment will be in the name of the Lessee, subject to Lessor's interests under the lease agreement.
Legal Opinion(s):	Lessee's counsel shall furnish Lessor with an opinion with respect to Lessee's obligations under the lease documents described herein. This opinion shall be in a form and substance satisfactory to Lessor.

Costs and Expenses of Lessor: Waived

Documentation: Lease documentation will be furnished by Lessor. The documentation for the Lease will contain covenants, representations and warranties usual and customary for transactions of this type and others appropriate to the transaction. All documentation to be executed in connection herewith shall be in satisfactory form and substance to Lessor.

Insurance: Lessee shall furnish of (a) all risk physical damage insurance coverage for the full replacement cost of the Equipment, (b) $1 million combined single limit liability insurance. Lessor shall be named as loss payee on casualty insurance and additional insured on liability insurance.

Financial Statements: Lessee shall provide to Lessor financial statements for at least the last three consecutive years of financial information, as well as a current budget, demographics, and proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue the lease agreement as may be reasonably requested by Lessor.

Assignment: Lessor may sell, assign or encumber all or any part of its right title and interest in any potion or all of the lease agreement including, without limitation, an assignment, transfer or conveyance to a trustee as part of a multiple asset pool to a partnership or trust or similar transaction; provided, however, in no event shall the Lessor assign such interests as a public offering. Lessee consents to a private placement transaction within the meaning of applicable federal securities laws. The lease agreement may be offered and sold solely to one or more persons who are reasonably believed to be qualified institutional buyers or accredited investors.

Disclosure: Lessor is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and does not provide financial or tax advice.

Proposal Expiration: Lessee must notify Lessor that the Lessor is the apparent winner of the bid by August 4, 2023, otherwise this Proposal shall expire unless extended, in writing, by Lessor.

Credit Due Diligence: In order for Lessor's credit administration group to expedite its review of this transaction, lessor will require the following information:

- 3 most recent years of audited financial statements (received)
- Most recent Interim financial statements
- Most recent financial projections
- Related invoices, purchase orders and / or vendor quotes
- Documentation referenced throughout the RFP and this Proposal

Additional information may be requested during the underwriting process.

This Proposal is a summary regarding the financing transaction on the general terms and conditions outlined herein. This Proposal is not intended to and does not create any binding legal obligation on the part of either party. Credit, legal and investment approval have not yet been obtained for the amount or other aspects of the proposed financing, and after obtaining the same, any commitment will be subject to the negotiation, execution and delivery of final legal documentation acceptable to all parties and their counsel.

Lessor may change the terms or cease future consideration of the financing at any time without liability to Lessee. In any event, the terms and conditions of this Proposal, shall be superseded by and shall no longer be effective upon the execution and delivery of final legal documentation with respect to this proposed transaction.

This Proposal does not purport to summarize all of the terms and conditions upon which the lease is to be based, which terms and conditions would be contained fully in final documentation and indicates only the principal term and conditions under which the transaction will be considered.

--Signature Page Follows--

It is a pleasure to offer this financing proposal to the City. We hope that our genuine excitement regarding the opportunity shines through in our response. And as always, please don't hesitate to reach out with any questions.

Very truly yours,

Michael J. Horkey

Michael J. Horkey
President

Agreed to and Accepted by:
City of Hewitt, Texas

By: ____

Name: ____

Title: ____

Date: ____

Exhibit A
Sample Three (3) Year Amortization Schedule
Annual Payments

Amortization Report 07/20/2023 1:16 PM					
Compounding Period:		Annual			
Nominal Annual Rate:		4.27%			
Cash Flow Data - Loans and Payments					
	Event	**Date**	**Amount**	**Number**	**Period**	**End Date**
1	Loan	8/18/2023	315,000.00	1		
2	Payment	8/18/2024	114,091.94	3	Annual	8/18/2026

TValue Amortization Schedule - Normal, 30E3/360					
	Date	**Payment**	**Interest**	**Principal**	**Balance**
Loan	8/18/2023				315,000.00
1	8/18/2024	114,091.94	13,450.50	100,641.44	214,358.56
2	8/18/2025	114,091.94	9,153.11	104,938.83	109,419.73
3	8/18/2026	114,091.94	4,672.21	109,419.73	0.00
Grand Totals		**342,275.82**	**27,275.82**	**315,000.00**	

Last interest amount decreased by 0.01 due to rounding.

Exhibit B
Sample Four (4) Year Amortization Schedule
Annual Payments

Amortization Report 07/20/2023 1:18 PM					
Compounding Period:		Annual			
Nominal Annual Rate:		4.28%			
Cash Flow Data - Loans and Payments					
	Event	**Date**	**Amount**	**Number**	**Period**	**End Date**
1	Loan	8/18/2023	315,000.00	1		
2	Payment	8/18/2024	87,352.73	4	Annual	8/18/2027

TValue Amortization Schedule - Normal, 30E3/360					
	Date	**Payment**	**Interest**	**Principal**	**Balance**
Loan	8/18/2023				315,000.00
1	8/18/2024	87,352.73	13,482.00	73,870.73	241,129.27
2	8/18/2025	87,352.73	10,320.33	77,032.40	164,096.87
3	8/18/2026	87,352.73	7,023.35	80,329.38	83,767.49
4	8/18/2027	87,352.73	3,585.24	83,767.49	0.00
Grand Totals		**349,410.92**	**34,410.92**	**315,000.00**	

Exhibit C
Sample Five (5) Year Amortization Schedule
Annual Payments

Amortization Report 07/20/2023 1:19 PM

Compounding Period:	Annual
Nominal Annual Rate:	4.29%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	8/18/2023	315,000.00	1		
2	Payment	8/18/2024	71,334.98	5	Annual	8/18/2028

TValue Amortization Schedule - Normal, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	8/18/2023				315,000.00
1	8/18/2024	71,334.98	13,513.50	57,821.48	257,178.52
2	8/18/2025	71,334.98	11,032.96	60,302.02	196,876.50
3	8/18/2026	71,334.98	8,446.00	62,888.98	133,987.52
4	8/18/2027	71,334.98	5,748.06	65,586.92	68,400.60
5	8/18/2028	71,334.98	2,934.38	68,400.60	0.00
Grand Totals		**356,674.90**	**41,674.90**	**315,000.00**	

Last interest amount decreased by 0.01 due to rounding.

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HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 11.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on **Ordinance No. 2023-08** providing for the sale and issuance of the City of Hewitt, Texas Combination Tax and Revenue Certificates of Obligation, Series 2023; and ordaining other matters relating to the subject.

STAFF RECOMMENDATION/ITEM SUMMARY:

As directed by the City Council, the City's Financial Advisors (SAMCO) have advertised and marketed Series 2023 Combination Tax and Revenue Certificates of Obligation on behalf of the City of Hewitt. This $6 million issuance will fund various General Fund Capital Improvements including the Fire Department sub-station. This new issue will be supported by the City's Ad Valorem Tax revenue.

Andrew Friedman, Managing Director, Samco Capital Markets, Inc. will be present at the Council meeting to discuss the bids received. A detailed summary will be provided at that time.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

I move to adopt **Ordinance No. 2023-08** providing for the sale and issuance of the City of Hewitt, Texas Combination Tax and Revenue Certificates of Obligation, Series 2023; and ordaining other matters relating to the subject.

ATTACHMENTS:

1. Ordinance (Hewitt COs 2023)

CERTIFICATE FOR ORDINANCE

We, the undersigned officers of the City of Hewitt, Texas, hereby certify as follows:

1. The City Council of said City convened in Regular Meeting on the 7th day of August, 2023, at the scheduled meeting place thereof, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

Steve Fortenberry, Mayor
Erica Bruce, Mayor Pro-Tem
Michael Bancale
Bob Potter
Johnny Price
Johnny Stephens
Brad Turner

and all of said persons were present, except _________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written Ordinance entitled

ORDINANCE PROVIDING FOR THE SALE AND ISSUANCE OF THE CITY OF HEWITT, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023; AND ORDAINING OTHER MATTERS RELATING TO THE SUBJECT.

was duly introduced for consideration and passage. It was then duly moved and seconded that said Ordinance be passed; and, after due discussion, said motion, carrying with it the passage of said Ordinance, prevailed and carried by the following vote:

AYES: __ NOES: __ ABSTENTIONS: __

2. A true, full and correct copy of the aforesaid Ordinance passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Ordinance has been duly recorded in the official minutes of said City Council; the above and foregoing paragraph is a true and correct excerpt from said minutes of said meeting pertaining to the passage of said Ordinance; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Ordinance, were the duly chosen, qualified and acting members of said City Council as indicated therein; each of said officers and member was duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting and that said Ordinance would be introduced and considered for passage at said meeting; and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Texas Government Code Chapter 551.

SIGNED AND SEALED THE 7th DAY OF AUGUST 2023.

____

City Secretary

(SEAL)

ORDINANCE NO. 2023-08

ORDINANCE PROVIDING FOR THE SALE AND ISSUANCE OF THE CITY OF HEWITT, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023; AND ORDAINING OTHER MATTERS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
COUNTY OF MCLENNAN §
CITY OF HEWITT §

WHEREAS, the City Council of the City of Hewitt, Texas (the "Issuer"), deems it advisable to issue Certificates of Obligation in the amount and for the purposes hereinafter set forth;

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Texas Local Government Code and Subchapter B, Chapter 1502, Texas Government Code;

WHEREAS, the City Council has heretofore passed a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been both (i) duly posted in a prominent location on the Issuer's website, and (ii) duly published in a newspaper of general circulation in said city, said newspaper being a "newspaper" as defined in Section 2051.044, Texas Government Code;

WHEREAS, the Issuer received no petition from the qualified electors of the Issuer protesting the issuance of such Certificates of Obligation;

WHEREAS, it is considered to be to the best interest of the Issuer that said interest-bearing Certificates of Obligation be issued to pay costs related to constructing, improving, acquiring and equipping the public improvements described below;

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates of Obligation was submitted to the voters of the Issuer during the preceding three (3) years and failed to be approved; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Certificates of the Issuer are hereby authorized to be issued and delivered in the aggregate principal amount of $[_____] for paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) the construction, improvement and equipment of public safety facilities in the City, including a new fire station; (ii) constructing, reconstructing and improving streets, roads, and sidewalks, including related drainage, utility relocation, signalization, landscaping, lighting and signage; (iii) the construction, installation and equipment of park and recreational improvements in the City, including parking and related infrastructure; and (iv) legal, fiscal and engineering fees in connection with such projects (collectively, the "Project").

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF HEWITT, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2023," and initially there shall be issued, sold, and delivered hereunder one fully registered Certificate, without interest coupons, dated August 1, 2023, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1 (the "Initial Certificate"), with Certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the Initial Certificate being made payable to the initial purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said Certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said Certificates shall mature and be payable serially on July 1 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF CERTIFICATE set forth in Exhibit A of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Years (7/1)	Principal Amounts ($)	Interest Rates (%)

The term "Certificates" as used in this Ordinance shall mean and include collectively the certificates initially issued and delivered pursuant to this Ordinance and all substitute certificates exchanged therefor, as well as all other substitute certificates and replacement certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Appointment of Paying Agent/Registrar. The Issuer hereby appoints BOKF, NA, Dallas, Texas, to serve as paying agent and registrar for the Certificates (the "Paying Agent/Registrar"). Each of the Mayor and the City Manager is authorized and directed to execute and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar.

(b) Registration. The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three (3) days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE attached as Exhibit A to this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(c) Exchange. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Certificates in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the authentication of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(d) Payment of Principal and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance.

(f) Paying Agent/Registrar. The Issuer covenants with the Registered Owners that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity.

(g) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred-twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (60) days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(h) Book-Entry Only System. The Certificates issued in exchange for the Initial Certificate shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof and the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsections (j) and (k) of this Section, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Blanket Letter of Representations. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates. Notwithstanding anything to the contrary contained herein, while the Certificates are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(j) Certificates Registered in the Name of Cede & Co. With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(k) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(l) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.

(m) General Characteristics of the Certificates. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth as Exhibit A to this Ordinance.

(n) Authentication. Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE. In lieu of the executed PAYING

AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, the Initial Certificate delivered on the closing date shall have attached thereto the COMPTROLLER'S REGISTRATION CERTIFICATE substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by such person's duly authorized agent, which certificate shall be evidence that the Certificate initially issued and delivered has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller. The Initial Certificate issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in exchange for any Certificate issued under this Ordinance, the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the FORM OF CERTIFICATE set forth Exhibit A to this Ordinance.

(o) Cancellation of Initial Certificate. On the closing date, the Initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the order of the initial purchaser of the Certificates or its designee, executed by manual or facsimile signature of the Mayor and City Secretary, approved by the Attorney General of Texas, and registered by manual or facsimile signature by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, the form of ASSIGNMENT and the form of COMPTROLLER'S REGISTRATION CERTIFICATE to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as set forth in Exhibit A of this Ordinance, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be accounted for separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Certificates. All amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by a limited pledge (not to exceed $1,000) of surplus revenues of the Issuer's waterworks and sewer system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are secured by a lien on all or any part of the net revenues of the Issuer's waterworks and sewer system, constituting "Surplus Revenues". The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to subsection (a) of this Section, to the extent necessary to pay the principal of and interest on the Certificates. Notwithstanding the requirements of subsection (a) of this section, if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section, is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Registered Owners of the Certificates a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the limited pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 6(a)(i) or (ii) of this Section. All income from such Defeasance Securities which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire, or otherwise discharge obligations such as the Certificates.

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the Registered Owner applying for a replacement Certificate shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Section 1206.022, Texas Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3 of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall sign manually, by facsimile, electronically or otherwise the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Certificates is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the “gross income” of the Registered Owner for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than ten percent (10%) of the proceeds of the Certificates (less amounts deposited to a reserve fund, if any) are used for any “private business use,” as defined in section 141(b)(6) of the Code or, if more than ten percent (10%) of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the “private business use” described in subsection (1) hereof exceeds five percent (5%) of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent (5%) is used for a “private business use” that is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or five percent (5%) of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Certificates being treated as “private activity bonds” within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being “federally guaranteed” within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Certificates, other than investment property acquired with –

(A) proceeds of the Certificates invested for a reasonable temporary period until such proceeds are needed for the purpose for which the Certificates are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury (the “Treasury Regulations”), and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent (10%) of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using proceeds of the Certificates or the proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the issuance of the Certificates in contravention of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the delivery date of the Certificates) an amount that is at least equal to ninety percent (90%) of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than sixty (60) days after the Certificates have been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code;

(10) to file or cause to be filed with the Secretary of the Treasury, not later than the fifteenth (15th) day of the second calendar month after the close of the calendar quarter in which the Certificates are issued, an information statement concerning the Certificates, all under and in accordance with section 149(e) of the Code and the applicable Treasury Regulations promulgated thereunder; and

(11) to assure that the proceeds of the Certificates will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and the Treasury Regulations. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor or the City Manager or the Director of Finance of the Issuer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon more than sixty (60) days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Qualified Tax-Exempt Obligations. The Certificates are hereby designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Certificates are issued, the Issuer (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Certificates, will result in more than $10,000,000 of "qualified tax-exempt obligations" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Certificates are issued, by the Issuer (or any subordinate entities) will not exceed $10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in this Section 15 in order that the Certificates will not be considered "private activity bonds" within the meaning of section 141 of the Code.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) *Sale*. That the Certificates are hereby sold and shall be delivered to [_____] (the "Purchaser") for the purchase price of par, plus net cash premium in the amount of $[_____], and plus accrued interest of $[_____], pursuant to the terms and provisions of an Official Notice of Sale and Official Bid Form, in substantially the form presented at this meeting, which the Mayor is hereby authorized to execute and deliver. The Initial Certificate shall be delivered to the Purchaser, and the Purchaser shall have the right to exchange the Initial Certificate as provided in Section 3 hereof without cost. The Initial Certificate shall be registered in the name of the Purchaser or the Purchaser's nominee.

(b) *Findings.* It is hereby officially found, determined and declared that the Certificates have been sold in a public sale to the Purchaser, after receiving sealed bids pursuant to an Official Notice of Sale and Official Bid Form. Before being awarded the winning bid, the Purchaser certified to the City in the Official Bid Form that either it filed the disclosure form required under Section 2252.908, Texas Government Code, or that it is exempt from the disclosure form filing requirements of the Texas Ethics Commission pursuant to Section 2252.908(c)(4), Texas Government Code. The sale of the Certificates to the Purchaser was on terms that are most advantageous to the City reasonably obtained and, upon the advice of the City's financial advisor, is in the best interests of the City.

(c) *Offering Documents*. The City Council hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto (the "Official Statement"), and approves the distribution of such Official Statement in the reoffering of the Certificates by the Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement prior to the date hereof is hereby ratified and confirmed. The City Council also hereby approves the form and content of both the Official Notice of Sale and the Official Bid Form, and hereby ratifies and confirms the use of the Notice of Sale and Official Bid Form for the solicitation of bids on the Certificates prior to the date hereof.

(d) *Further Procedures*. The Mayor, City Manager, and City Secretary and Director of Finance, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name of the Issuer all other such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the sale of the Certificates and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. INVESTMENT AND SECURITY OF FUNDS.

(a) Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other certificate proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(b) The Issuer may invest proceeds of the Certificates (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the “Series 2023 Certificates of Obligation Construction Fund” for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Project as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

Section 13. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. That as used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.
“Rule” means SEC Rule 15c2-12, as amended from time to time.
“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six (6) months after the end of each fiscal year ending in or after 2023, financial information and operating data with respect to the Issuer of the general type included in the Official Statement under “INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE ISSUER – Current Investments” herein and the information in Tables 1, 2, 3, 4, 5A/B, 9, 11, 12, 13, 14, 15, 19, 20, 21, 22, 23, and 24 of Appendix A. The Issuer will additionally provide audited financial statements when and if available, and in any event, within twelve (12) months after the end of each fiscal year ending in or after 2023. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the Issuer will file unaudited financial statements within such twelve (12) month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Appendix B to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten (10) business days after the occurrence of the event) of any of the following events with respect to the Certificates:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of holders of the Certificates, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor trustee or change in the name of the trustee, if material;
15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets of the Issuer, or if jurisdiction has been assumed by leaving the existing City Council and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer. For the purposes of clauses 15 and 16 above, the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(ii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Registered Owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a qualified person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Registered Owners and beneficial owners of the Certificates. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the Registered Owners, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the Registered Owners of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

(1) Make any change in the maturity of any of the outstanding Certificates;
(2) Reduce the rate of interest borne by any of the outstanding Certificates;
(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
(4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
(5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Certificates a copy of the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all Registered Owners of such Certificates.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owner of at least 51% in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all Registered Owners of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of such consent, and shall be conclusive and binding upon all future Registered Owners of the same Certificate during such period. Such consent may be revoked at any time after six (6) months from the date of such consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the Registered Owners of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers or employees of the Issuer or the City Council.

Section 16. PREMIUM. The Certificates are being sold at a net premium equal to $228,244.45. With respect to such premium attributable to the Certificates, $153,244.45 shall be used to pay costs of issuance (including underwriter's discount).

Section 17. APPROPRIATION. To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 18. NO PERSONAL LIABILITY. No recourse shall be had for payment of the principal of or interest on any Certificates or for any claim based thereon, or on this Ordinance, against any official or employee of the Issuer or any person executing any Certificate.

Section 19. EFFECTIVE DATE. In accordance with the provisions of Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 20. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

PASSED, APPROVED, AND EFFECTIVE this August 7, 2023.

____
Mayor, City of Hewitt, Texas

ATTEST:

(CITY SEAL)

____
City Secretary, City of Hewitt, Texas

APPROVED AS TO FORM AND LEGALITY:

____
City Attorney, City of Hewitt, Texas

EXHIBIT A

(a) Form of Certificate.

NO. R-

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL AMOUNT
$_________

CITY OF HEWITT, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2023

INTEREST RATE	DELIVERY DATE	MATURITY DATE	CUSIP NO.
		July 1, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF HEWITT, TEXAS, in McLennan County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from August 1, 2023 at the Interest Rate per annum specified above. Interest is payable on January 1, 2024 and semiannually on each July 1 and January 1 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA, Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the "Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared at the close of business on the fifteenth day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Certificate that on or before each principal payment date and interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a series of Certificates dated August 1, 2023, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $[_____] for paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) the construction, improvement and equipment of public safety facilities in the City, including a new fire station; (ii) constructing, reconstructing and improving streets, roads, and sidewalks, including related drainage, utility relocation, signalization, landscaping, lighting and signage; (iii) the construction, installation and equipment of park and recreational improvements in the City, including parking and related infrastructure; and (iv) legal, fiscal and engineering fees in connection with such projects.

ON JULY 1, [2032], or on any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

[THE CERTIFICATES SCHEDULED TO MATURE on July 1, in the years [_____] (the "Term Certificates") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Certificates, on dates and in the respective principal amounts, set forth in the following schedule:

<u>Term Certificates due July 1, 20__:</u>

Mandatory Redemption Date: 7/1/20__	Principal Amount: $__
Mandatory Redemption Date: 7/1/20__*	Principal Amount: $__

<u>Term Certificates due July 1, 20__:</u>

Mandatory Redemption Date: 7/1/20__	Principal Amount: $__

Mandatory Redemption Date: 7/1/20__* Principal Amount: $__
* Stated Maturity

The principal amount of Term Certificates of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Certificates of the same maturity which, at least forty-five (45) days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.]

AT LEAST THIRTY (30) days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least thirty (30) days prior to the date fixed for any such redemption, to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the business day prior to the mailing of such redemption notice; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE CERTIFICATES, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a notice of conditional redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Ordinance, this Certificate may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within forty-five (45) days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a limited pledge (not to exceed $1,000) of the Surplus Revenues of the Issuer's waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of said revenues, all as provided in the Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to amend the Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Certificates.

BY BECOMING the Registered Owner of this Certificate, the Registered Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Certificate and the Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(signature)	(signature)
City Secretary	Mayor

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: ____________________.

BOKF, NA
Dallas, Texas
Paying Agent/Registrar

By: ____________________________________
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please type or print clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: ________________________

____

Transferee's Social Security or Taxpayer Identification Number: __________________________________

Transferee's name and address, including zip code: ____

____

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints
____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.	NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. ____________

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Certificate and that this Certificate has been registered this day by me.

Witness my signature and seal this ________________________.

____
Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Certificate Insertions.

(i) The Initial Certificate shall be in the form set forth is paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF HEWITT, TEXAS, in McLennan County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on July 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years (7/1)	Principal Installments ($)	Interest Rates (%)

(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from August 1, 2023 at the respective Interest Rate per annum specified above. Interest is payable on January 1, 2024, and semiannually on each July 1 and January 1 thereafter to the date of payment of the Principal Installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Installment shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 12.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on setting the date of August 14, 2023, for a public hearing on the Fiscal Year 2023-2024 Proposed Annual Budget.

STAFF RECOMMENDATION/ITEM SUMMARY:

On July 3 and July 17, 2023, the City Manager discussed and presented the FY 2023-2024 Proposed Annual Budget. A hard copy of the Proposed Budget was provided to all Council members. It is also on file with the City Secretary and available on the City's website.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

I move to set a public hearing date on the FY 2023-2024 Proposed Annual Budget on Monday, August 14, 2023, at 7:00 p.m. in Hewitt City Hall, Council Chambers, 200 Patriot Court, Hewitt, Texas.

ATTACHMENTS:

None

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 7, 2023

AGENDA ITEM #: 13.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on the record vote to place adoption of the proposed 2023 tax rate on a future agenda and to set dates for two public hearings.

STAFF RECOMMENDATION/ITEM SUMMARY:

The Texas Tax Code requires the City Council to take a record vote on the property tax rate projected to fund the FY 2023-2024 Proposed Annual Budget. This vote establishes the "ceiling" for the property tax rate, sets two future public hearing dates on the property tax rate, and the adoption date of the property tax rate.

The first suggested motion below is setting the tax rate adoption for the City Council meeting of August 21, 2023.

The second suggested motion below is setting the two public hearing dates for the projected tax rate used to fund the FY 2023-2024 Proposed Annual Budget of August 14 and August 21, 2023.

FISCAL IMPACT:

Amount Budgeted - N/A
Line Item in Budget - N/A

SUGGESTED MOTION:

1) I move to place adoption of a tax rate of $.________ cents per $100 valuation, equaling $.214594 cents for Debt Service and $.________ cents for Maintenance and Operations, as an action item for the council meeting of August 21, 2023, to be held at 7:00 p.m., in Hewitt City Hall, Council Chambers, 200 Patriot Court, Hewitt, Texas AND

2) I move to set two public hearings on the tax rate to be held Monday, August 14, 2023, at 7:00 p.m. and Monday, August 21, 2023, at 7:00 p.m., in Hewitt City Hall, Council Chambers, 200 Patriot Court, Hewitt, Texas.

ATTACHMENTS:

1. Signed 2023 Hewitt City Certified Tax Rate Worksheet

2023 Tax Rate Calculation Worksheet
Taxing Units Other Than School Districts or Water Districts

Form 50-856

City of Hewitt	254-296-5604
Taxing Unit Name	Phone *(area code and number)*
200 Patriot Court, Hewitt, TX 76643	http://www.cityofhewitt.com
Taxing Unit's Address, City, State, ZIP Code	Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per $100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements.*

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet.*

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet		Amount/Rate
1.	**2022 total taxable value.** Enter the amount of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17).[1]		$ 1,227,564,047
2.	**2022 tax ceilings.** Counties, cities and junior college districts. Enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step.[2]		$ 0
3.	**Preliminary 2022 adjusted taxable value.** Subtract Line 2 from Line 1.		$ 1,227,564,047
4.	**2022 total adopted tax rate.**		$ 0.540102 /$100
5.	**2022 taxable value lost because court appeals of ARB decisions reduced 2022 appraised value.**		
	A. Original 2022 ARB values:	$ 12,319,160	
	B. 2022 values resulting from final court decisions:	- $ 11,100,000	
	C. 2022 value loss. Subtract B from A.[3]		$ 1,219,160
6.	**2022 taxable value subject to an appeal under Chapter 42, as of July 25.**		
	A. 2022 ARB certified value:	$ 58,103,250	
	B. 2022 disputed value:	- $ 8,715,488	
	C. 2022 undisputed value. Subtract B from A.[4]		$ 49,387,762
7.	**2022 Chapter 42 related adjusted values.** Add Line 5C and Line 6C.		$ 50,606,922

[1] Tex. Tax Code §26.012(14)
[2] Tex. Tax Code §26.012(14)
[3] Tex. Tax Code §26.012(13)
[4] Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	**2022 taxable value, adjusted for actual and potential court-ordered adjustments.** Add Line 3 and Line 7.	$ 1,278,170,969
9.	**2022 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2022.** Enter the 2022 value of property in deannexed territory. [5]	$ 0
10.	**2022 taxable value lost because property first qualified for an exemption in 2023.** If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2023 does not create a new exemption or reduce taxable value. **A. Absolute exemptions.** Use 2022 market value: $ 39,770 **B. Partial exemptions.** 2023 exemption amount or 2023 percentage exemption times 2022 value: + $ 7,019,516 **C. Value loss.** Add A and B. [6]	$ 7,059,286
11.	**2022 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2023.** Use only properties that qualified in 2023 for the first time; do not use properties that qualified in 2022. **A. 2022 market value:** $ 0 **B. 2023 productivity or special appraised value:** - $ 0 **C. Value loss.** Subtract B from A. [7]	$ 0
12.	**Total adjustments for lost value.** Add Lines 9, 10C and 11C.	$ 7,059,286
13.	**2022 captured value of property in a TIF.** Enter the total value of 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2022 taxes were deposited into the tax increment fund. [8] If the taxing unit has no captured appraised value in line 18D, enter 0.	$ 0
14.	**2022 total value.** Subtract Line 12 and Line 13 from Line 8.	$ 1,271,111,683
15.	**Adjusted 2022 total levy.** Multiply Line 4 by Line 14 and divide by $100.	$ 6,865,299
16.	**Taxes refunded for years preceding tax year 2022.** Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2022. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. [9]	$ 35,789
17.	**Adjusted 2022 levy with refunds and TIF adjustment.** Add Lines 15 and 16. [10]	$ 6,901,088
18.	**Total 2023 taxable value on the 2023 certified appraisal roll today.** This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. [11] **A. Certified values:** $ 1,470,068,554 **B. Counties:** Include railroad rolling stock values certified by the Comptroller's office: + $ **C. Pollution control and energy storage system exemption:** Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - $ 0 **D. Tax increment financing:** Deduct the 2023 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2023 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. [12] - $ 0 **E. Total 2023 value.** Add A and B, then subtract C and D.	$ 1,470,068,554

[5] Tex. Tax Code §26.012(15)
[6] Tex. Tax Code §26.012(15)
[7] Tex. Tax Code §26.012(15)
[8] Tex. Tax Code §26.03(c)
[9] Tex. Tax Code §26.012(13)
[10] Tex. Tax Code §26.012(13)
[11] Tex. Tax Code §26.012, 26.04(c-2)
[12] Tex. Tax Code §26.03(c)

Line	No-New-Revenue Tax Rate Worksheet		Amount/Rate
19.	**Total value of properties under protest or not included on certified appraisal roll.** [13]		
	A. 2023 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. [14]	$ 3,077,891	
	B. 2023 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. [15]	+ $ 0	
	C. Total value under protest or not certified. Add A and B.		$ 3,077,891
20.	**2023 tax ceilings.** Counties, cities and junior colleges enter 2023 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step.[16]		$ 0
21.	**2023 total taxable value.** Add Lines 18E and 19C. Subtract Line 20. [17]		$ 1,473,146,445
22.	**Total 2023 taxable value of properties in territory annexed after Jan. 1, 2022.** Include both real and personal property. Enter the 2023 value of property in territory annexed. [18]		$ 0
23.	**Total 2023 taxable value of new improvements and new personal property located in new improvements.** New means the item was not on the appraisal roll in 2022. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2022 and be located in a new improvement. New improvements **do** include property on which a tax abatement agreement has expired for 2023. [19]		$ 44,379,260
24.	**Total adjustments to the 2023 taxable value.** Add Lines 22 and 23.		$ 44,379,260
25.	**Adjusted 2023 taxable value.** Subtract Line 24 from Line 21.		$ 1,428,767,185
26.	**2023 NNR tax rate.** Divide Line 17 by Line 25 and multiply by $100. [20]		$ 0.483009 /$100
27.	**COUNTIES ONLY.** Add together the NNR tax rates for each type of tax the county levies. The total is the 2023 county NNR tax rate. [21]		$ ____ /$100

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	**2022 M&O tax rate.** Enter the 2022 M&O tax rate.	$ 0.331618 /$100
29.	**2022 taxable value, adjusted for actual and potential court-ordered adjustments.** Enter the amount in Line 8 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,278,170,969

[13] Tex. Tax Code §26.01(c) and (d)
[14] Tex. Tax Code §26.01(c)
[15] Tex. Tax Code §26.01(d)
[16] Tex. Tax Code §26.012(6)(B)
[17] Tex. Tax Code §26.012(6)
[18] Tex. Tax Code §26.012(17)
[19] Tex. Tax Code §26.012(17)
[20] Tex. Tax Code §26.04(c)
[21] Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet		Amount/Rate
30.	**Total 2022 M&O levy.** Multiply Line 28 by Line 29 and divide by $100		$ 4,238,645
31.	**Adjusted 2022 levy for calculating NNR M&O rate.**		
	A. M&O taxes refunded for years preceding tax year 2022. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022.	+ $ 21,974	
	B. 2022 taxes in TIF. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2023 captured appraised value in Line 18D, enter 0.	– $ 0	
	C. 2022 transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0.	+/- $ 0	
	D. 2022 M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function.	$ 21,974	
	E. Add Line 30 to 31D.		$ 4,260,619
32.	**Adjusted 2023 taxable value.** Enter the amount in Line 25 of the *No-New-Revenue Tax Rate Worksheet.*		$ 1,428,767,185
33.	**2023 NNR M&O rate (unadjusted).** Divide Line 31E by Line 32 and multiply by $100.		$ 0.298202 /$100
34.	**Rate adjustment for state criminal justice mandate.** [23] **If not applicable or less than zero, enter 0.**		
	A. 2023 state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	$ 0	
	B. 2022 state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.	– $ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100.	$ 0 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0 /$100
35.	**Rate adjustment for indigent health care expenditures.** [24] **If not applicable or less than zero, enter 0.**		
	A. 2023 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose.	$ 0	
	B. 2022 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose.	– $ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100.	$ /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0 /$100

[22] [Reserved for expansion]
[23] Tex. Tax Code §26.044
[24] Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet		Amount/Rate
36.	**Rate adjustment for county indigent defense compensation.** [25] **If not applicable or less than zero, enter 0.**		
	A. 2023 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose	$ 0	
	B. 2022 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose	$ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100	$ 0 /$100	
	D. Multiply B by 0.05 and divide by Line 32 and multiply by $100	$ 0 /$100	
	E. Enter the lesser of C and D. If not applicable, enter 0.		$ 0 /$100
37.	**Rate adjustment for county hospital expenditures.** [26] **If not applicable or less than zero, enter 0.**		
	A. 2023 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023	$ 0	
	B. 2022 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022	$ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100	$ 0 /$100	
	D. Multiply B by 0.08 and divide by Line 32 and multiply by $100	$ 0 /$100	
	E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.		$ 0 /$100
38.	**Rate adjustment for defunding municipality.** This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.		
	A. Amount appropriated for public safety in 2022. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year	$ 0	
	B. Expenditures for public safety in 2022. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year	$ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100	$ 0 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0 /$100
39.	**Adjusted 2023 NNR M&O rate.** Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.		$ 0.298202 /$100
40.	**Adjustment for 2022 sales tax specifically to reduce property taxes.** Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2022 should complete this line. These entities will deduct the sales tax gain rate for 2023 in Section 3. Other taxing units, enter zero.		
	A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2022, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent	$ 1,435,161	
	B. Divide Line 40A by Line 32 and multiply by $100	$ 0.100447 /$100	
	C. Add Line 40B to Line 39.		$ 0.398649 /$100
41.	**2023 voter-approval M&O rate.** Enter the rate as calculated by the appropriate scenario below. **Special Taxing Unit.** If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. **- or -** **Other Taxing Unit.** If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.		$ 0.412601 /$100

[25] Tex. Tax Code §26.0442
[26] Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	***Disaster Line 41 (D41):*** **2023 voter-approval M&O rate for taxing unit affected by disaster declaration.** If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2) the third tax year after the tax year in which the disaster occurred If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. [27] If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).	$ 0 /$100
42.	**Total 2023 debt to be paid with property taxes and additional sales tax revenue.** Debt means the interest and principal that will be paid on debts that: **(1)** are paid by property taxes, **(2)** are secured by property taxes, **(3)** are scheduled for payment over a period longer than one year, and **(4)** are not classified in the taxing unit's budget as M&O expenses. **A. Debt** also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. [28] Enter debt amount .... $ 3,161,295 **B.** Subtract **unencumbered fund amount** used to reduce total debt. .... – $ 0 **C.** Subtract **certified amount spent from sales tax to reduce debt** (enter zero if none) .... – $ 0 **D.** Subtract **amount paid** from other resources .... – $ 0 **E. Adjusted debt.** Subtract B, C and D from A.	$ 3,161,295
43.	**Certified 2022 excess debt collections.** Enter the amount certified by the collector. [29]	$ 0
44.	**Adjusted 2023 debt.** Subtract Line 43 from Line 42E.	$ 3,161,295
45.	**2023 anticipated collection rate.** **A.** Enter the 2023 anticipated collection rate certified by the collector. [30] .... 100.00 % **B.** Enter the 2022 actual collection rate. .... 98.00 % **C.** Enter the 2021 actual collection rate. .... 100.00 % **D.** Enter the 2020 actual collection rate. .... 102.00 % **E.** If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. [31]	100.00 %
46.	**2023 debt adjusted for collections.** Divide Line 44 by Line 45E.	$ 3,161,295
47.	**2023 total taxable value.** Enter the amount on Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,473,146,445
48.	**2023 debt rate.** Divide Line 46 by Line 47 and multiply by $100.	$ 0.214594 /$100
49.	**2023 voter-approval tax rate.** Add Lines 41 and 48.	$ 0.627195 /$100
D49.	***Disaster Line 49 (D49):*** **2023 voter-approval tax rate for taxing unit affected by disaster declaration.** Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	$ ______ /$100

[27] Tex. Tax Code §26.042(a)
[28] Tex. Tax Code §26.012(7)
[29] Tex. Tax Code §26.012(10) and 26.04(b)
[30] Tex. Tax Code §26.04(b)
[31] Tex. Tax Code §§26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	**COUNTIES ONLY.** Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2023 county voter-approval tax rate.	$ 0 /$100

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	**Taxable Sales.** For taxing units that adopted the sales tax in November 2022 or May 2023, enter the Comptroller's estimate of taxable sales for the previous four quarters. [32] Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2022, enter 0.	$ 0
52.	**Estimated sales tax revenue.** Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. [33] **Taxing units that adopted the sales tax in November 2022 or in May 2023.** Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. [34] **- or -** **Taxing units that adopted the sales tax before November 2022.** Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	$ 1,435,161
53.	**2023 total taxable value.** Enter the amount from Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,473,146,445
54.	**Sales tax adjustment rate.** Divide Line 52 by Line 53 and multiply by $100.	$ 0.097422 /$100
55.	**2023 NNR tax rate, unadjusted for sales tax.**[35] Enter the rate from Line 26 or 27, as applicable, on the *No-New-Revenue Tax Rate Worksheet.*	$ 0.483009 /$100
56.	**2023 NNR tax rate, adjusted for sales tax.** **Taxing units that adopted the sales tax in November 2022 or in May 2023.** Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2022.	$ 0.483009 /$100
57.	**2023 voter-approval tax rate, unadjusted for sales tax.**[36] Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the *Voter-Approval Tax Rate Worksheet.*	$ 0.627195 /$100
58.	**2023 voter-approval tax rate, adjusted for sales tax.** Subtract Line 54 from Line 57.	$ 0.529773 /$100

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	**Certified expenses from the Texas Commission on Environmental Quality (TCEQ).** Enter the amount certified in the determination letter from TCEQ. [37] The taxing unit shall provide its tax assessor-collector with a copy of the letter. [38]	$ 0
60.	**2023 total taxable value.** Enter the amount from Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,473,146,445
61.	**Additional rate for pollution control.** Divide Line 59 by Line 60 and multiply by $100.	$ 0 /$100
62.	**2023 voter-approval tax rate, adjusted for pollution control.** Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	$ 0.529773 /$100

[32] Tex. Tax Code §26.041(d)
[33] Tex. Tax Code §26.041(i)
[34] Tex. Tax Code §26.041(d)
[35] Tex. Tax Code §26.04(c)
[36] Tex. Tax Code §26.04(c)
[37] Tex. Tax Code §26.045(d)
[38] Tex. Tax Code §26.045(i)

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate adjusted to remove the unused increment rate for the prior three years. [39] In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the portion of the unused increment rate must be backed out of the calculation for that year.

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020; [40]
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a); [41] or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval. [42]

Individual components can be negative, but the overall rate would be the greater of zero or the calculated rate.

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. [43]

Line	Unused Increment Rate Worksheet		Amount/Rate
63.	**Year 3 component.** Subtract the 2022 actual tax rate and the 2022 unused increment rate from the 2022 voter-approval tax rate.		
	A. Voter-approval tax rate (Line 67)	$ 0.545235 /$100	
	B. Unused increment rate (Line 66)	$ 0.000000 /$100	
	C. Subtract B from A	$ 0.545235 /$100	
	D. Adopted Tax Rate	$ 0.540102 /$100	
	E. Subtract D from C	$ 0.005133 /$100	
64.	**Year 2 component.** Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate.		
	A. Voter-approval tax rate (Line 67)	$ 0.512110 /$100	
	B. Unused increment rate (Line 66)	$ 0.001000 /$100	
	C. Subtract B from A	$ 0.511110 /$100	
	D. Adopted Tax Rate	$ 0.540102 /$100	
	E. Subtract D from C	$ -0.028992 /$100	
65.	**Year 1 component.** Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate.		
	A. Voter-approval tax rate (Line 65)	$ 0.548838 /$100	
	B. Unused increment rate (Line 64)	$ 0 /$100	
	C. Subtract B from A	$ 0.548838 /$100	
	D. Adopted Tax Rate	$ 0.547838 /$100	
	E. Subtract D from C	$ 0.001000 /$100	
66.	**2023 unused increment rate.** Add Lines 63E, 64E and 65E.		$ 0.000000 /$100
67.	**Total 2023 voter-approval tax rate, including the unused increment rate.** Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).		$ 0.529773 /$100

[39] Tex. Tax Code §26.013(a)
[40] Tex. Tax Code §26.013(c)
[41] Tex. Tax Code §§26.0501(a) and (c)
[42] Tex. Local Gov't Code §120.007(d), effective Jan. 1, 2022
[43] Tex. Tax Code §26.063(a)(1)
[44] Tex. Tax Code §26.012(8-a)
[45] Tex. Tax Code §26.063(a)(1)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise $500,000, and the current debt rate for a taxing unit. [44]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [45]

Line	De Minimis Rate Worksheet	Amount/Rate
68.	**Adjusted 2023 NNR M&O tax rate.** Enter the rate from Line 39 of the *Voter-Approval Tax Rate Worksheet*	$ 0.298202 /$100
69.	**2023 total taxable value.** Enter the amount on Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,473,146,445
70.	**Rate necessary to impose $500,000 in taxes.** Divide $500,000 by Line 69 and multiply by $100.	$ 0.033940 /$100
71.	**2023 debt rate.** Enter the rate from Line 48 of the *Voter-Approval Tax Rate Worksheet.*	$ 0.214594 /$100
72.	**De minimis rate.** Add Lines 68, 70 and 71.	$ 0.546736 /$100

SECTION 7: Voter Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.[46]

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year. [47]

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	**2022 adopted tax rate.** Enter the rate in Line 4 of the *No-New-Revenue Tax Rate Worksheet.*	$ 0.540102 /$100
74.	**Adjusted 2022 voter-approval tax rate.** Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2022 and the taxing unit calculated its 2022 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2022 worksheet due to a disaster, complete the applicable sections or lines of Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet. **- or -** If a disaster occurred prior to 2022 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2022, complete the separate *Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet* to recalculate the voter-approval tax rate the taxing unit would have calculated in 2022 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. [48] Enter the final adjusted 2022 voter-approval tax rate from the worksheet. **- or -** If the taxing unit adopted a tax rate above the 2022 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	$ 0.545235 /$100
75.	**Increase in 2022 tax rate due to disaster.** Subtract Line 74 from Line 73.	$ -0.005133 /$100
76.	**Adjusted 2022 taxable value.** Enter the amount in Line 14 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,271,111,683
77.	**Emergency revenue.** Multiply Line 75 by Line 76 and divide by $100.	$ 0
78.	**Adjusted 2023 taxable value.** Enter the amount in Line 25 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,428,767,185
79.	**Emergency revenue rate.** Divide Line 77 by Line 78 and multiply by $100. [49]	$ 0.000000 /$100

[46] Tex. Tax Code §26.042(b)
[47] Tex. Tax Code §26.042(f)
[48] Tex. Tax Code §26.042(c)
[49] Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
80.	**2023 voter-approval tax rate, adjusted for emergency revenue.** Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	$ 0.529773 /$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. .... $ 0.483009 /$100
As applicable, enter the 2023 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).
Indicate the line number used: 26

Voter-approval tax rate. .... $ 0.529773 /$100
As applicable, enter the 2023 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue).
Indicate the line number used: 58

De minimis rate. .... $ 0.546736 /$100
If applicable, enter the 2023 de minimis rate from Line 72.

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code. [50]

print here Randy H Riggs
Printed Name of Taxing Unit Representative

sign here [signature]
Taxing Unit Representative

7-31-23
Date

[50] Tex. Tax Code §§26.04(c-2) and (d-2)