CITY COUNCIL REGULAR MEETING

November 4, 2024 at 7:00 PM
Hewitt Public Safety Facility - Training Rm., 100 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
Bob Potter, Council Member: Ward 2 – **Brad Turner,** Council Member: Ward 1
Vacant Seat, Council Member: Ward 2

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

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

PLEDGE OF ALLEGIANCE

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 posted on the agenda. (Note: Citizens who wish to speak must complete a "Public Comment Form" and present it to the City Secretary before the meeting.)

REGULAR AGENDA ITEMS

1. Approval of the City Council Workshop/Regular Meeting minutes held on October 21, 2024.
2. Discussion and possible action on **Resolution No. 2024-11** establishing water and wastewater rates for Fiscal Year 2024-2025.

3. Discussion and possible action on **Resolution No. 2024-12** approving the financing terms of Cogent Bank for a term of five (5) years at 4% for the financing of various vehicles and equipment.

4. Discussion and possible action on **Resolution No. 2024-13** casting votes to elect the Directors for the McLennan Central Appraisal District for the year 2025.

5. Discussion and possible action on rescheduling the City Council meetings for the month of December 2024.

ADJOURNMENT

I certify that the above meeting notice was posted on the Public Notice Board in front of City Hall on **October 30, 2024,** 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 at the front of the building. Requests for sign interpreters or special services must be received forty-eight (48) hours before the meeting by calling the City Secretary at 254.296.5602 or by fax at 254.666.6014.

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COUNCIL AGENDA ITEM FORM

MEETING DATE: November 4, 2024

AGENDA ITEM #: 1.

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Approval of the City Council Workshop/Regular Meeting minutes held on October 21, 2024.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached is a 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 corrections.

ATTACHMENTS:

1. October 21, 2024 City Council Workshop-Regular Meeting minutes

CITY COUNCIL WORKSHOP/REGULAR MEETING

October 21, 2024 at 6:30 PM
Hewitt Public Safety Facility - Training Rm., 100 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
Bob Potter, Council Member: Ward 2 – **Brad Turner,** Council Member: Ward 1
Vacant Seat, Council Member: Ward 2

WORKSHOP MEETING - 6:30 PM

WORKSHOP DECLARATION OF A QUORUM AND CALL TO ORDER

Mayor Steve Fortenberry called the Workshop Meeting to order at 6:30 PM and announced a quorum was present. Council Member Johnny Stephens was absent.

WORKSHOP AGENDA

1. Briefing and discussion concerning Fiscal Year 2024-2025 water and wastewater rates.
   City Manager Bo Thomas presented information concerning the proposed water and wastewater rates for FY 2024-2025.

WORKSHOP ADJOURNMENT

MOTION: Mayor Pro Tem Erica Bruce moved to adjourn the Workshop Meeting at 6:42 p.m.
SECOND: Council Member Bob Potter
AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: 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 Johnny Stephens was absent.

PLEDGE OF ALLEGIANCE

Mayor Steve Fortenberry led the Pledge of Allegiance.

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 posted on the agenda. (Note: Citizens 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 had received any public comment forms. The City Secretary did not receive any public comment forms.

REGULAR AGENDA ITEMS

2. Approval of the City Council Regular Meeting minutes held on October 7, 2024.
   MOTION: Mayor Pro Tem Erica Bruce moved to approve the minutes as presented but to allow for corrections.
   SECOND: Council Member Brad Turner
   AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: Stephens
   MOTION PASSED.

3. Presentation of the report from the City Engineer Miles Whitney, P.E.
   Update on pending utility projects.
   Update on pending street projects.
   Update on pending drainage projects.
   City Engineer Miles Whitney, P.E., presented a review of the listed projects and responded to the Council's questions.

4. Discussion concerning Financial Statements ending September 30, 2024.
   City Manager Bo Thomas advised that Finance Director Lee Garcia previously sent the September Financial Statements electronically for review. The Council raised no concerns or questions.

5. Discussion and possible action on approving the Quarterly Investment Report ending September 30, 2024.
   City Manager Bo Thomas presented the Quarterly Investment Report as presented by Valley View Consulting, LLC.
   MOTION: Council Member Michael Bancale moved approval of the Quarterly Investment Report ending September 30, 2024.
   SECOND: Mayor Pro Tem Erica Bruce
   AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: Stephens
   MOTION PASSED.

6. Discussion and possible action to approve the purchase of a 2024 F250 with a utility bed for use in the Utilities Department.
   City Manager Bo Thomas presented.
   MOTION: Council Member Bob Potter moved to approve the purchase of a 2024 F250 XL 4x4 with a utility bed from Sam Pack's Five Star Ford for $80,867.81
   SECOND: Mayor Pro Tem Erica Bruce
   AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: Stephens
   MOTION PASSED.

7. Discussion and possible action to approve the purchase of a 2024 F250 for use in the Street Department.
   City Manager Bo Thomas presented.
   MOTION: Council Member Brad Turner moved to approve the purchase of a 2024 Ford F250 SD Crew Cab from Chastang Ford for $55,765.00.
   SECOND: Council Member Bob Potter
   AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: Stephens
   MOTION PASSED.

8. Discussion and possible action on purchasing a Fire Engine with an approximate three-year lead time.
   City Manager Bo Thomas presented.
   MOTION: Council Member Michael Bancale moved to authorize the City Manager or his designee to purchase a Fire Engine in the amount of $998,547.04 from Siddons Martin Emergency Group, LLC.
   SECOND: Council Member Brad Turner
   AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: Stephens
   MOTION PASSED.

9. Discussion and possible action to approve **Resolution No. 2024-10** authorizing the City Manager to enter into a 380 Agreement for Economic Development with Kirby-Smith Machinery, Inc.
   City Manager Bo Thomas presented.
   MOTION: Mayor Pro Tem Erica Bruce moved to approve **Resolution No. 2024-10** authorizing the City Manager to enter into a 380 Agreement with Kirby-Smith Machinery, Inc.
   SECOND: Council Member Michael Bancale
   AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
   NAYES: None
   ABSENT: Stephens
   MOTION PASSED.

ADJOURNMENT
MOTION: Council Member Bob Potter moved to adjourn the Regular Meeting at 7:32 PM.
SECOND: Mayor Pro Tem Erica Bruce
AYES: Bancale, Potter, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: Stephens
MOTION PASSED.

Approved:_____

ATTEST:

_____ _____

Lydia Lopez, City Secretary Steve Fortenberry, Mayor

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COUNCIL AGENDA ITEM FORM

MEETING DATE: November 4, 2024

AGENDA ITEM #: 2.

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2024-11** establishing water and wastewater rates for Fiscal Year 2024-2025.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City of Hewitt engaged Willdan Financial Services to prepare and present a Water and Wastewater Rate Study. Consultants Dan Jackson and Jason Gray recommended a multi-year plan to increase water and wastewater rates. On August 19, 2024, the Council approved the Master Fee Schedule, including the water and wastewater rate adjustment plan for FY 2024-2025. Also, at the October 21, 2024 City Council Workshop, the Council discussed the financials of the Utility Fund, recommended rate adjustment and upcoming capital projects.

The attached resolution approves the FY 2024-2025 rates, as Willdan recommended. As the Council requested, this resolution ensures that the Council will have the opportunity to review any subsequent rate adjustments annually. The effective date for the rate adjustments is December 1, 2024.

FISCAL IMPACT:

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

SUGGESTED MOTION:

I move approval of **Resolution No. 2024-11** establishing water and wastewater rates for FY 2024-2025.

ATTACHMENTS:

1. 2024-11 Resolution establishing water and wastewater rates FY2024-2025
2. FY 24 25 MASTER FEES-Water and Wastewater Rates

RESOLUTION NO. 2024-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS APPROVING THE WATER AND WASTEWATER RATES FOR THE FISCAL YEAR 2024-2025

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

WHEREAS, the City of Hewitt engaged Willdan Financial Services to prepare and present a Water and Wastewater Rate Study; and

WHEREAS, the purpose of the Water and Wastewater Rate Study was to ensure that the utility rate structures are sufficient to support the cost of maintaining and improving the system; and

WHEREAS, the results of the Water and Wastewater Rate Study recommended a multi-year rate plan to increase water and wastewater rates to ensure that revenues meet the needs for all operating expenses, capital expenses, and debt service for the next five years; and

WHEREAS, the City Council has determined that it is in the best interest of the city to approve the recommended multi-year rate plan; however, subsequent rate adjustments will be reviewed on an annual basis; and

WHEREAS, the City Council approved the Master Fee Schedule to include the Water and Wastewater rate plan adjustment proposed for Fiscal Year 2024-2025 by Resolution No. 2024-07 on August 19, 2024.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hewitt, Texas hereby sets the water and wastewater rates as adopted in the Master Fee Schedule (pages 7-9) attached as Exhibit "A" hereto and imposes the fees set forth for the services described therein. These rates are effective December 1, 2024, and subject to be reviewed annually and amended as deemed necessary.

PASSED AND APPROVED this the 4th day of October, 2024.

CITY OF HEWITT, TEXAS

_____
Steve Fortenberry, Mayor

ATTEST:

_____
Lydia Lopez, City Secretary

APPROVED AS TO FORM & LEGALITY:

_____
Michael W. Dixon, City Attorney

WATER RATES Effective 12/1/2024

Residential, Commercial & Builders – Base Rate	1st 3,000 Gal
5/8”	$34.00
1”	$71.50
1.5”	$214.25
2”	$214.25
3”	$428.00
4”	$428.00
6”	$642.00
Volume Rate	Per 1,000 Gal
3,001 – 7,000 Gal	$5.55
7,001 – 12,000 Gal	$6.20
12,001+ Gal	$6.65

Master Metered High-Density Multifamily

Multifamily Residential & Multifamily Builders –	Base Fees
1 ½”	$214.25
2”	$214.25
3”	$428.00
4”	$428.00
6”	$642.00
Consumption Rate	$6.65 Per 1,000 Gal. (100% consumption)

Irrigation Rates

Irrigation – Base Rate	
5/8”	$34.00
1”	$71.50
1.5”	$214.25
2”	$214.25
3”	$428.00
4”	$428.00
6”	$642.00
Consumption Rate	$6.65 Per 1,000 Gal. (100% consumption)

Bulk Water Rates

Deposit	$900
Set Fee & Move Fee	$100
Base Rate for 3” Meter	$415.50 per month + consumption
Consumption Rate	$7.30 per 1,000 gallons
One Day Fee	$35 per day for 5,000 gallons or less + $7.05 per 1,000 gallons over 5,000 gallons

All Bulk Water will be sold in 1,000 gallon increments.

WASTEWATER RATES - Effective 12/1/24

Option #1 – Standard Wastewater Rates

Residential Base Rate – 1st 5,000 Gal	$31.00
Residential Volume Rate (Per 1,000)	$ 5.25
Industrial Institution or Commercial Base Charge – 1st 10,000 Gallons	$68.25
Industrial Institution or Commercial Volume Rate (Per 1,000)	$ 5.45

Option #2 – Winter Average Rates

Single Family Residential Base Rate	$21.25 (no minimum gallons)
Single Family Residential Volume Rate (Per 1,000)	$3.25 (no maximum gallons)

Option #3 – Flat Rate

Single Family Residential Flat Rate	$42.25

High-Density Multifamily

High-Density Multifamily Base Charge	$68.25 (per building)
High-Density Multifamily Volume Rate (Per 1,000)	$5.45 (100% Volume)

DRAINAGE RATES

Residential	$4.35
Commercial	
1 – 10,000	$10.08
10,001 – 20,000	$29.65
20,001 – 40,000	$48.05
40,001 – 60,000	$94.55
60,001 – 100,000	$148.80
100,001 – 150,000	$228.63
150,001 +	$359.60

SOLID WASTE RATES-Effective 7/1/2024

Residential	
Collection	$20.92
Additional Polycart	$5.82
Administrative Fee – Per Unit	$1.50 per unit
Damage Fee-Polycart (damage due to misuse)	$60

**Commercial customers are billed directly by Republic Services.*

UTILITY FEES

Deposits – Residential Commercial	Credit based & previous account history $80 - $180
Deposits - Commercial	Quoted based on like accounts & previous account history Equal to minimum bill for (1 or 2) monthly bill of like account
Initial Connection Fee	$50
Delinquent Fees	15% of balance
Collection Services	25% of final balance
Disconnect Processing Fee	$50 before 4pm
After Hours Non-Emergency Service Call	$40 after 4pm
Meter Accuracy Check (Reread)	$25
Meters up to 1” – Meter Testing Deposit	$75
Meters greater than 1” up to 2” – Meter Testing Deposit	$250
Meters larger than 2” – Meter Testing Deposit	Base Fee – Quoted on per cost basis

Tampering Fees

Tampering with Meter without City Permission	$500 per event

Water Taps & Meter Set*

All Water Taps	$1,500 Base Fee – Quoted on per cost basis
5/8” x 3/4” meter set	$450 + cost of meter box if needed
3/4" x 3/4" meter set	$500 + cost of meter box if needed
1” or larger service or meter set	Base Fee – Quoted on per cost basis

****Prior to the connection of any water line onto a city water main, the party requesting such connection shall pay the city the water service installation and meter fees for labor and materials.***

Wastewater Taps & Service Connection Fees**

All Wastewater Taps	$1000 Base Fee – Quoted on per cost basis
4” Tap	$1500 Base Fee – Quoted on per cost basis
6” Tap	$2000 Base Fee – Quoted on per cost basis
8” or Larger Lateral	$2000 Base Fee – Quoted on per cost basis

In addition, service lines that require the cutting or boring of paved streets or alley will be subject to a minimum charge of $1000 Base Fee – Quoted on per cost basis. The decision of a bore or utility cut will be made by Community Services.

HEWITT
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COUNCIL AGENDA ITEM FORM

MEETING DATE: November 4, 2024

AGENDA ITEM #: 3.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2024-12** approving the financing terms of Cogent Bank for a term of five (5) years at 4% for the financing of various vehicles and equipment.

STAFF RECOMMENDATION/ITEM SUMMARY:

The city published two times in the Waco Tribune Herald on October 17 and 24, 2024, for financing in the amount of $650,000 and emailed 18 potential bidders to fund eight (8) Police Department vehicles, a 3/4 ton pickup for the Street Department and Radio Frequency Identification (RFID) System for the Library. Four bids were received by October 28, 2024, 11 a.m. The following is a summary of bids received. Staff recommends approving the lowest bid, which is from Cogent Bank for a term of five (5) years at 4%.

FISCAL IMPACT:

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

SUGGESTED MOTION:

I move approval of **Resolution No. 2024-12** accepting the bid from Cogent Bank for a term of five (5) years at a rate of 4% for the financing of various vehicles and equipment.

ATTACHMENTS:

1. Results from Bid 2025
2. 2024-12 Financing RES - 2024 -5 yrs
3. 2025 Short Term Financing
4. Term Sheet - 102424-Cogent

Results from Lease Financing Bid for $650,000

Bids Received by 11 am on 10/28/2024:
Notice Emailed to all who had expressed interest in bidding on future financing: 18 potential bidders.

Notice of Bid on Lease Financing for: **8 Police Vehicles, 3/4 ton Pickup for Streets and RFID hardware for the Library**

Responses:

Bidder	Contact		3 yr Term	4 yr Term	5 yr Term	One-Time Fee
Cogent Bank	Mike Horkey		3.98%	3.99%	4.00%	$ 500.00
		Annual	$ 234,137.65	$ 179,026.33	$ 146,007.62	
		Total	$ 702,412.95	$ 716,105.32	$ 730,038.10	
First Government	Paul Graver		n/a	11.00%	11.00%	$ -
		Annual	n/a	$ 210,396.10	$ 176,612.73	
		Total	n/a	$ 841,584.40	$ 883,063.65	
Holman Capital	Kevin Russell		n/a	n/a	5.17%	$ 5,000.00
		Annual	n/a	n/a	$ 150,839.84	
		Total	n/a	n/a	$ 754,199.20	
KS State Bank	Karen Neathery		5.71%	5.71%	5.71%	$ -
		Annual	$ 241,867.76	$ 186,340.37	$ 153,092.29	
		Total	$ 725,603.28	$ 745,361.48	$ 765,461.45	

RESOLUTION NO. 2024-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEWITT, TX, APPROVING THE FINANCING TERMS OF COGENT BANK FOR A TERM OF FIVE (5) YEARS AT 4% FOR THE FINANCING OF VARIOUS VEHICLES AND EQUIPMENT

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 November 4, 2024. The amount financed will not exceed $650,000.00, the annual interest rate (in the absence of default or change in tax status) will not exceed 4%, and the financing term will not exceed five (5) 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.

Approved this 4th day of November, 2024.

CITY OF HEWITT, TX

_____
Steve Fortenberry, Mayor

ATTEST:

_____
Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

_____
Michael W. Dixon, City Attorney

CAPITAL OUTLAY - SHORT TERM FINANCING

GENERAL FUND				
POLICE DEPARTMENT	**Admin Vehicle-unmarked**	**59,000**	**Admin**	**10-50635-41-01**
	Patrol Vehicles-3	**293,403**	**Patrol**	**10-50635-41-02**
	CID Vehicles-4	**236,000**	**CID**	**10-50635-41-03**
		588,403		
GENERAL SERVICES	**3/4 Ton Pickup**	**54,555**	**Streets**	**10-50635-50-02**
LIBRARY	**RFID Hardware**	**20,000**	**Library**	**10-50615-59**
	Total Short Term Financing	**662,958**		

**** 1st Payment to be made in FY 25/26***

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

November 24, 2024

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 Ms. 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:	$650,000.00 (+/- 10%)
Total Lease Amount:	$650,000.00 (+/- 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: 3.98% Four (4) Year Lease Term: 3.99% Five (5) Year Lease Term: 4.00%

Rental Payments: Please refer to Exhibits A, B and C Sample Amortization Schedules

Anticipated Closing Date: On or before November 25, 2024

Rate Lock: The indicated Lease Rates will be fixed until November 25, 2024. If, for any reason, the Lease is not closed by November 25, 2024, the Lessor may adjust the Lease Rate, at its discretion, five (5) days prior to the Lease Funding Date.

Pre-Payment Premium: No-call for the duration of the Lease

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 2024 calendar year will not 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: $500.00 documentation fee

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 November 14, 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
- Related invoices, purchase orders and / or vendor quotes
- Municipal Loan Application
- 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.

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 10/28/2024 1:24 PM
3 Year Option
Compounding Period: Annual

Nominal Annual Rate: 3.98%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	11/25/2024	650,000.00	1		
2	Payment	11/25/2025	234,137.65	3	Annual	11/25/2027

TValue Amortization Schedule - Normal, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	11/25/2024				650,000.00
1	11/25/2025	234,137.65	25,870.00	208,267.65	441,732.35
2	11/25/2026	234,137.65	17,580.95	216,556.70	225,175.65
3	11/25/2027	234,137.65	8,962.00	225,175.65	0
Grand Totals		**702,412.95**	**52,412.95**	**650,000.00**	

Last interest amount increased by 0.01 due to rounding.

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

Amortization Report 10/28/2024 1:27 PM
4 Year Option
Compounding Period: Annual

Nominal Annual Rate: 3.99%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	11/25/2024	650,000.00	1		
2	Payment	11/25/2025	179,026.33	4	Annual	11/25/2028

TValue Amortization Schedule - Normal, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	11/25/2024				650,000.00
1	11/25/2025	179,026.33	25,935.00	153,091.33	496,908.67
2	11/25/2026	179,026.33	19,826.66	159,199.67	337,709.00
3	11/25/2027	179,026.33	13,474.59	165,551.74	172,157.26
4	11/25/2028	179,026.33	6,869.07	172,157.26	0.00
Grand Totals		**716,105.32**	**66,105.32**	**650,000.00**	

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

Amortization Report 10/28/2024 1:28 PM						
5 Year Option						
Compounding Period:		Annual				
Nominal Annual Rate:		4.00%				
Cash Flow Data - Loans and Payments						
	Event	**Date**	**Amount**	**Number**	**Period**	**End Date**
1	Loan	11/25/2024	650,000.00	1		
2	Payment	11/25/2025	146,007.62	5	Annual	11/25/2029
TValue Amortization Schedule - Normal, 30E3/360						
	Date	**Payment**	**Interest**	**Principal**	**Balance**	
Loan	11/25/2024				650,000.00	
1	11/25/2025	146,007.62	26,000.00	120,007.62	529,992.38	
2	11/25/2026	146,007.62	21,199.70	124,807.92	405,184.46	
3	11/25/2027	146,007.62	16,207.38	129,800.24	275,384.22	
4	11/25/2028	146,007.62	11,015.37	134,992.25	140,391.97	
5	11/25/2029	146,007.62	5,615.65	140,391.97	0.00	
Grand Totals		**730,038.10**	**80,038.10**	**650,000.00**		
Last interest amount decreased by 0.03 due to rounding.						

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HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: November 4, 2024

AGENDA ITEM #: 4.

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2024-13** casting votes to elect the Directors for the McLennan Central Appraisal District for the year 2025.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached is a draft resolution and official ballot for selecting the five (5) member Board of Directors. Each taxing entity is allotted a certain number of votes. The city has a total of 71 votes. The votes may be cast as a block or unit or distributed among candidates.

The deadline to submit the attached resolution is December 15.

FISCAL IMPACT:

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

SUGGESTED MOTION:

I move approval of **Resolution No. 2024-13** casting votes to elect the Directors for the McLennan Central Appraisal District for the year 2025.

ATTACHMENTS:

1. 2025 Entity Voting Entitlements
2. 2024-13 McLennan Central Appraisal District Votes Cast Resolution
3. 2025 BALLOT

MCLENNAN CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS
ALLOWABLE VOTES BY ENTITY

TAXING UNIT	Preceding YR Tax Levy 2023	PERCENT OF TOTAL LEVY	CALCULATED 2025 TERM VOTES
TOTAL	**569,549,373**	**100%**	**5,000**
SCHOOL DISTRICTS			
AXTELL ISD	1,927,972.40	0.338508%	**17**
BOSQUEVILLE ISD	3,681,088.89	0.646316%	**32**
BRUCEVILLE-EDDY ISD	2,445,758.43	0.429420%	**21**
CHINA SPRING ISD	15,985,630.74	2.806716%	**140**
CONNALLY ISD	11,932,290.08	2.095041%	**105**
CRAWFORD ISD	3,864,794.45	0.678571%	**34**
GHOLSON ISD	735,626.44	0.129159%	**6**
HALLSBURG ISD	1,136,041.50	0.199463%	**10**
LA VEGA ISD	14,998,574.02	2.633411%	**132**
LORENA ISD	9,727,617.82	1.707950%	**85**
MART ISD	1,623,234.16	0.285003%	**14**
McGREGOR ISD	6,887,742.17	1.209332%	**60**
MIDWAY ISD	84,619,278.04	14.857233%	**743**
MOODY ISD	2,414,831.11	0.423990%	**21**
OGLESBY ISD	8,472.18	0.001488%	**0**
RIESEL ISD	4,642,146.83	0.815056%	**41**
ROBINSON ISD	11,797,166.13	2.071316%	**104**
VALLEY MILLS ISD	1,056,538.85	0.185504%	**9**
WACO ISD	98,628,560.46	17.316947%	**866**
WEST ISD	7,688,046.88	1.349847%	**67**
COUNTY			
McLENNAN COUNTY	92,052,479.02	16.162335%	**808**
McLENNAN COMMUNITY COLLEGE	37,605,997.91	6.602763%	**330**
CITY			
BELLMEAD, CITY OF	2,307,596.79	0.405162%	**20**
BEVERLY HILLS, CITY OF	763,602.63	0.134071%	**7**
BRUCEVILLE-EDDY, CITY OF	453,862.26	0.079688%	**4**
CRAWFORD, CITY OF	476,757.70	0.083708%	**4**
GHOLSON, CITY OF	35,552.07	0.006242%	**0**
GOLINDA, CITY OF	31,986.55	0.005616%	**0**
HALLSBURG, CITY OF	22,920.47	0.004024%	**0**
HEWITT, CITY OF	8,059,924.31	1.415141%	**71**
LACY-LAKEVIEW, CITY OF	1,964,160.86	0.344862%	**17**
LEROY, CITY OF	26,953.25	0.004732%	**0**
LORENA, CITY OF	1,019,655.83	0.179029%	**9**
MART, CITY OF	594,971.09	0.104463%	**5**
McGREGOR, CITY OF	3,891,399.93	0.683242%	**34**
MOODY, CITY OF	432,368.26	0.075914%	**4**
RIESEL, CITY OF	255,769.25	0.044907%	**2**
ROBINSON, CITY OF	6,501,866.74	1.141581%	**57**
VALLEY MILLS, CITY OF	9,481.41	0.001665%	**0**
WACO, CITY OF	118,587,400.29	20.821268%	**1,041**
WEST, CITY OF	1,777,493.71	0.312088%	**16**
WOODWAY, CITY OF	6,875,761.09	1.207228%	**60**

RESOLUTION NO. 2024-13

TAXING UNIT: CITY OF HEWITT

RESOLUTION OF VOTES CAST TO ELECT DIRECTORS FOR THE McLENNAN CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS FOR THE YEAR 2025

WHEREAS, Section 6.03 (k) of the Texas Property Tax Code, requires that each taxing unit entitled to vote cast their vote by Resolution and submit results of that vote to the Chief Appraiser of the McLennan Central Appraisal District before December 15, 2024.

THEREFORE, the City of Hewitt submits the attached Official Ballot, as issued by the Chief Appraiser, stating the vote for candidates for the election of the Board of Directors for the McLennan Central Appraisal District for 2025.

ACTION TAKEN this 4th day of November, 2024, in Regular Session of the governing body of the above-mentioned taxing unit; as authorized under Section 6.03 of the Texas Property Tax Code, for the purpose of casting votes to elect the Board of Directors of the McLennan Central Appraisal District.

PASSED AND APPROVED this 4th day of November, 2024.

CITY OF HEWITT, TEXAS

_____
Steve Fortenberry, Mayor

ATTEST:

_____
Lydia Lopez, City Secretary

APPROVED AS TO FORM & LEGALITY:

_____
Michael W. Dixon, City Attorney

STATE OF TEXAS §
COUNTY OF McLENNAN §

TAXING UNIT NO.

OFFICIAL BALLOT

SELECTION OF FIVE (5) MEMBERS FOR THE BOARD OF DIRECTORS
OF THE McLENNAN CENTRAL APPRAISAL DISTRICT

.

ENTER THE NUMBER OF VOTES, IN THE SQUARE(S) ADJACENT TO THE NAME OF THE CANDIDATE(S), INDICATING THE NUMBER OF VOTES YOU WISH TO CAST FOR EACH CANDIDATE. YOU MAY CAST ALL OF YOUR ALLOTED VOTES FOR ONE CANDIDATE OR DISTRIBUTE THEM AMONGST ANY NUMBER OF CANDIDATES. PLEASE VERIFY THAT THE TOTAL NUMBER OF VOTES CAST MATCHES THE ENTITLED NUMBER OF VOTES ALLOWED FOR YOUR TAXING UNIT, WHICH IS LISTED ON THE SPREADSHEET INCLUDED IN THE DELIVERY METHOD OF THIS BALLOT. BALLOTS SUBMITTED IN WHICH THE NUMBER OF VOTES CAST EXCEEDS THE NUMBER OF ENTITLED VOTES, CAN NOT BE COUNTED.

NUMBER OF VOTES	NOMINEE
	George Chase
	Jonathan Green
	John Kinnaird
	Dwain Moss
	Jim Patton
	Ben Perry
	Mildred Watkins

BALLOT AND RESOLUTION MUST BE RETURNED TO JIM HALBERT, CHIEF APPRAISER, BEFORE DECEMBER 15, 2024. BALLOTS RECEIVED OR POSTMARKED AFTER DECEMBER 14, 2024, CAN NOT BE COUNTED.

****Entities that are entitled to cast at least 5% of the total votes (Midway ISD, Waco ISD, McLennan County, MCC, City of Waco) must determine its vote by resolution adopted at the first or second open meeting of the governing body that is held after the date the chief appraiser delivers the ballot to the presiding officer of the governing body.**

HEWITT
TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: November 4, 2024

AGENDA ITEM #: 5.

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Discussion and possible action on rescheduling the City Council meetings for the month of December 2024.

STAFF RECOMMENDATION/ITEM SUMMARY:

Based on the upcoming holidays and the Fire Station No. 2 bid process, the staff is proposing a new date for the December meeting. There is usually only one meeting in December, and the staff recommends moving the first meeting to December 9.

FISCAL IMPACT:

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

SUGGESTED MOTION:

I move to approve rescheduling the City Council meetings in December so that only one meeting will be held on December 9, 2024.

ATTACHMENTS:

None