
Live Stream at <https://www.burlesontx.com/watchlive>

City Hall Council Chambers, 141 W. Renfro, Burleson, TX 76028

1. CALL TO ORDER

Invocation - Rusty Gilliam, Pastor at Cross Timbers Baptist Church

Pledge of Allegiance to the US Flag

Texas Pledge:

Honor the Texas Flag, I pledge allegiance to thee, Texas, one state under God; one and indivisible

2. PUBLIC PRESENTATIONS

A. Proclamations

B. Presentations

-Presentation of Leading the Way City Award 2022 for outstanding achievement and performance to the City of Burleson (*Staff Presenter: Jesse Elizondo, Director of Customer Service*)

C. Community Interest Items

This is a standing item on the agenda of every regular meeting of the City Council. An "item of community interest" includes the following:

- Expression of thanks, congratulations, or condolence;
- Information regarding holiday schedules;
- Honorary recognitions of city officials, employees, or other citizens;
- Reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by city official or city employee; and
- Announcements involving imminent public health and safety threats to the city.

3. CHANGES TO POSTED AGENDA

A. Items to be continued or withdrawn.

B. Items to be withdrawn from the Consent Agenda for separate discussion by the city council, staff, or members of the public in attendance. Items to be added to the Consent Agenda require an official vote by the city council.

4. CITIZENS APPEARANCES

Each person in attendance who desires to speak to the City Council on an item NOT posted on the agenda, shall speak during this section.

A speaker card must be filled out and turned in to the City Secretary prior to addressing the City Council. Each speaker will be allowed three (3) minutes.

Please note that City Council may only take action on items posted on the agenda. The Texas Open Meetings Act prohibits the City Council from deliberating or taking action on an item not listed on the agenda. City Council may, however, receive your comments on the unlisted item, ask clarifying questions, respond with facts, and explain policy.

Each person in attendance who desires to speak to the City Council on an item posted on the agenda, shall speak when the item is called forward for consideration.

5. **CONSENT AGENDA**

All items listed below are considered to be routine by the City Council and will be enacted with one motion. There will be no separate discussion of the items. Approval of the consent agenda authorizes the City Manager to implement each item in accordance with staff recommendations.

- A. Consider approval of the minutes from the August 1, 2022 special and regular council meetings and August 4, 2022 special council meeting. (*Staff Contact: Amanda Campos, City Secretary*).
- B. Consider approval of a resolution authorizing the City Manager to execute all necessary documents and make necessary expenditures to enter into and close on a real estate contract with Dusty and Amy Rumfield, as seller, to purchase fee simple title to approximately 13,844 square feet of land out of the H.G. Catlett Survey Abstract No. 185 in Johnson County, Texas. (*Staff Contact: Michelle McCullough, Assistant Director of Public Works*)
- C. Consider approval of an ordinance adopting the 2022-23 annual service and assessment plan update for the Parks at Panchasarp Farms Public Improvement District No. JC-1 and directing the City Secretary to file this ordinance with the County Clerk. (First Reading) (*Staff Contact: Matt Ribitzki, Deputy City Attorney/Compliance Manager*)
- D. Consider approval of a minute order ratifying the Burleson 4A Economic Development Corporation resolution adopting the corporation's FY2022-2023 annual budget. (*Staff Contact: Martin Avila, Finance Director*)
- E. Consider approval of a minute order ratifying the Burleson Community Services Development Corporation resolution adopting the corporation's FY2022-2023 annual budget. (*Staff Contact: Martin Avila, Finance Director*)
- F. Consider approval a minute order ratifying the Tax Increment Finance Reinvestment Zone #2 (TIF #2) Board resolution adopting the board's FY2022-2023 annual budget. (*Staff Contact: Martin Avila, Finance Director*)
- G. Consider approval of an Amendment Number 2 to CSO#1625-12-2020, a Professional Services Agreement with Dunaway Associates, Inc. for the design of a new parking lot and connectivity plan on Ellison Street in the amount not to exceed \$114,240 (*Staff Contact: Tiana Jackson, Civil Engineer*)

- H. Consider approval of a construction contract with GROD Construction for the construction of The Turkey Peak Entry Road and Drainage Flume, project WA2201, in an amount not to exceed \$349,548. *(Staff Contact: Tiana Jackson, Engineering Manager - Capital)*
- I. Consider approval of a conflict of interest waiver agreement with Taylor Olson Adkins Sralla Elam (TOASE) law firm associated with an extraterritorial jurisdiction (ETJ) boundary adjustment between the cities of Burleson, Crowley, and Fort Worth. *(Staff Contact: Tommy Ludwig, Deputy City Manager)*
- J. Consider approval of a resolution authorizing a settlement and stipulation of the City of Burleson, Texas's proof of claim in the Chesapeake Energy Corporation, et al., bankruptcy matter (United States Bankruptcy Court for the Southern District of Texas, Houston Division, Case No. 20-33233); providing a repealing clause and an effective date. *(Staff Contact: Matt Ribitzki, Deputy City Attorney/Compliance Manager)*

6. **DEVELOPMENT APPLICATIONS**

- A. **3808 S. Burleson Blvd. (Case 22-104):** Hold a public hearing and consider a waiver to Section 5.5.E "Parking Lot/Site Layout Design Criteria" of the Design Standards Manual as amended by Resolution R-1175-10 for the parking lot design within 3808 S. Burleson Blvd. *(Staff Presenter: Michelle McCullough, Assistant Public Works Director) (Planning and Zoning Commission recommended approval by unanimous vote.)*
- B. **2301 CR 805E. (Case 22-096):** Hold a public hearing and consider a waiver to Section 5.1.a "Street and right-of-way basic policies" of the Design Standards Manual for the design criteria for streets within the Good Farms Subdivision. *(Staff Presenter: Michelle McCullough, Public Works Assistant Director) (Planning and Zoning Commission recommended denial by a vote of 3-1.)*

7. **GENERAL**

- A. Consider and take action on an ordinance for the sale and issuance of the City of Burleson, Texas Combination Tax and Revenue Certificates of Obligation Bonds, Series 2022 not to exceed \$13,500,000, and issuance cost. (First and Final Reading) *(Staff Presenter: Martin Avila, Finance Director)*
- B. Consider and take action on an ordinance for the sale and issuance of the City of Burleson, Texas General Obligation Bonds, Series 2022 not to exceed \$1,450,000, and issuance cost. (First and Final Reading) *(Staff Presenter: Martin Avila, Finance Director)*

8. **REPORTS AND PRESENTATIONS**

- A. Receive a report, hold a discussion, and give staff direction regarding digital billboard signs. *(Staff Presenter: Tony D. McIlwain, Development Services Director)*
- B. Receive a report, hold a discussion, and give staff direction regarding renovation options for City Hall. *(Staff Presenter: Tommy Ludwig, Deputy City Manager)*
- C. Receive a report, hold a discussion, and give staff direction regarding the proposed budget and receive any additional direction from City Council regarding the fiscal year 2022-2023 annual budget. *(Staff Presenter: Bryan Langley, City Manager)*

9. CITY COUNCIL REQUESTS AND FUTURE AGENDA ITEMS AND REPORTS**10. RECESS INTO EXECUTIVE SESSION**

Pursuant to Section 551.071, Texas Government Code, the Council reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this meeting for any posted agenda item, to receive advice from its attorney as permitted by law.

A. Pending or Contemplated Litigation or to Seek the Advice of the City Attorney Pursuant to Section 551.071

-Extraterritorial Jurisdiction between the cities of Burleson, Crowley, and Fort Worth

B. Discussion Regarding Possible Purchase, Exchange, Lease, or Value of Real Property Pursuant to Section 551.072

-Discuss and receive direction on certain parcels of real property for municipal purposes where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.

-Discuss and receive direction on certain parcels of real property for the expansion of Lakewood Drive where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.

-Discuss and receive direction on certain parcels of real property for the expansion of County Road 1020 where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.

-Discuss and receive direction on certain parcels of real property for public library purposes where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.

C. Deliberation regarding a negotiated contract for a prospective gift or donation to the state or the governmental body Pursuant to Section 551.073**D. Personnel Matters Pursuant to Section 551.074****E. Deliberation regarding (1) the deployment, or specific occasions for implementation of security personnel or devices; or (2) a security audit Pursuant to Sec. 551.076****F. Deliberation Regarding Commercial or Financial Information Received from or the Offer of a Financial or Other Incentive made to a Business Prospect Seeking to Locate, Stay or Expand in or Near the Territory of the City and with which the City is conducting Economic Development Negotiations Pursuant to Section 551.087**

-Hyder Ranch

G. Pursuant to Sec 418.183(f), deliberation of information related to managing emergencies and disasters including those caused by terroristic acts (must be tape recorded)**CERTIFICATE**

I hereby certify that the above agenda was posted on this the **10th of August 2022, by 5:00 p.m.**, on the official bulletin board at the Burleson City Hall, 141 W. Renfro, Burleson, Texas.

Amanda Campos

Amanda Campos

City Secretary

ACCESSIBILITY STATEMENT

The Burleson City Hall is wheelchair accessible. The entry ramp is located in the front of the building, accessible from Warren St. Accessible parking spaces are also available in the Warren St. parking lot. Sign interpretative services for meetings must be made 48 hours in advance of the meeting. Call the A.D.A Coordinator at 817-426-9600, or TDD 1-800-735-2989.

City Council Regular Meeting

DEPARTMENT: City Secretary's Office
FROM: Amanda Campos, City Secretary
MEETING: August 15, 2022

SUBJECT:

Consider approval of the minutes from the August 1, 2022 special and regular council meetings and August 4, 2022 special council meeting. *(Staff Contact: Amanda Campos, City Secretary).*

SUMMARY:

The City Council duly and legally met on August 1, 2022 for a special and regular council meetings and August 4, 2022 special council meeting.

OPTIONS:

- 1) Council may approve the minutes as presented or approve with amendments.

RECOMMENDATION:

Approval.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

Name: Amanda Campos, TRMC
Department: City Secretary's Office
Email: acampos@burlesontx.com
Phone: 817-429-9665

BURLESON CITY COUNCIL SPECIAL MEETING

August 1, 2022
DRAFT MINUTES

COUNCIL PRESENT:

Victoria Johnson

Jimmy Stanford

Chris Fletcher

Tamara Payne (*arrived at 4:38pm*)

Ronnie Johnson

Staff present

Bryan Langley, City Manager

Tommy Ludwig, Deputy City Manager

Amanda Campos, City Secretary

Monica Solko, Deputy City Secretary

Allen Taylor, City Attorney

COUNCIL ABSENT:

Rick Green

Dan McClendon

1. CALL TO ORDER – 4:00 PM

Mayor Fletcher called the meeting to order.

2. PUBLIC PRESENTATIONS

- A. Receive a report, hold a discussion and provide staff direction regarding Christmas Tree lighting events. (*Staff Presenter: Jen Basham, Director of Parks and Recreation*)**

Jen Basham, Director of Parks and Recreation presented a report on options for Christmas tree lighting events.

- B. Receive a report, hold a discussion, and give staff direction regarding the Mobility Masterplan. (*Staff Presenter: Eric Oscarson, Public Works Director*)**

Eric Oscarson, Public Works Director presented a report on the Mobility Masterplan.

- C. Receive a report, hold a discussion and give staff direction regarding the Burleson Works program. (*Staff Presenter: Matt Ribitzki, Deputy City Attorney*)**

Drew Pennywell, Economic Development Project Manager presented a report on the Burleson Works program.

3. CITIZEN APPEARANCES

- No speakers.

4. RECESS INTO EXECUTIVE SESSION

Pursuant to Section 551.071, Texas Government Code, the Council reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this

meeting for any posted agenda item, to receive advice from its attorney as permitted by law.

A. Pending or Contemplated Litigation or to Seek the Advice of the City Attorney Pursuant to Section 551.071

- Land use, design standards, and density in the City's transit-oriented development district

B. Discussion Regarding Possible Purchase, Exchange, Lease, or Value of Real Property Pursuant to Section 551.072

- Discuss and receive direction on certain parcels of real property for municipal purposes where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.
- Discuss and receive direction on certain parcels of real property for the expansion of Lakewood Drive where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.
- Discuss and receive direction on certain parcels of real property for the expansion of County Road 1020 where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.

- No need for executive session.

ADJOURNMENT

Motion made by Jimmy Stanford and Ronnie Johnson to adjourn.

Mayor Fletcher adjourned the meeting. **Time: 4:55 p.m.**

Monica Solko
Deputy City Secretary

BURLESON CITY COUNCIL REGULAR MEETING

August 1, 2022
DRAFT MINUTES

COUNCIL PRESENT:

Victoria Johnson

Jimmy Stanford
Chris Fletcher
Tamara Payne

Ronnie Johnson

Staff present

Bryan Langley, City Manager
Tommy Ludwig, Deputy City Manager
Amanda Campos, City Secretary
Monica Solko, Deputy City Secretary
Allen Taylor, City Attorney

COUNCIL ABSENT:

Rick Green

Dan McClendon

1. CALL TO ORDER – 5:31 PM

Invocation - Ron Williams, Pastor at Faith to Faith Burleson

Pledge of Allegiance to the US Flag

Texas Pledge:

Honor the Texas Flag, I pledge allegiance to thee, Texas, one state under God; one and indivisible

2. PUBLIC PRESENTATIONS

A. Proclamations

- None.

B. Presentations

- Presentation of the Johnson County Pioneers and Old Settlers Reunion.
(Presenter: Johnson County Pioneers & Old Settlers Association Member, Jameye Jones)

C. Community Interest Items

- Great turnout at the back to school supply drive for Harvest House at Fire Station 16.
- Past agendas on the city's website are being formatted so that items are easier to find.
- Payers for eastern Kentucky.
- BISD announced the adoption of Armed Security Monitors that will be present at all elementary schools.
- Current city survey is seeking public input for Shannon Creek Nature Park.
- Registration open for the Be Healthy Run.
- August kicks off clear the shelters and we are currently at capacity.
- BTX kicks off back to school bash on August 13th.

City Attorney Allen Taylor reminded Council of the limitations of what could be discussed in the community interest portion of the agenda.

3. CHANGES TO POSTED AGENDA

A. Items to be continued or withdrawn

- None.

B. Items to be withdrawn from Consent Agenda for separate discussion or items to be added to the Consent Agenda.

- None.

4. CITIZEN APPEARANCES

- None.

5. CONSENT AGENDA

A. City council minutes from the July 18, 2022 regular council meeting. (*Staff contact: Amanda Campos, City Secretary*)

Motion made by Ronnie Johnson and seconded by Victoria Johnson to approve.

Motion passed 5-0.

B. CSO#3019-08-2022, five-year contract with Vista Com for the purchase of a telephone and radio recording system through an interlocal agreement with Houston-Galveston Area Council in the amount not to exceed \$179,800 and CSO#3020-08-2022, amending Motorola Solutions Service Agreement CSO#1720-04-2021 and CSO#3021-08-2022, amending Superior, LLC (Central Square) agreement CSO#833-05-2018. (*Staff Contact: Paul Bradley, Director of Public Safety Communications*)

Motion made by Ronnie Johnson and seconded by Victoria Johnson to approve.

Motion passed 5-0.

C. CSO#3022-08-2022, five-year grazing lease with Bryan Voegele at Russell Farm Art Center. (*Staff Contact: Jen Basham, Director of Parks and Recreation*)

Motion made by Ronnie Johnson and seconded by Victoria Johnson to approve.

Motion passed 5-0.

D. CSO#3023-08-2022, resolution adopting the Fiscal Year 2022-2023 Economic Development Strategic Plan. (*Staff Contact: Alex Philips, Economic Development Director*)

Motion made by Ronnie Johnson and seconded by Victoria Johnson to approve.

Motion passed 5-0.

- E. CSO#3024-08-2022, ordinance amending Section 6-1 (Definitions) and 6-9 (Care and Humane Treatment of Animals) of Chapter 6 (Animal Care and Control) of the Burleson Code of Ordinances by adding definitions for adequate shelter, harness, and adverse weather conditions, and by modifying definitions for cruelly treated and properly fitted, and by modifying the manner and location a dog or other animal may be tied or tethered; making this ordinance cumulative of prior ordinances; providing a severability clause; providing for the violation of this ordinance; providing a penalty clause; and providing for an effective date. (Final Reading) (Staff Contact: Lisa Duello, Neighborhood Services Director)**

Motion made by Ronnie Johnson and seconded by Victoria Johnson to approve.

Motion passed 5-0.

- F. CSO#3025-08-2022, cooperative purchasing agreement for the purchase and installation of cinematography broadcasting cameras and equipment through the Interlocal Purchasing System (TIPS) for the Mayor Vera Calvin Plaza with Digital Resources, Inc. in the amount not to exceed \$225,000 (Staff Contact: Collin Gregory, Video Production Specialist)**

Motion made by Ronnie Johnson and seconded by Victoria Johnson to approve.

Motion passed 5-0.

- G. CSO#3026-08-2022, ordinance amending the City budget for fiscal year 2021-2022 by increasing appropriations in the Equipment Services Fund in the amount of \$200,000 due to increase in fuel cost, Hidden Creek Golf fund in the amount of \$115,000 for operational and capital outlay cost, Information Technology Support Services Fund in the amount of \$478,666 for technology infrastructure upgrades. (Final Reading) (Staff Contact: Martin Avila, Finance Director)**

Motion made by Ronnie Johnson and seconded by Victoria Johnson to approve.

Motion passed 5-0.

- H. CSO#3027-08-2022, amendment to an existing professional services agreement with Braun Intertec for third party inspections of Fire Station #16 and the Emergency Operations Center in the amount of \$12,376.91. (Staff Contact: Eric Oscarson, Public Works Director)**

Motion made by Ronnie Johnson and seconded by Victoria Johnson to approve.

Motion passed 5-0.

- I. CSO#3028-08-2022, resolution authorizing a settlement of the Michael Fagan, et al. v. Homes by Towne of Texas, Inc., et al. matter (413th Judicial District Court, DC-C202100269); providing a repealing clause and an effective date. (Staff Contact: Matt Ribitzki, Deputy City Attorney/Compliance Manager)**

Motion made by Ronnie Johnson and seconded by Victoria Johnson to approve.

Motion passed 5-0.

6. **GENERAL**

- A. **CSO#3029-08-2022, construction contract with Texas Materials Group dba Texas Bit for the construction of the 2020 Neighborhood Streets Rebuild Project in the amount not to exceed \$1,983,052.60. (Staff Presenter: Eric Oscarson, Public Works Director)**

Eric Oscarson, Public Works Director, presented a construction contract to the city council.

Motion made by Jimmy Stanford and seconded by Victoria Johnson to approve.

Motion passed 5-0.

- B. **CSO#3030-08-2022; resolution authorizing an agreement between the Texas Department of Transportation and the City of Burleson for contributions of right-of-way funds for the E. Renfro (FM 3391) roadway improvements not to exceed \$114,222. (Staff Presenter: Eric Oscarson, Director of Public Works)**

Eric Oscarson, Public Works Director, presented a resolution to the city council.

Motion made by Ronnie Johnson and seconded by Tamara Payne to approve.

Motion passed 5-0.

- C. **CSO#3031-08-2022, contract with Royer Commercial Interiors for the purchase, delivery, and installation of furniture for the future city owned space at Ellison on the Plaza in the amount not to exceed \$326,130 (Staff Presenter: Justin Scharnhorst, Purchasing Manager)**

Justin Scharnhorst, Purchasing Manager, presented a contract to the city council.

Motion made by Victoria Johnson and seconded by Ronnie Johnson to approve.

Motion passed 5-0.

- D. **CSO#3032-08-2022, resolution approving the interior aesthetics and finish out of the City of Burleson's portion of the Ellison Street on the Plaza facility to be provided by BTX Old Town, LLC. (Staff Presenter: Justin Scharnhorst, Purchasing Manager)**

Justin Scharnhorst, Purchasing Manager, presented a contract to the city council.

Motion made by Jimmy Stanford and seconded by Tamara Payne to approve.

Motion passed 5-0.

7. REPORTS AND PRESENTATIONS

- A. Receive a report, hold a discussion and give staff direction regarding the Burleson Works program. (Staff Presenter: Matt Ribitzki, Deputy City Attorney**

Item was not needed; it was discussed during the special session.

8. CITY COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS OR REPORTS

- Outdoor pool at the Brick needs lounge furniture and areas with shaded structures.

9. RECESS INTO EXECUTIVE SESSION

Pursuant to Section 551.071, Texas Government Code, the Council reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this meeting for any posted agenda item, to receive advice from its attorney as permitted by law.

A. Pending or Contemplated Litigation or to Seek the Advice of the City Attorney Pursuant to Section 551.071

-Discuss Burleson Police Department Internal Affairs Investigation IA 22-02

B. Discussion Regarding Possible Purchase, Exchange, Lease, or Value of Real Property Pursuant to Section 551.072

-Discuss and receive direction on certain parcels of real property for municipal purposes where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.

-Discuss and receive direction on certain parcels of real property for the expansion of Lakewood Drive where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.

-Discuss and receive direction on certain parcels of real property for the expansion of County Road 1020 where deliberation in open session would have a detrimental effect on the position of negotiations with third parties.

C. Deliberation regarding a negotiated contract for a prospective gift or donation to the state or the governmental body Pursuant to Section 551.073

D. Personnel Matters Pursuant to Section 551.074

E. Deliberation regarding (1) the deployment, or specific occasions for implementation of security personnel or devices; or (2) a security audit Pursuant to Sec. 551.076

F. Deliberation Regarding Commercial or Financial Information Received from or the Offer of a Financial or Other Incentive made to a Business Prospect Seeking to Locate, Stay or Expand in or Near the Territory of the City and with which the City is conducting Economic Development Negotiations Pursuant to Section 551.087

G. Pursuant to Sec 418.183(f), deliberation of information related to managing emergencies and disasters including those caused by terroristic acts (must be tape recorded)

Motion was made by Victoria Johnson and seconded by Tamara Payne to convene into executive session. **Time: 6:06 p.m.**

Motion passed 5-0.

Motion was made by Victoria Johnson and seconded by Jimmy Stanford to reconvene into open session. **Time: 7:00 p.m.**

Motion passed 5-0.

ADJOURNMENT

Motion made by Tamara Payne and Victoria Johnson to adjourn.

Mayor Fletcher adjourned the meeting. **Time: 7:00 p.m.**

Monica Solko
Deputy City Secretary

BURLESON CITY COUNCIL SPECIAL MEETING

August 4, 2022
DRAFT MINUTES

COUNCIL PRESENT:

Victoria Johnson

Jimmy Stanford
Chris Fletcher
Tamara Payne

Ronnie Johnson

Staff present

Bryan Langley, City Manager
Tommy Ludwig, Deputy City Manager
Amanda Campos, City Secretary
Monica Solko, Deputy City Secretary

COUNCIL ABSENT:

Rick Green

Dan McClendon

1. CALL TO ORDER – 9:01 AM

Mayor Fletcher called the meeting to order.

2. CITIZEN APPEARANCES

- No speakers.

3. GENERAL

A. Presentation and discussion of the FY2022-23 proposed budget and related items. (Staff Presenter: Bryan Langley, City Manager)

Bryan Langley, City Manager gave a presentation on the FY2022-2023 proposed budget and related items to the city council.

RECESS AND BACK TO ORDER

Mayor Fletcher recessed for a short break at 10:14 a.m. and called the meeting back to order at 10:20 a.m. with all members present as recorded.

Council member Tamara Payne left the meeting at 11:31 a.m. and returned at 11:33 a.m.

B. CSO#3033-08-2022, minute order setting the date and time of the public hearings on the tax rate and budget for FY2022-2023 for September 06, 2022 at 5:30 p.m. (Staff Presenter: Martin Avila, Finance Director)

Martin Avila, Finance Director presented a minute order to the city council.

Motion made by Tamara Payne and seconded by Jimmy Stanford to approve.

Motion passed 5-0.

C. CSO#3034-08-2022, resolution proposing a tax rate for the 2022 tax year with record vote. (Staff Presenter: *Martin Avila, Finance Director*)

Martin Avila, Finance Director presented a resolution to the city council.

Motion made by Ronnie Johnson and seconded by Tamara Payne to approve.

A record vote was taken with the following results:

For: Chris Fletcher, Mayor
Victoria Johnson, Place 1
Jimmy Stanford, Place 3
Tamara Payne, Place 4
Ronnie Johnson, Place 6

Against: None.

Abstain: None.

Absent: Rick Green, Place 2
Dan McClendon, Place 5

Motion passed 5-0.

4. ADJOURNMENT

Motion made by Jimmy Stanford and Ronnie Johnson adjourn.

Mayor Fletcher adjourned the meeting. **Time: 12:25 p.m.**

Monica Solko
Deputy City Secretary

City Council Regular Meeting

DEPARTMENT: PUBLIC WORKS

FROM: Eric Oscarson, Public Works Director

MEETING: August 15, 2022

SUBJECT:

Consider approval of a resolution authorizing the City Manager to execute all necessary documents and make necessary expenditures to enter into and close on a real estate contract with Dusty and Amy Rumfield, as seller, to purchase fee simple title to approximately 13,844 square feet of land out of the H.G. Catlett Survey Abstract No. 185 in Johnson County, Texas. (Staff Contact: Michelle McCullough, Assistant Director of Public Works)

SUMMARY:

The City Council approved a Chapter 380 Economic Development and Performance Agreement for the Chisholm Summit development on June 7, 2021. The agreement included the design and construction of Lakewood Blvd. from County Road 1020 (future Alsbury Blvd) and FM 1902 and the construction of a sanitary sewer lift station to serve the Chisholm Summit development, the future office park, and surrounding area. The design of Lakewood Blvd. is approximately 90 percent complete, and the sanitary sewer lift station is approximately 75 percent complete.

At least five parcels were identified that require acquisition of right-of-way to facilitate the construction of Lakewood Blvd and future roundabout at the intersection of Lakewood Blvd. and County Road 1020. The agreement for the first parcel for right-of-way acquisition includes the relocation of an existing decorative fence, entry feature, and irrigation system. In addition, the existing driveway will be reconstructed. The property owner provided an estimate to remove and relocate the existing improvements which is included as part of the compensation for right-of-way acquisition. The property owner shall be responsible for relocating all existing improvements within the portion of right-of-way acquisition prior to the start of construction.

OPTIONS:

- 1) Approve the resolution.
- 2) Deny the resolution.

RECOMMENDATION:

Approve the resolution authorizing the City Manager to execute all necessary documents and make necessary expenditures to enter into and close on a real estate contract with Dusty and Amy Rumfield, as seller, to purchase fee simple title to approximately 13,844 square feet of land out of the H.G. Catlett Survey Abstract No. 185 in Johnson County, Texas..

PRIOR ACTION/INPUT (Council, Boards, Citizens):

None

FISCAL IMPACT:

Funding Source: 4A Economic Development Corporation

STAFF CONTACT:

Eric Oscarson
Public Works Director
eoscarson@burlesontx.com
817-426-9837

Choose an item.

DEPARTMENT: Legal

FROM: Matt Ribitzki, Deputy City Attorney/Compliance Manager

MEETING: August 15, 2022

SUBJECT:

Consider approval of an ordinance adopting the 2022-23 annual service and assessment plan update for the Parks at Panchasarp Farms Public Improvement District No. JC-1 and directing the City Secretary to file this ordinance with the County Clerk. (First Reading) (*Staff Contact: Matt Ribitzki, Deputy City Attorney/Compliance Manager*)

SUMMARY:

The Parks at Panchasarp Farms Public Improvement District JC-1 (the "PID") was created pursuant to the PID act and a resolution by the City Council on February 2, 2019 to finance certain public park improvements for the benefit of the Property in the PID.

On February 3, 2020, City Council approved the Service and Assessment Plan for the PID that set the assessment rate and specific improvements for which the PID is responsible. Generally, the PID is responsible for construction and maintenance of public park improvements within the Parks and Panchasarp Farms development. The Service and Assessment Plan was updated for the Phase #2 Reimbursement Agreement in the aggregate principal amount of \$482,718 (the "Phase #2 Reimbursement Agreement") on March 21, 2022 (the "Updated Service and Assessment Plan").

Pursuant to Chapter 372 of the Texas Local Government Code, the Updated Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for the Authorized Improvements. The proposed ordinance adopts the Updated Service and Assessment Plan for the year 2022-23 (the "Annual Service Plan Update").

The reporting dates for the 2021-22 period are September 01, 2022 through August 31, 2023. Following is a summary of activity and assessments for the reporting period:

- The last remaining two (2) Lots in Phase #1 are being triggered in 2022-2023 with the issuance of building permits, thus all ninety-eight (98) Lots within Phase #1 have been triggered.
- Fifty-nine (59) of the one-hundred thirty (130) Lots within Phase #2 are being triggered in 2022-23 with the issuance of building permits as of June 30, 2022.

Below is a table summarizing the updated sources of funds required to construct the PID's authorized improvements and establish the PID:

Table II-A
Sources and Uses of Funds - Total

Sources of Funds	Original Budget	Budget Revisions ¹	Revised Budget	Spent to Date ¹	Remaining Balance ²
Phase #1 Reimbursement Agreement	\$374,055	\$0	\$374,055	\$374,055	\$0
Phase #2 Reimbursement Agreement	\$482,718	\$0	\$482,718	\$325,900	\$156,817
Future Phase Reimbursement Agreement	\$2,075,067	\$0	\$2,075,067	\$0	\$2,075,067
Other funding sources	\$0	\$0	\$0	\$0	\$0
Total Sources	\$2,931,839	\$0	\$2,931,839	\$699,955	\$2,231,884
Uses of Funds					
<i>Authorized Improvements</i>					
Grading improvements	\$43,200	\$100,000	\$143,200	\$125,121	\$18,079
Irrigation improvements	\$316,310	\$0	\$316,310	\$96,754	\$219,556
Landscaping improvements	\$960,004	\$0	\$960,004	\$205,034	\$754,970
Site furnishings improvements	\$177,200	\$0	\$177,200	\$0	\$177,200
Site elements improvements	\$447,954	\$0	\$447,954	\$70,518	\$377,436
Playground improvements	\$517,812	\$0	\$517,812	\$73,585	\$444,227
Other soft costs including PID creation costs	\$469,359	(\$100,000)	\$369,359	\$128,943	\$240,416
Total Uses	\$2,931,839	\$0	\$2,931,839	\$699,955	\$2,231,884

1 - According to the Updated Service and Assessment Plan dated March 21, 2022.

OPTIONS:

- 1) Approve as presented
- 2) Approve with changes
- 3) Deny

RECOMMENDATION:

Approve as presented.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

On November 12, 2018, the City Council approved a Public Improvement District Policy.

On December 10, 2018, the City Council approved a resolution accepting a PID petition and set a public hearing date to consider the creation of the Parks at Pachasarp Farms Public Improvement District JC-1.

On February 4, 2019, the City Council approved a resolution creating the Parks at Pachasarp Farms Public Improvement District JC-1.

On November 11, 2019, the City Council held a work session to give staff feedback on the assessment rates of the Parks at Pachasarp Farms Public Improvement District JC-1.

On January 6, 2020, the City Council approved a resolution adopting a preliminary service and assessment plan of Phase 1 of the development and set a public hearing date to levy the assessment.

On February 3, 2020, the City Council held a public hearing and approved an ordinance adopting a service and assessment plan and levying an assessment on Phase 1.

On June 15, 2020, the City Council approved an interlocal agreement with Johnson County for collection of assessments from the Parks at Pachasarp Farms Public Improvement District JC-1.

On September 21, 2020, the City Council approved a resolution adopting the 2020-21 annual service plan update.

On September 7, 2021, the City Council approved an ordinance adopting the 2021-22 annual service plan update.

On January 18, 2022, the City Council approved a resolution setting the public hearing and approving a preliminary Service and Assessment Plan.

On February 21, 2022, the City Council held a public hearing and approved an ordinance on first reading adopting a service and assessment plan and levying an assessment on Phase 2, and the ordinance was approved on final reading on March 7, 2022.

FISCAL IMPACT:

None.

STAFF CONTACT:

Matt Ribitzki
Deputy City Attorney/Compliance Manager
mrribitzki@burlesontx.com
817-426-9664

ORDINANCE

AN ORDINANCE APPROVING THE 2022-23 ANNUAL SERVICE AND ASSESSMENT PLAN UPDATE FOR THE PARKS AT PANCHASARP FARMS PUBLIC IMPROVEMENT DISTRICT NO. JC-1; DIRECTING THE CITY SECRETARY TO FILE THIS ORDINANCE WITH THE COUNTY CLERK; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; INCORPORATING THE RECITALS; FINDING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Burleson, Texas (the “City”) is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City received a petition requesting the creation of the Parks at Panchasarp Farms Public Improvement District No. JC-1 (the “PID”); and

WHEREAS, on February 4, 2019, the City held a public hearing then passed and adopted Resolution CSO#981-02-2019 establishing the PID in accordance with the Public Improvement District Act; and

WHEREAS, on February 3, 2020, the City passed and adopted Ordinance CSO#1268-02-2020 approving a Service and Assessment Plan for the PID; and

WHEREAS, on March 7, 2022, the City passed and adopted Ordinance CSO#2008-03-2022 approving an amended and restated Service and Assessment Plan for the PID (the “SAP”); and

WHEREAS, the city council wishes to approve the 2022-23 Annual Update of the SAP (the “Annual Service Plan Update”) for the PID.

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

Section 1

The 2022-2023 Annual Service Plan Update, attached to this Ordinance as Exhibit A, is hereby approved and adopted on behalf of the PID.

Section 2

The City Secretary shall cause this ordinance to be filed with the county clerk in each county in which all or a part of the PID is located not later than seven (7) days after the date the governing body of the City approves this Annual Service Plan Update.

Section 3

Any and all ordinances, resolutions, rules, regulations, policies or provisions in conflict with the provisions of this ordinance are hereby repealed and rescinded to the extent of conflict herewith.

Section 4

If any section, article, paragraph, sentence, clause, phrase or word in this ordinance, or application thereto any person or circumstances is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance; and the City Council hereby declares it would have passed such remaining portions of this ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 5

All of the above premises in the preamble are found to be true and correct and are incorporated into the body of this ordinance as if copied in their entirety.

Section 6

It is hereby officially found and determined that the meeting at which this ordinance is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

Section 7

This ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED:

First Reading: the _____ day of _____, 20____.

Final Reading: the _____ day of _____, 20____.

Chris Fletcher, Mayor
City of Burleson, Texas

ATTEST:

APPROVED AS TO FORM:

Amanda Campos, City Secretary

E. Allen Taylor, Jr., City Attorney

**PANCHASARP FARMS
PUBLIC IMPROVEMENT DISTRICT
CITY OF BURLESON, TEXAS**

**ANNUAL SERVICE PLAN UPDATE
(ASSESSMENT YEAR 9/1/22 - 8/31/23)**

**APPROVED BY CITY COUNCIL ON:
AUGUST 15, 2022**

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

PANCHASARP FARMS PUBLIC IMPROVEMENT DISTRICT

ANNUAL SERVICE PLAN UPDATE (ASSESSMENT YEAR 9/1/22 – 8/31/23)

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I. INTRODUCTION

The Panchasarp Farms Public Improvement District (the “PID”) was created pursuant to Chapter 372, Texas Local Government Code, as amended (the “PID Act”) and Resolution CSO#981-02-2019 of the City Council on February 4, 2019, to finance certain public improvement projects for the benefit of the property in the PID. The City approved the Phase #1 Reimbursement Agreement in the aggregate initial amount of \$377,134 pursuant to a resolution adopted by the City Council on February 3, 2020, to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in the PID. The Phase #1 Reimbursement Agreement amount was updated to \$374,055 based on a new allocation of revised Equivalent Units as shown in Appendix C (the “Phase #1 Reimbursement Agreement”).

A service and assessment plan dated February 3, 2020 (the “Service and Assessment Plan”) was prepared at the direction of the City identifying the public improvements (the “Authorized Improvements”) to be provided by the PID, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the PID for the costs of the Authorized Improvements. The Service and Assessment Plan was updated for the Phase #2 Reimbursement Agreement in the aggregate principal amount of \$482,718 (the “Phase #2 Reimbursement Agreement”) on March 21, 2022 (the “Updated Service and Assessment Plan”). Pursuant to Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”), the Updated Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for the Authorized Improvements. This document is the annual update of the Updated Service and Assessment Plan for 2022-23 (the “Annual Service Plan Update”).

The City also adopted an assessment roll for Phase #1 of the PID and Phase #2 of the PID attached as Appendix F (the “Phase #1 Assessment Roll”) and Appendix G (the “Phase #2 Assessment Roll”), respectively, to the Updated Service and Assessment Plan identifying the assessments on each Parcel of Assessed Property, based on the method of assessment identified in the Updated Service and Assessment Plan. This Annual Service Plan Update also updates the Assessment Roll for 2022-23.

The Texas legislature passed House Bill 1543 as an amendment to the PID Act, requiring, among other things, (i) all Service and Assessment Plans and Annual Service Plan Updates be approved through City ordinance or order to be filed with the county clerk of each county in which all or part of the PID is located within seven days and (ii) include a copy of the notice form required by Section 5.014 of the Texas Property Code (the “PID Assessment Notice”) as disclosure of the obligation to pay PID Assessments. In light of these amendments to the PID Act, this Annual Service Plan Update includes a copy of the PID Assessment Notice as Appendix F and copy of this Annual Service Plan Update will be filed with the county clerk in each county in which all or a part of the PID is located not later than seven (7) days after the date the governing body of the City approves this Annual Service Plan Update.

Section 372.013 of the PID Act, as amended, stipulates that a person who proposes to sell or otherwise convey real property that is located in the PID, except in certain situation described in the PID Act, shall first give to the purchaser of the property a copy of the completed PID

Assessment Notice. The PID Assessment Notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller provided the required notice, the purchaser, subject to certain exceptions described in the PID act, is entitled to terminate the contract.

The PID Assessment Notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located at the closing of the purchase and sale of the property.

Capitalized terms shall have the meanings set forth in the Updated Service and Assessment Plan unless otherwise defined herein.

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II. UPDATE OF THE SERVICE PLAN

A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS

Pursuant to the Updated Service and Assessment Plan adopted by City Council, the initial total estimated costs of the Authorized Improvements were equal to \$2,931,839. As shown in Appendix C, the original estimated Equivalent Units within the PID were 639.41, of which 82.25 were allocable to Phase #1 representing 12.86% ($82.25 \div 639.41 = 12.86\%$). The Developer has revised the future development plan for 60 Ft Lots and 50 Ft Lots. As shown in Appendix C, the updated total estimated Equivalent Units is 638.64, of which 81.48 are allocable to Phase #1, representing 12.76% ($81.48 \div 638.64 = 12.76\%$). As a result, Phase #1's proportional share of the Authorized Improvements has been updated from \$377,134 (12.86%) to \$374,055 (12.76%). According to the Developer, the current costs spent to date for the Authorized Improvements are equal to \$699,955, of which \$89,303 is Allocable to Phase #1.

Sources and Uses - Total

Table II-A below summarizes the updated sources and uses of funds required to (i) construct the Authorized Improvements, and (ii) establish the PID.

Table II-A
Sources and Uses of Funds - Total

Sources of Funds	Original Budget	Budget Revisions ¹	Revised Budget	Spent to Date ¹	Remaining Balance ²
Phase #1 Reimbursement Agreement	\$374,055	\$0	\$374,055	\$374,055	\$0
Phase #2 Reimbursement Agreement	\$482,718	\$0	\$482,718	\$325,900	\$156,817
Future Phase Reimbursement Agreement	\$2,075,067	\$0	\$2,075,067	\$0	\$2,075,067
Other funding sources	\$0	\$0	\$0	\$0	\$0
Total Sources	\$2,931,839	\$0	\$2,931,839	\$699,955	\$2,231,884
Uses of Funds					
<u>Authorized Improvements</u>					
Grading improvements	\$43,200	\$100,000	\$143,200	\$125,121	\$18,079
Irrigation improvements	\$316,310	\$0	\$316,310	\$96,754	\$219,556
Landscaping improvements	\$960,004	\$0	\$960,004	\$205,034	\$754,970
Site furnishings improvements	\$177,200	\$0	\$177,200	\$0	\$177,200
Site elements improvements	\$447,954	\$0	\$447,954	\$70,518	\$377,436
Playground improvements	\$517,812	\$0	\$517,812	\$73,585	\$444,227
Other soft costs including PID creation costs	\$469,359	(\$100,000)	\$369,359	\$128,943	\$240,416
Total Uses	\$2,931,839	\$0	\$2,931,839	\$699,955	\$2,231,884

1 - According to the Updated Service and Assessment Plan dated March 21, 2022.

Total Authorized Improvement Cost Variances

As shown in Table II-A on the previous page, there are no significant variances of the Authorized Improvement costs.

Phase #1 Sources and Uses

Table II-B below summarizes the updated sources and uses of funds required to (i) construct the Phase #1 Improvements, (ii) establish the PID, and (3) levy the Phase #1 Reimbursement Agreement.

Table II-B
Sources and Uses of Funds – Phase #1

Sources of Funds	Original Budget	Budget Revisions ¹	Revised Budget	Spent to Date ¹	Remaining Balance ²
Phase #1 Reimbursement Agreement	\$374,055	\$0	\$374,055	\$374,055	\$0
Other funding sources	\$0	\$0	\$0	\$0	\$0
Total Sources	\$374,055	\$0	\$374,055	\$374,055	\$0
Uses of Funds					
<u>Authorized Improvements</u>					
Grading improvements	\$5,512	\$12,758	\$18,270	\$18,270	\$0
Irrigation improvements	\$40,356	\$0	\$40,356	\$40,356	\$0
Landscaping improvements	\$122,481	\$0	\$122,481	\$122,481	\$0
Site furnishings improvements	\$22,608	\$0	\$22,608	\$22,608	\$0
Site elements improvements	\$57,152	\$0	\$57,152	\$57,152	\$0
Playground improvements	\$66,064	\$0	\$66,064	\$66,064	\$0
Other soft costs including PID creation costs	\$59,883	(\$12,758)	\$47,124	\$47,124	\$0
Total Uses	\$374,055	\$0	\$374,055	\$374,055	\$0

1 - According to the Updated Service and Assessment Plan dated March 21, 2022.

Phase #1 Cost Variances

As shown in Table II-B above, there are no significant variances of the Authorized Improvement costs allocated to Phase #1.

Phase #1 Sources and Uses

Table II-C on the following page summarizes the updated sources and uses of funds required to (i) construct the Phase #1 Improvements, (ii) establish the PID, and (3) levy the Phase #1 Reimbursement Agreement.

Table II-C
Sources and Uses of Funds – Phase #2

Sources of Funds	Original Budget	Budget Revisions¹	Revised Budget	Spent to Date¹	Remaining Balance²
Phase #2 Reimbursement Agreement	\$482,718	\$0	\$482,718	\$325,900	\$156,817
Other funding sources	\$0	\$0	\$0	\$0	\$0
Total Sources	\$482,718	\$0	\$482,718	\$325,900	\$156,817
Uses of Funds					
<i>Authorized Improvements</i>					
Grading improvements	\$7,113	\$16,465	\$23,577	\$15,918	\$7,659
Irrigation improvements	\$52,079	\$0	\$52,079	\$35,161	\$16,919
Landscaping improvements	\$158,062	\$0	\$158,062	\$106,713	\$51,348
Site furnishings improvements	\$29,175	\$0	\$29,175	\$19,697	\$9,478
Site elements improvements	\$73,754	\$0	\$73,754	\$49,794	\$23,960
Playground improvements	\$85,256	\$0	\$85,256	\$57,559	\$27,697
Other soft costs including PID creation costs	\$77,278	(\$16,465)	\$60,814	\$41,058	\$19,756
Total Uses	\$482,718	\$0	\$482,718	\$325,900	\$156,817

1 - According to the Updated Service and Assessment Plan dated March 21, 2022.

Phase #2 Cost Variances

As shown in Table II-B above, there are no significant variances of the Authorized Improvement costs allocated to Phase #2.

B. FIVE YEAR SERVICE PLAN

According to the PID Act, a service plan must cover a period of five years. Based upon the actual budget for the Authorized Improvements, the Annual Installments expected to be collected during the next five years is shown in Table II-D on the following page.

Table II-D
Annual Projected Indebtedness & Projected Annual Installments – Phase #1

Assessment Year Ending 09/01¹	Annual Projected Costs	Annual Projected Indebtedness	Phase #1 Projected Annual Installments	Phase #2 Projected Annual Installments
2021-2022	\$856,772	\$856,772	\$80,735	\$0
2023	\$0	\$0	\$56,793	\$32,856
2024	\$0	\$0	\$58,660	\$71,926
2025	\$0	\$0	\$58,857	\$72,722
2026	\$0	\$0	\$59,121	\$72,664
2027	\$0	\$0	\$59,295	\$73,435
2028	\$0	\$0	\$59,536	\$73,353
Total	\$856,772	\$856,772	\$432,997	\$396,956

1 - Projected Annual Installments for Assessment Years ending 2021-23 represent actual amounts billed and include applicable credits. Assessment Years ending 2024-2028 represent projected amounts and will be updated in future Annual Service Plan Updates.

2 - Represents the Annual Installments billed for all Phase #1 Lots.

3 - Represents the Annual Installments billed for the fifty-nine (59) Phase #2 Lots in which building permits were issued as of June 30, 2022.

C. ANNUAL BUDGET – PHASE #1

Phase #1 - Annual Installments

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty (30) Annual Installments of principal and interest beginning with the tax year following the issuance of the Phase #1 Reimbursement Agreement. The collection of the first Annual Installment for a Phase #1 Lot or Parcel shall commence upon the earlier of: (i) with tax bills sent the first October following the issuance of the first building permit for each Lot within each Phase, such that Assessments are billed only for Lots for which a building permit has been issued, (ii) with tax bills sent the first October after issuance of a series of Phased PID Bonds for Phase #1 Assessed Property, such that upon the issuance of PID Bonds, all Assessments in the applicable Phase shall begin collection, or (iii) with tax bills sent the first October occurring after the expiration of two years from the date of the levy of Assessments on the Phase #1 Assessed Property, such that all Assessments in the applicable Phase begin collection immediately after the expiration of such two year period. Such first Annual Installment for a Phase #1 Lot or Parcel for which collection has begun, shall be due by January 31st of the following calendar year. According to the City, forty-one (41) of the ninety-eight (98) Lots withing Phase #1 were triggered in 2020-21 with the issuance of building permits as of June 30, 2020. In addition, fifty-five (55) of the ninety-eight (98) Lots withing Phase #1 were triggered in 2022-23 with the issuance of building permits as of June 30, 2021. The remaining two (2) Lots are being triggered in 2022-2023 following the expiration of two years from the date of the levy of Assessments on the Phase #1 Assessed Property as updated by this Annual Service Plan Update.

Pursuant to the Updated Service and Assessment Plan, each Assessment shall bear interest at the rate on the Phase #1 Reimbursement Agreement commencing with the issuance of the Phase #1 Reimbursement Agreement. The effective interest rate of the Phase #1 Reimbursement Agreement interest payments is 5.10 percent per annum for 2022-23. Pursuant to Section 372.018 of the PID Act, the interest rate for that Assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. These payments, the Annual Installments of the Assessments, shall be billed by the City in 2022 and will be delinquent on February 1, 2023.

Pursuant to the Updated Service and Assessment Plan, the Annual Service Plan Update will show the remaining balance of the Assessments, the Annual Installment due for 2022-23 and the administrative expenses to be collected from each Parcel. Annual administrative expenses shall be allocated to each Parcel pro rata based on the Annual Installment on a Parcel to the total Annual Installments in the PID that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Updated Service and Assessment Plan, such as capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

As shown in Appendix C, the original lot count consisted of sixty-nine (69) 60 ft Lots and twenty-nine (29) 55 ft Lots, resulting in 82.25 Equivalent Units. According to the Developer, the updated lot count consists of fifty-eight (58) 60 ft Lots and forty (40) 55 ft Lots, resulting in 81.48 Equivalent Units.

The Updated Service and Assessment Plan adopted by City Council levied the Phase #1 Reimbursement Agreement in the initial amount of \$377,134, which represented Phase #1's allocable portion of the Authorized Improvement Costs. As a result of the revised lot count in Future Phases, the updated Assessment allocated to Phase #1 is \$374,055. As shown in Appendix C, the total updated Equivalent Units within Phase #1 is 81.48, of which forty-one (41) Lots representing 34.14 Equivalent Units were triggered in 2020-21, Fifty-five (55) Lots representing 45.62 Equivalent Units are being triggered in 2021-2022, and two (2) Lots representing 1.72 Equivalent Units will be triggered in 2022-23. Additionally, as shown in Appendix B, three (3) 60 ft Lots that were triggered for Annual Installment collection in 2020-21 have prepaid their Assessments in full as of June 30, 2021, resulting in a current outstanding Equivalent Unit balance for Lots triggered in 2020-21 of 31.56 ($34.14 - 2.58 = 31.56$).

Phase #1 Lots Triggered in 2020-21

According to the City, building permits for forty-one (41) Phase #1 Lots had been issued as of July 30, 2020. As a result, condition (i) had been satisfied for the respective forty-one (41) Lots, and the first Annual Installments were due no later than January 31, 2021, for each Lot. As shown in Appendix B, four (4) Lots have prepaid their Assessment in full. Therefore, thirty-seven (37) Lots are subject to the Assessment with respect to principal and interest. However, all forty-one (41) Lots are subject to the Administrative Expenses including the Maintenance Assessment.

Table II-E on the following page shows the amount of outstanding Assessments applicable to the thirty-seven (37) platted Lots (net of the four prepaid Lots) that were triggered for collection in 2020-21.

Table II-E
Assessments on Lots with Building Permits as of July 31, 2020
(2020-21 Trigger)

Lot Type	No. of Lots with Issued Building Permits¹	Equivalent Unit Factor	Total Outstanding Equivalent Units	Total Outstanding Assessment per Lot Type	Total Outstanding Assessments
Lot Type 1	0	1.00	0.00	\$4,433.18	\$0.00
Lot Type 2	0	0.93	0.00	\$4,122.86	\$0.00
Lot Type 3	22	0.86	18.92	\$3,812.53	\$83,875.77
Lot Type 4	15	0.79	11.85	\$3,502.21	\$52,533.19
Lot Type 5	0	0.31	0.00	\$1,374.29	\$0.00
Total	37		30.77		\$136,408.95

1 – Lot count does not include three 60 Ft Lots and 1 50 Ft Lot that prepaid their Assessments in full.

Annual Budgets for the Repayment of Indebtedness

Debt service proportionately allocated to each Lot where a building permit was issued will be paid on the Phase #1 Reimbursement Agreement from the collection of the Annual Installments. In addition, Annual Collection Costs are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments.

Phase #1 Annual Installments to be collected for 2022-23 for Lots Triggered in 2020-21

The proportional budget for the PID will be paid from the collection of Annual Installments collected for 2022-23 as shown in Table II-F below.

Table II-F
Budget for the Phase #1 Annual Installments
to be Collected for 2022-23 from Lots Triggered in 2020-21

Descriptions	Total
Interest payment on or after March 1, 2023	\$3,478
Interest payment on or after September 1, 2023	\$3,478
Principal payment on September 1, 2023	\$2,673
<i>Subtotal debt service on R.A.</i>	<i>\$9,630</i>
Administrative Expenses	\$5,006
Maintenance Assessment	\$9,173
<i>Subtotal Expenses</i>	<i>\$23,808</i>
Available Administrative Expense account	\$0
<i>Subtotal funds available</i>	<i>\$0</i>
Annual Installments	\$23,808

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2023, in the amount of \$3,478 and on September 1, 2023, in the amount of \$3,478, which equal interest on the outstanding Assessment balance, for the thirty-seven (37) Lots (net of the four prepaid Lots) triggered in 2020-21, of \$136,409 for six months each at an effective interest rate of 5.10 percent. Annual Installments to be collected include a principal amount of \$2,673 due on September 1, 2023. As a result, total Annual Installments to be collected from Lots triggered in 2020-21, for principal and interest in 2022-23, is estimated to be equal to \$9,630. Such amount will be collected from the thirty-seven (37) Lots triggered in 2020-21 (net of the four prepaid Lots) that represent 30.77 Equivalent Units. As a result, the principal amount per Equivalent Unit to be collected for 2022-23 is equal to \$86.87 (i.e., $\$2,673 \div 30.77 = \86.87) and the interest amount per Equivalent Unit to be collected for 2022-23 is equal to \$226.09 (i.e., $\$6,957 \div 30.77 = \226.09).

Administrative Expenses

The proportional annual administrative expenses include the City, Administrator, and contingency fees for 2022-23 are estimated to proportionally be \$5,006. Such amount will be collected from the forty-one (41) Lots triggered in 2020-21 (including the four prepaid Lots) that represent 34.14 Equivalent Units. As a result, the Administrative Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$146.62 (i.e., $\$5,006 \div 34.14 = \146.62).

Maintenance Expenses

The proportional annual maintenance expenses to be proportionally collected for 2022-23 is estimated to be \$9,173. Such amount will be collected from the forty-one (41) Lots triggered in 2020-21 (including the four prepaid Lots) that represent 34.14 Equivalent Units. As a result, the Maintenance Expense per Equivalent Unit to be collected for 2022-23 is equal to \$268.68 (i.e., $\$9,173 \div 34.14 = \268.68).

Available Administrative Expense Account

There are no available administrative expense funds to reduce the 2022-23 Annual Installment.

Phase #1 Lots Triggered in 2021-22

According to the City, building permits for an additional fifty-five (55) Lots within Phase #1 have been issued as of June 30, 2021. As a result, condition (i) has been satisfied for the respective 55 Lots, and the first Annual Installment for these Lots will be due no later than January 31, 2022, for each Lot. As shown in Appendix B, four (4) Lots have prepaid their Assessment in full. Therefore, fifty-one (51) Lots are subject to the Assessment with respect to principal and interest. However, all fifty-five (55) Lots are subject to the Administrative Expenses including the Maintenance Assessment.

Table II-G below shows the amount of outstanding Assessments applicable to the fifty-one (51) platted Lots (net of the four prepaid Lots) that were triggered for collection in 2021-22.

Table II-G
Assessments on Lots with Building Permits as of June 31, 2021
(2021-22 Trigger)

Lot Type	No. of Lots with Issued Building Permits	Equivalent Unit Factor	Total Outstanding Equivalent Units	Total Outstanding Assessment per Lot Type	Total Outstanding Assessments
Lot Type 1	0	1.00	0.00	\$4,514.67	\$0.00
Lot Type 2	0	0.93	0.00	\$4,198.64	\$0.00
Lot Type 3	28	0.86	24.08	\$3,882.62	\$108,713.28
Lot Type 4	23	0.79	18.17	\$3,566.59	\$82,031.58
Lot Type 5	0	0.31	0.00	\$1,399.55	\$0.00
Total	51		42.25		\$190,744.86

1 – Lot count does not include three 60 Ft Lots and 1 50 Ft Lot that prepaid their Assessments in full.

Annual Budgets for the Repayment of Indebtedness

Debt service proportionately allocated to each Lot where a building permit was issued will be paid on the Phase #1 Reimbursement Agreement from the collection of the Annual Installments. In addition, Annual Collection Costs are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments.

Phase #1 Annual Installments to be collected for 2022-23 for Lots Triggered in 2021-22

The proportional budget for the PID will be paid from the collection of Annual Installments collected for 2022-23 as shown in Table II-H below.

Table II-H
Budget for the Phase #1 Annual Installments
to be Collected for 2022-23 from Lots Triggered in 2021-22

Descriptions	Total
Interest payment on or after March 1, 2023	\$4,864
Interest payment on or after September 1, 2023	\$4,864
Principal payment on September 1, 2023	\$3,214
<i>Subtotal debt service on R.A.</i>	<i>\$12,942</i>
Administrative Expenses	\$6,558
Maintenance Assessment	\$12,257
<i>Subtotal Expenses</i>	<i>\$31,757</i>
Available Administrative Expense account	\$0
<i>Subtotal funds available</i>	<i>\$0</i>
Annual Installments	\$31,757

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2023, in the amount of \$4,864 and on September 1, 2023, in the amount of \$4,864, which equal interest on the outstanding Assessment balance, for the fifty-one (51) Lots (net of the four prepaid Lots) triggered in 2021-22, of \$190,745 for six months each at an effective interest rate of 5.10 percent. Annual Installments to be collected include a principal amount of \$3,214 due on September 1, 2023. As a result, total Annual Installments to be collected from Lots triggered in 2021-22, for principal and interest in 2022-23, is estimated to be equal to \$12,942. Such amount will be collected from the fifty-one (51) Lots triggered in 2021-22 (net of the four prepaid Lots) that represent 42.25 Equivalent Units. As a result, the principal amount per Equivalent Unit to be collected for 2022-23 is equal to \$76.08 (i.e., $\$3,214 \div 42.25 = \76.08) and the interest amount per Equivalent Unit to be collected for 2022-23 is equal to \$230.25 (i.e., $\$9,728 \div 42.25 = \230.25).

Administrative Expenses

The proportional annual administrative expenses include the City, Administrator, and contingency fees for 2022-23 are estimated to proportionally be \$6,558. Such amount will be collected from the fifty-five (55) Lots triggered in 2021-22 (including the four prepaid Lots) that represent 45.62 Equivalent Units. As a result, the Administrative Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$143.74 (i.e., $\$6,558 \div 45.62 = \143.74).

Maintenance Expenses

The proportional annual maintenance expenses to be proportionally collected for 2022-23 are estimated to be \$12,257. Such amount will be collected from the fifty-five (55) Lots triggered in 2021-22 (including the four prepaid Lots) that represent 45.62 Equivalent Units. As a result, the Maintenance Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$268.68 (i.e., $\$12,257 \div 45.62 = \268.68).

Available Administrative Expense Account

There are no available administrative expense funds to reduce the 2022-23 Annual Installment.

Phase #1 Lots Triggered in 2022-23

As of June 30, 2022, condition (iii) has been satisfied for the remaining two (2) platted Lots, and the first Annual Installment for these Lots will be due no later than January 31, 2023, for each Lot.

Table II-I on the following page shows the amount of outstanding Assessments applicable to the two (2) platted Lots that were triggered for collection in 2022-23.

Table II-I
Assessments on Lots After the Two-Year Anniversary of the Levy of Assessments
(2022-23 Trigger)

Lot Type	No. of Lots with Issued Building Permits	Equivalent Unit Factor	Total Outstanding Equivalent Units	Total Outstanding Assessment per Lot Type	Total Outstanding Assessments
Lot Type 1	0	1.00	0.00	\$4,590.75	\$0.00
Lot Type 2	0	0.93	0.00	\$4,269.40	\$0.00
Lot Type 3	2	0.86	1.72	\$3,948.05	\$7,896.10
Lot Type 4	0	0.79	0.00	\$3,626.70	\$0.00
Lot Type 5	0	0.31	0.00	\$1,423.13	\$0.00
Total	2		1.72		\$7,896.10

Annual Budgets for the Repayment of Indebtedness

Debt service proportionately allocated to each remaining Phase #1 Lot where a building permit was not issued prior to June 30, 2021 will be paid on the Phase #1 Reimbursement Agreement from the collection of the Annual Installments. In addition, Annual Collection Costs are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments.

Phase #1 Annual Installments to be collected for 2022-23 for Lots Triggered in 2022-23

The proportional budget for the PID will be paid from the collection of Annual Installments collected for 2022-23 as shown in Table II-J below.

Table II-J
Budget for the Phase #1 Annual Installments
to be Collected for 2022-23 from Lots Triggered in 2022-23

Descriptions	Total
Interest payment on or after March 1, 2023	\$201
Interest payment on or after September 1, 2023	\$201
Principal payment on September 1, 2023	\$121
<i>Subtotal debt service on R.A.</i>	<i>\$524</i>
Administrative Expenses	\$242
Maintenance Assessment	\$462
<i>Subtotal Expenses</i>	<i>\$1,228</i>
Available Administrative Expense account	\$0
<i>Subtotal funds available</i>	<i>\$0</i>
Annual Installments	\$1,228

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2023, in the amount of \$201 and on September 1, 2023, in the amount of \$201, which equal interest on the outstanding Assessment balance, for the two (2) remaining Lots triggered in 2022-23, of \$7,896 for six months each at an effective interest rate of 5.10 percent. Annual Installments to be collected include a principal amount of \$121 due on September 1, 2023. As a result, total Annual Installments to be collected from Lots triggered in 2022-23 for principal and interest in 2022-23, is estimated to be equal to \$524. Such amount will be collected from the two (2) remaining Lots triggered in 2022-23 that represent 1.72 Equivalent Units. As a result, the principal amount per Equivalent Unit to be collected for 2022-23 is equal to \$70.46 (i.e., $\$121 \div 1.72 = \70.46) and the interest amount per Equivalent Unit to be collected for 2022-23 is equal to \$234.13 (i.e., $\$402 \div 1.72 = \234.13).

Administrative Expenses

The proportional annual administrative expenses include the City, Administrator, and contingency fees for 2022-23 are estimated to proportionally be \$242. Such amount will be collected from the two (2) remaining Lots triggered in 2022-23 that represent 1.72 Equivalent Units. As a result, the Administrative Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$140.92 (i.e., $\$242 \div 1.72 = \140.92).

Maintenance Expenses

The proportional annual maintenance expenses to be proportionally collected for 2022-23 are estimated to be \$462. Such amount will be collected from the two (2) remaining Lots triggered in 2022-23 that represent 1.72 Equivalent Units. As a result, the Maintenance Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$268.68 (i.e., $\$462 \div 1.72 = \268.68).

Available Administrative Expense Account

There are no available administrative expense funds to reduce the 2022-23 Annual Installment.

D. ANNUAL INSTALLMENTS PER UNIT - PHASE #1

According to the Updated Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #1 Reimbursement Agreement and (ii) to cover Administrative Expenses of the PID.

According to the Developer, ninety-eight (98) units are anticipated to be built within Phase #1 of the PID. As shown in Appendix C, there are 81.48 Equivalent Units in Phase #1, of which forty-one (41) Lots representing 34.14 Equivalent Units were triggered in 2020-21, Fifty-five (55) Lots representing 45.62 Equivalent Units were triggered in 2021-2022, and two (2) Lots representing 1.72 Equivalent Units are being triggered in 2022-23. Additionally, as shown in Appendix B, three (3) 60 ft Lots and one (1) 55 ft Lot that were triggered for Annual Installment collection in 2020-21 have prepaid their Assessments in full as of June 30, 2022, resulting in a current outstanding Equivalent Unit balance for Lots triggered in 2020-21 of 30.77 ($34.14 - 3.37 = 30.77$).

Annual Installments per Unit – Phase #1 – Lots Triggered in 2020-21

In accordance with Section II.C of this report, the City had issued forty-one (41) building permits as of July 31, 2020, which total 34.14 Equivalent Units as shown in Appendix C. As a result of the four (4) prepayments, representing 3.37 Equivalent Units, the total outstanding Equivalent Units, for Lots triggered in 2020-21, is 30.77 Equivalent Units. Accordingly, the principal amount per Equivalent Unit to be collected for 2022-23 is equal to \$86.87 (i.e., $\$2,673 \div 30.77 = \86.87) and the interest amount per Equivalent Unit to be collected for 2022-23 is equal to \$226.09 (i.e., $\$6,957 \div 30.77 = \226.09).

Pursuant to the Updated Service and Assessment Plan, Lots with prepaid Assessments will continue to pay a proportionate share of the Administrative Expenses, including the Maintenance Expense. The Administrative Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$146.62 (i.e., $\$5,006 \div 34.14 = \146.62). The Maintenance Expense per Equivalent Unit to be collected for 2022-23 is equal to \$268.68 (i.e., $\$9,173 \div 34.14 = \268.68). As a result, the total gross Annual Installment to be collected from each Equivalent Unit that had been issued a building permit as of July 31, 2020, will be \$728.25 (i.e. $\$86.87 + \$226.09 + \$146.62 + \$268.68 = \$728.25$). The Annual Installment to be collected from each Parcel within the PID is calculated by multiplying the Annual Installment for each unit of \$728.25 by the total estimated Equivalent Units for each Parcel in the PID.

Table II-K below shows a summary of the Annual Installments per unit to be collected from each of 37 Lots (net of the four prepaid Lots) with building permits issued as of July 31, 2020.

Table II-K
Summary of the Phase #1 Annual Installments per Unit with Outstanding Assessments to be Collected for 2022-23 from Lots Triggered in 2020-21

Lot Type	Equivalent		Administrative		Maintenance	Total
	Units	Principal	Interest	Expenses	Expenses	
Lot Type 3 (60 Ft Lot)	0.86	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
Lot Type 4 (55 Ft Lot)	0.79	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32

Table II-L below shows a summary of the Annual Installments per Unit to be collected from each of the four (4) prepaid Lots with building permits issued as of July 31, 2020.

Table II-L
Summary of the Phase #1 Annual Installments per Unit with Prepaid Assessments to be Collected for 2022-23 from Prepaid Lots Triggered in 2020-21

Lot Type	Equivalent		Administrative		Maintenance	Total
	Units	Principal	Interest	Expenses	Expenses	
Lot Type 3 (60 Ft Lot)	0.86	\$0.00	\$0.00	\$126.09	\$231.06	\$357.15
Lot Type 4 (55 Ft Lot)	0.79	\$0.00	\$0.00	\$115.83	\$212.25	\$328.08

The list of Parcels for Lots with building permits issued by July 31, 2020, the number of units to be developed on the current residential Parcels, the corresponding total units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2022-23 are shown in the Assessment Roll Summary attached hereto as Appendix D-2.

Annual Installments per Unit – Phase #1 – Lots Triggered in 2021-22

In accordance with Section II.C of this report, the City had issued an additional fifty-five (55) building permits as of June 30, 2021, which total 45.62 Equivalent Units as shown in Appendix C. As a result of the four (4) prepayments, representing 3.37 Equivalent Units, the total outstanding Equivalent Units, for Lots triggered in 2021-22, is 42.25 Equivalent Units. Accordingly, the principal amount per Equivalent Unit to be collected for 2022-23 is equal to \$76.08 (i.e., $\$3,214 \div 42.25 = \76.08) and the interest amount per Equivalent Unit to be collected for 2022-23 is equal to \$230.25 (i.e., $\$9,728 \div 42.25 = \230.25).

Pursuant to the Updated Service and Assessment Plan, Lots with prepaid Assessments will continue to pay a proportionate share of the Administrative Expenses, including the Maintenance Expense. The Administrative Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$143.74 (i.e., $\$6,558 \div 45.62 = \143.74). Maintenance Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$268.68 (i.e., $\$12,257 \div 45.62 = \268.68). As a result, the total gross Annual Installment to be collected from each Equivalent Unit that had been issued a building permit as of June 30, 2021, will be \$718.75 (i.e. $\$76.08 + \$230.25 + \$143.74 + \$268.68 = \$718.75$). The Annual Installment to be collected from each Parcel within the PID is calculated by multiplying the Annual Installment for each unit of \$718.75 by the total estimated Equivalent Units for each Parcel in the PID.

Table II-M below shows a summary of the Annual Installments per unit to be collected from each of fifty-one (51) Lots (net of the four prepaid Lots) with building permits issued as of June 30, 2021.

Table II-M
Summary of the Phase #1 Annual Installments per Unit with Outstanding Assessments
to be Collected for 2022-23 from Lots Triggered in 2021-22

Lot Type	Equivalent Units	Principal	Interest	Administrative Expenses	Maintenance Expenses	Total
Lot Type 3 (60 Ft Lot)	0.86	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
Lot Type 4 (55 Ft Lot)	0.79	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81

Table II-N on the following page shows a summary of the Annual Installments per Unit to be collected from each of the four (4) prepaid Lots with building permits issued as of June 30, 2021.

Table II-N
Summary of the Phase #1 Annual Installments per Unit with Prepaid Assessments
to be Collected for 2022-23 from Prepaid Lots Triggered in 2021-22

Lot Type	Equivalent Units	Principal	Interest	Administrative Expenses	Maintenance Expenses	Total
Lot Type 3 (60 Ft Lot)	0.86	\$0.00	\$0.00	\$123.62	\$231.06	\$354.68
Lot Type 4 (55 Ft Lot)	0.79	\$0.00	\$0.00	\$113.56	\$212.25	\$325.81

The list of Parcels for Lots with building permits issued by June 30, 2021, the number of units to be developed on the current residential Parcels, the corresponding total units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2022-23 are shown in the Assessment Roll Summary attached hereto as Appendix D-3.

Annual Installments per Unit – Phase #1 – Lots Triggered in 2022-23

In accordance with Section II.C of this report, the two (2) remaining Lots in Phase #1 are being triggered in 2022-23, which total 1.72 Equivalent Units as shown in Appendix C. Accordingly, the principal amount per Equivalent Unit to be collected for 2022-23 is equal to \$70.46 (i.e., $\$121 \div 1.72 = \70.46) and the interest amount per Equivalent Unit to be collected for 2022-23 is equal to \$234.13 (i.e., $\$402 \div 1.72 = \234.13).

Pursuant to the Updated Service and Assessment Plan, Lots with prepaid Assessments will continue to pay a proportionate share of the Administrative Expenses, including the Maintenance Expense. The the Administrative Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$140.92 (i.e., $\$242 \div 1.72 = \140.92). Maintenance Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$268.68 (i.e., $\$462 \div 1.72 = \268.68). As a result, the total gross Annual Installment to be collected from each Equivalent Unit that had been issued a building permit as of June 30, 2021, will be \$714.19 (i.e. $\$70.46 + \$234.13 + \$140.92 + \$268.68 = \$714.19$). The Annual Installment to be collected from each Parcel within the PID is calculated by multiplying the Annual Installment for each unit of \$714.19 by the total estimated Equivalent Units for each Parcel in the PID.

Table II-O below shows a summary of the Annual Installments per unit to be collected from each of the two (2) Lots being triggered in 2022-23.

Table II-O
Summary of the Phase #1 Annual Installments per Unit with Outstanding Assessments
to be Collected for 2022-23 from Lots Triggered in 2022-23

Lot Type	Equivalent Units	Principal	Interest	Administrative Expenses	Maintenance Expenses	Total
Lot Type 3 (60 Ft Lot)	0.86	\$60.60	\$201.35	\$121.20	\$231.06	\$614.20
Lot Type 4 (55 Ft Lot)	0.79	\$184.96	\$184.96	\$111.33	\$212.25	\$564.21

The list of Parcels for Lots being triggered in 2022-23, the number of units to be developed on the current residential Parcels, the corresponding total units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2022-23 are shown in the Assessment Roll Summary attached hereto as Appendix D-4.

E. ANNUAL BUDGET – PHASE #2

Phase #2 - Annual Installments

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty (30) Annual Installments of principal and interest beginning with the tax year following the issuance of the Phase #2 Reimbursement Agreement. The collection of the first Annual Installment for a Phase #2 Lot or Parcel shall commence upon the earlier of: (i) with tax bills sent the first October following the issuance of the first building permit for each Lot within each Phase, such that Assessments are billed only for Lots for which a building permit has been issued, (ii) with tax bills sent the first October after issuance of a series of Phased PID Bonds for Phase #2 Assessed Property, such that upon the issuance of PID Bonds, all Assessments in the applicable Phase shall begin collection, or (iii) with tax bills sent the first October occurring after the expiration of two years from the date of the levy of Assessments on the Phase #2 Assessed Property, such that all Assessments in the applicable Phase begin collection immediately after the expiration of such two year period. Such first Annual Installment for a Phase #2 Lot or Parcel for which collection has begun, shall be due by January 31st of the following calendar year. According to the City, fifty-nine (59) of the one-hundred thirty (130) Lots withing Phase #2 are being triggered in 2022-23 with the issuance of building permits as of June 30, 2022.

Pursuant to the Updated Service and Assessment Plan, each Assessment shall bear interest at the rate on the Phase #2 Reimbursement Agreement commencing with the issuance of the Phase #2 Reimbursement Agreement. The effective interest rate of the Phase #2 Reimbursement Agreement interest payments is 4.45 percent per annum for 2022-23. Pursuant to Section 372.018 of the PID Act, the interest rate for that Assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. These payments, the Annual Installments of the Assessments, shall be billed by the City in 2022 and will be delinquent on February 1, 2023.

Pursuant to the Updated Service and Assessment Plan, the Annual Service Plan Update will show the remaining balance of the Assessments, the Annual Installment due for 2022-23 and the administrative expenses to be collected from each Parcel. Annual administrative expenses shall be allocated to each Parcel pro rata based on the Annual Installment on a Parcel to the total Annual Installments in the PID that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Updated Service and Assessment Plan, such as capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

The Updated Service and Assessment Plan adopted by City Council levied the Phase #2 Reimbursement Agreement in the initial amount of \$482,718, which represented Phase #2's allocable portion of the Authorized Improvement Costs. As shown in Appendix C, the total Equivalent Units within Phase #2 is 105.15, of which fifty-nine (59) Lots representing 48.01 Equivalent Units were triggered in 2022-23.

Phase #2 Lots Triggered in 2022-23

According to the City, building permits for fifty-nine (59) Phase #2 Lots had been issued as of June 30, 2022. As a result, condition (i) had been satisfied for the respective fifty-nine (59) Lots, and the first Annual Installments were due no later than January 31, 2023, for each Lot.

Table II-P below shows the amount of outstanding Assessments applicable to the fifty-nine (59) platted Lots that are being triggered for collection in 2022-23.

Table II-P
Assessments on Lots with Building Permits as of June 30, 2022
(2022-23 Trigger)

Lot Type	No. of Lots with Issued Building Permits	Equivalent Unit Factor	Total Outstanding Equivalent Units	Total Outstanding Assessment per Lot Type	Total Outstanding Assessments
Lot Type 1	0	1.00	0.00	\$4,590.75	\$0.00
Lot Type 2	0	0.93	0.00	\$4,269.40	\$0.00
Lot Type 3	20	0.86	17.20	\$3,948.05	\$78,960.97
Lot Type 4	39	0.79	30.81	\$3,626.70	\$141,441.12
Lot Type 5	0	0.31	0.00	\$1,423.13	\$0.00
Total	59		48.01		\$220,402.09

Annual Budgets for the Repayment of Indebtedness

Debt service proportionately allocated to each Lot where a building permit was issued will be paid on the Phase #2 Reimbursement Agreement from the collection of the Annual Installments. In addition, Annual Collection Costs are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments.

Phase #2 Annual Installments to be collected for 2022-23 for Lots Triggered in 2022-23

The proportional budget for the PID will be paid from the collection of Annual Installments collected for 2022-23 as shown in Table II-Q on the following page.

Table II-Q
Budget for the Phase #2 Annual Installments
to be Collected for 2022-23 from Lots Triggered in 2022-23

Descriptions	Total
Interest payment on or after March 1, 2023	\$4,904
Interest payment on or after September 1, 2023	\$4,904
Principal payment on September 1, 2023	\$3,383
<i>Subtotal debt service on R.A.</i>	<i>\$13,191</i>
Administrative Expenses	\$6,766
Maintenance Assessment	\$12,899
<i>Subtotal Expenses</i>	<i>\$32,856</i>
Available Administrative Expense account	\$0
<i>Subtotal funds available</i>	<i>\$0</i>
Annual Installments	\$32,856

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2023, in the amount of \$4,904 and on September 1, 2023, in the amount of \$4,904, which equal interest on the outstanding Assessment balance, for the fifty-nine (59) triggered in 2022-23, of \$220,402 for six months each at an effective interest rate of 4.45 percent. Annual Installments to be collected include a principal amount of \$3,383 due on September 1, 2023. As a result, total Annual Installments to be collected from Lots triggered in 2022-23, for principal and interest in 2022-23, is estimated to be equal to \$13,191. Such amount will be collected from the fifty-nine (59) Lots triggered in 2022-23 that represent 48.01 Equivalent Units. As a result, the principal amount per Equivalent Unit to be collected for 2022-23 is equal to \$70.46 (i.e., $\$3,383 \div 48.01 = \70.46) and the interest amount per Equivalent Unit to be collected for 2022-23 is equal to \$204.29 (i.e., $\$9,808 \div 48.01 = \204.29).

Administrative Expenses

The proportional annual administrative expenses include the City, Administrator, and contingency fees for 2022-23 are estimated to proportionally be \$6,766. Such amount will be collected from the fifty-nine (59) Lots triggered in 2022-23 that represent 48.01 Equivalent Units. As a result, the Administrative Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$140.92 (i.e., $\$6,766 \div 48.01 = \140.92).

Maintenance Expenses

The proportional annual maintenance expenses to be proportionally collected for 2022-23 is estimated to be \$12,899. Such amount will be collected from the fifty-nine (59) Lots triggered in 2022-23 that represent 48.01 Equivalent Units. As a result, the Maintenance Expense per Equivalent Unit to be collected for 2022-23 is equal to \$268.68 (i.e., $\$12,899 \div 48.01 = \268.68).

Available Administrative Expense Account

There are no available administrative expense funds to reduce the 2022-23 Annual Installment.

F. ANNUAL INSTALLMENTS PER UNIT - PHASE #2

According to the Updated Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #2 Reimbursement Agreement and (ii) to cover Administrative Expenses of the PID.

According to the Developer, one-hundred thirty (130) units are anticipated to be built within Phase #2 of the PID. As shown in Appendix C, there are 105.15 Equivalent Units in Phase #2, of which fifty-nine (59) Lots representing 48.01 Equivalent Units were triggered in 2022-23.

Annual Installments per Unit – Phase #2 – Lots Triggered in 2022-23

In accordance with Section II.C of this report, the City had issued fifty-nine (59) building permits as of June 30, 2022, which total 48.01 Equivalent Units as shown in Appendix C. Accordingly, the principal amount per Equivalent Unit to be collected for 2022-23 is equal to \$70.46 (i.e., $\$3,383 \div 48.01 = \70.46) and the interest amount per Equivalent Unit to be collected for 2022-23 is equal to \$204.29 (i.e., $\$9,808 \div 48.01 = \204.29).

Pursuant to the Updated Service and Assessment Plan, Lots with prepaid Assessments will continue to pay a proportionate share of the Administrative Expenses, including the Maintenance Expense. The Administrative Expenses per Equivalent Unit to be collected for 2022-23 is equal to \$140.92 (i.e., $\$6,766 \div 48.01 = \140.92). Maintenance Expense per Equivalent Unit to be collected for 2022-23 is equal to \$268.68 (i.e., $\$12,899 \div 48.01 = \268.68). As a result, the total gross Annual Installment to be collected from each Equivalent Unit that had been issued a building permit as of June 30, 2022, will be \$684.35 (i.e. $\$70.46 + \$204.29 + \$140.92 + \$268.68 = \$684.35$). The Annual Installment to be collected from each Parcel within the PID is calculated by multiplying the Annual Installment for each unit of \$684.35 by the total estimated Equivalent Units for each Parcel in the PID.

Table II-R below shows a summary of the Annual Installments per unit to be collected from each of the fifty-nine (59) Lots with building permits issued as of June 30, 2022.

Table II-R
Summary of the Phase #2 Annual Installments per Unit with Outstanding Assessments
to be Collected for 2022-23 from Lots Triggered in 2022-23

Lot Type	Equivalent Units	Principal	Interest	Administrative Expenses	Maintenance Expenses	Total
Lot Type 3 (60 Ft Lot)	0.86	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
Lot Type 4 (55 Ft Lot)	0.79	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64

The list of Parcels for Lots with building permits issued by June 30, 2022, the number of units to be developed on the current residential Parcels, the corresponding total units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2022-23 are shown in the Assessment Roll Summary attached hereto as Appendix E-2.

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III. UPDATE OF THE ASSESSMENT PLAN

The Updated Service and Assessment Plan adopted by the City Council describes that the Authorized Improvement costs shall be allocated to the Assessed Property equally based on the equivalent number of residential dwelling units anticipated to be built on each Parcel once such property is fully developed, and that such method of allocation will result in the imposition of equal shares of the Authorized Improvement costs to Parcels similarly benefited.

Pursuant to Section VI.G of the Updated Service and Assessment Plan, “The collection of the first Annual Installment for a Phase #1 Lot or Parcel shall commence upon the earlier of: (i) with tax bills sent the first October following the issuance of the first building permit for each Lot within each Phase, such that Assessments are billed only for Lots for which a building permit has been issued, (ii) with tax bills sent the first October after issuance of a series of Bonds for Phase #1 Assessed Property, such that upon the issuance of Bonds, all Assessments in the applicable Phase shall begin collection, or (iii) with tax bills sent the first October occurring after the expiration of two years from the date of the levy of Assessments on the Phase #1 Assessed Property, such that all Assessments in the applicable Phase begin collection immediately after the expiration of such two year period. Such first Annual Installment for a Phase #1 Lot or Parcel for which collection has begun, shall be due by January 31st of the following calendar year.”

Pursuant to Section VI.G of the Updated Service and Assessment Plan, “The collection of the first Annual Installment for a Phase #2 Lot or Parcel shall commence upon the earlier of: (i) with tax bills sent the first October following the issuance of the first building permit for each Lot within each Phase, such that Assessments are billed only for Lots for which a building permit has been issued, (ii) with tax bills sent the first October after issuance of a series of Bonds for Phase #2 Assessed Property, such that upon the issuance of Bonds, all Assessments in the applicable Phase shall begin collection, or (iii) with tax bills sent the first October occurring after the expiration of two years from the date of the levy of Assessments on the Phase #2 Assessed Property, such that all Assessments in the applicable Phase begin collection immediately after the expiration of such two year period. Such first Annual Installment for a Phase #2 Lot or Parcel for which collection has begun, shall be due by January 31st of the following calendar year.”

Assessment Methodology

This method of assessing property, as updated in prior Annual Service Plan Updates, has not been changed and Assessed Property will continue to be assessed as provided for in the Updated Service and Assessment Plan.

IV. UPDATE OF THE ASSESSMENT ROLL

Pursuant to the Updated Service and Assessment Plan, the Assessment Rolls shall be updated each year to reflect:

(i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by the Updated Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.F of the Updated Service and Assessment Plan.

The summary of updated Assessment Roll is shown in Appendix D of this report. Each Parcel in the PID is identified, along with the Assessment on each Parcel and the Annual Installment to be collected from each Parcel. Assessments are to be reallocated for the subdivision of any Parcels.

A. PARCEL UPDATES

According to the Updated Service and Assessment Plan, upon the subdivision of any Parcel, the Administrator shall reallocate the Assessment for the Parcel prior to the subdivision among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated number of Equivalent Units to be built on each new subdivided Parcel
- D = the sum of the estimated number of Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

According to the Johnson County Appraisal District and the Developer, a final plat for Phase #1 was filed and recorded on December 11, 2019 and amended on July 17, 2020 . As a result, ninety-eight (98) residential Lots were subdivided and were officially recognized in the official Johnson County roll in 2019.

According to the City, building permits for forty-one (41) Phase #1 Lots had been issued as of July 31, 2020. As a result, condition (i) had been satisfied for the respective 41 Lots, and the first Annual Installments were due no later than January 31, 2021 for each Lot.

According to the City, building permits for an additional fifty-five (55) Phase #1 Lots have been issued during the period of August 1, 2020 through June 30, 2021. As a result, condition (i) has been satisfied for the respective 55 Lots, and the first Annual Installment for these Lots will be due no later than January 31, 2022 for each Lot.

Pursuant to condition (iii) of Section VI-G of the Updated Service and Assessment Plan, the remaining two (2) Phase #1 Lots will be triggered for collection in 2022 and the first Annual Installment for these Lots will be due no later than January 31, 2023 for each Lot.

According to the Johnson County Appraisal District and the Developer, a final plat for Phase #2 was filed and recorded on December 22, 2021. As a result, one-hundred thirty (130) residential Lots were subdivided and were officially recognized in the official Johnson County roll in 2021.

According to the City, Building permits for fifty-nine (59) Phase #2 Lots had been issued as of June 30, 2022. As a result, condition (i) had been satisfied for the respective 59 Lots, and the first Annual Installments are due no later than January 31, 2023 for each lot.

B. PREPAYMENT OF ASSESSMENTS

There have been eight Assessment prepayments as of June 30, 2022. See Appendix B of this report for additional prepayment related information.

The complete Assessment Roll is available for review at the City Hall, located at 141 W. Renfro Street, Burleson, Texas 76028.

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APPENDIX A
PID MAP

APPENDIX B
PREPAID PARCELS

APPENDIX B
LIST OF PREPAID PARCELS

Parcel ID	Prepayment Date	Amount	Full/Partial¹
126.2233.02150	Oct-20	\$3,980.56	Full
126.2233.01120	Oct-20	\$3,980.56	Full
126.2233.01030	Nov-20	\$3,980.56	Full
126.2233.04100	Jul-21	\$3,948.05	Full
126.2233.01200	Aug-21	\$3,948.05	Full
126.2233.05130	Nov-21	\$3,626.70	Full
126.2233.03060	Nov-21	\$3,566.55	Full
126.2233.02120	Dec-21	\$3,948.05	Full

1 - Pursuant to the Updated Service and Assessment Plan, Lots with prepaid Assessments will continue to pay a proportionate share of the Administrative Expenses, including the Maintenance Expense.

APPENDIX C
LAND USE CLASS AND EQUIVALENT UNITS

LAND USE CLASS AND EQUIVALENT UNITS

For purposes of allocating the Assessments, the Assessed Property has been classified in one of six Lot Types. Table C-1 below shows the original proposed residential Lot Types within the PID.

Table C-1
Proposed Development within the PID (Original)¹

Lot Type	Description	Proposed Development	
Lot Type 1	70 Ft Lots	43	Units
Lot Type 2	65 Ft Lots	73	Units
Lot Type 3	60 Ft Lots	315	Units
Lot Type 4	55 Ft Lots	228	Units
Lot Type 5	Multi-Family	250	Units
Total		909	Units

¹ As originally provided by the Developer

Pursuant to the Developer, the proposed development plan within the PID has been updated as shown in Table C-2 below.

Table C-2
Proposed Development within the PID (Updated)

Lot Type	Description	Proposed Development	
Lot Type 1	70 Ft Lots	43	Units
Lot Type 2	65 Ft Lots	73	Units
Lot Type 3	60 Ft Lots	304	Units
Lot Type 4	55 Ft Lots	239	Units
Lot Type 5	Multi-Family	250	Units
Total		909	Units

¹ As updated by the Developer

Table C-3 below shows the original proposed residential Lot Types within Phase #1.

Table C-3
Proposed Development – Phase #1 (Original)

Lot Type	Description	Proposed Development	
Lot Type 1	70 Ft Lots	0	Units
Lot Type 2	65 Ft Lots	0	Units
Lot Type 3	60 Ft Lots	69	Units
Lot Type 4	55 Ft Lots	29	Units
Lot Type 5	Multi-Family	0	Units
Total		98	Units

Table C-4 on the following page shows the updated proposed residential Lot Types within Phase #1.

Table C-4
Proposed Development – Phase #1 (Updated)

Lot Type	Description	Proposed Development	
Lot Type 1	70 Ft Lots	0	Units
Lot Type 2	65 Ft Lots	0	Units
Lot Type 3	60 Ft Lots	58	Units
Lot Type 4	55 Ft Lots	40	Units
Lot Type 5	Multi-Family	0	Units
Total		98	Units

Table C-5 below shows the updated proposed residential Lot Types within Phase #2.

Table C-5
Proposed Development – Phase #2

Lot Type	Description	Proposed Development	
Lot Type 1	70 Ft Lots	0	Units
Lot Type 2	65 Ft Lots	0	Units
Lot Type 3	60 Ft Lots	35	Units
Lot Type 4	55 Ft Lots	95	Units
Lot Type 5	Multi-Family	0	Units
Total		130	Units

As explained under Section IV.D, for purpose of this Updated Service and Assessment Plan, the City Council has determined that the Actual Costs of the portion of the Park Improvements to be financed shall be allocated to the Future Phases Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Updated Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Future Phases Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 70 Ft, 65 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (70 Ft Lots) representing the highest value to Lot Type 5 (Multi-Family Lot) representing the lowest value for residential lots are set forth in Table C-6. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (70 Ft Lots) to 1.00.

Table C-6
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor
Lot Type 1 (70 Ft Lot)	\$340,000	1.00 per dwelling unit
Lot Type 2 (65 Ft Lot)	\$315,000	0.93 per dwelling unit
Lot Type 3 (60 Ft Lot)	\$293,000	0.86 per dwelling unit
Lot Type 4 (55 Ft Lot)	\$269,000	0.79 per dwelling unit
Lot Type 6 (Multi-Family)	\$105,000	0.31 per dwelling unit

The original total estimated Equivalent Units within the PID are shown in Table C-7 as calculated based on the Equivalent Unit factors shown above in Table C-6 and estimated Lot Types and number of units estimated to be built within the PID as shown in Table C-2.

Table C-7
Equivalent Units- Total (Original)

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft Lot)	43	1.00	43.00
Lot Type 2 (65 Ft Lot)	73	0.93	67.89
Lot Type 3 (60 Ft Lot)	315	0.86	270.90
Lot Type 4 (55 Ft Lot)	228	0.79	180.12
Lot Type 6 (Multi-Family)	250	0.31	77.50
Total Equivalent Units	909		639.41

The updated total estimated Equivalent Units within the PID are shown in Table C-8 as calculated based on the Equivalent Unit factors shown above in Table C-6 and estimated Lot Types and number of units estimated to be built within the PID as shown in Table C-1.

Table C-8
Equivalent Units- Total (Updated)

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft Lot)	43	1.00	43.00
Lot Type 2 (65 Ft Lot)	73	0.93	67.89
Lot Type 3 (60 Ft Lot)	304	0.86	261.44
Lot Type 4 (55 Ft Lot)	239	0.79	188.81
Lot Type 6 (Multi-Family)	250	0.31	77.50
Total Equivalent Units	909		638.64

The original total estimated Equivalent Units for Phase #1 are shown in Table C-9 below as calculated based on the Equivalent Unit factors shown above in Table C-6 and estimated Lot Types and number of units estimated to be built within Phase #1 as shown in Table C-3.

Table C-9
Equivalent Units- Phase #1 (Original)

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft Lot)	0	1.00	0.00
Lot Type 2 (65 Ft Lot)	0	0.93	0.00
Lot Type 3 (60 Ft Lot)	69	0.86	59.34
Lot Type 4 (55 Ft Lot)	29	0.79	22.91
Lot Type 6 (Multi-Family)	0	0.31	0.00
Total Equivalent Units	98		82.25

The updated total estimated Equivalent Units for Phase #1 are shown in Table C-10 as calculated based on the Equivalent Unit factors shown above in Table C-6 and estimated Lot Types and number of units estimated to be built within Phase #1 as shown in Table C-4.

Table C-10
Equivalent Units- Phase #1 (Updated)

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft Lot)	0	1.00	0.00
Lot Type 2 (65 Ft Lot)	0	0.93	0.00
Lot Type 3 (60 Ft Lot)	58	0.86	49.88
Lot Type 4 (55 Ft Lot)	40	0.79	31.60
Lot Type 6 (Multi-Family)	0	0.31	0.00
Total Equivalent Units	98		81.48

The total estimated Equivalent Units for Phase #2 are shown in Table C-11 on the following page as calculated based on the Equivalent Unit factors shown above in Table C-6 and estimated Lot Types and number of units estimated to be built within Phase #2 as shown in Table C-4.

Table C-11
Equivalent Units- Phase #1 (Original)

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft Lot)	0	1.00	0.00
Lot Type 2 (65 Ft Lot)	0	0.93	0.00
Lot Type 3 (60 Ft Lot)	69	0.86	59.34
Lot Type 4 (55 Ft Lot)	29	0.79	22.91
Lot Type 6 (Multi-Family)	0	0.31	0.00
Total Equivalent Units	98		82.25

APPENDIX D-1
PHASE #1 ASSESSMENT ROLL – ALL PARCELS

Appendix D-1
Phase #1 Assessment Roll

Lots
Assessment
Equivalent Units

98
\$374,055
81.48

Year	Principal	Interest	Administrative Expense			Annual Installment
			Maintenance Assessment	Administrative Expenses	Other	
1	\$5,741	\$19,077	\$21,892	\$11,483		\$58,192
2	\$5,741	\$18,784	\$21,892	\$11,712		\$58,129
3	\$6,379	\$18,491	\$21,892	\$11,946		\$58,708
4	\$6,379	\$18,166	\$21,892	\$12,185		\$58,622
5	\$7,017	\$17,841	\$21,892	\$12,429		\$59,178
6	\$7,017	\$17,483	\$21,892	\$12,678		\$59,069
7	\$7,655	\$17,125	\$21,892	\$12,931		\$59,603
8	\$7,655	\$16,734	\$21,892	\$13,190		\$59,471
9	\$8,293	\$16,344	\$21,892	\$13,454		\$59,982
10	\$8,931	\$15,921	\$21,892	\$13,723		\$60,466
11	\$8,931	\$15,466	\$21,892	\$13,997		\$60,285
12	\$9,569	\$15,010	\$21,892	\$14,277		\$60,748
13	\$10,207	\$14,522	\$21,892	\$14,277		\$60,898
14	\$10,845	\$14,002	\$21,892	\$14,277		\$61,015
15	\$10,845	\$13,448	\$21,892	\$14,277		\$60,462
16	\$11,483	\$12,895	\$21,892	\$14,277		\$60,547
17	\$12,120	\$12,310	\$21,892	\$14,277		\$60,599
18	\$12,758	\$11,692	\$21,892	\$14,277		\$60,619
19	\$13,396	\$11,041	\$21,892	\$14,277		\$60,606
20	\$14,034	\$10,358	\$21,892	\$14,277		\$60,561
21	\$14,672	\$9,642	\$21,892	\$14,277		\$60,483
22	\$15,948	\$8,894	\$21,892	\$14,277		\$61,010
23	\$16,586	\$8,080	\$21,892	\$14,277		\$60,835
24	\$17,224	\$7,234	\$21,892	\$14,277		\$60,627
25	\$18,500	\$6,356	\$21,892	\$14,277		\$61,024
26	\$19,138	\$5,413	\$21,892	\$14,277		\$60,719
27	\$20,413	\$4,437	\$21,892	\$14,277		\$61,019
28	\$21,051	\$3,395	\$21,892	\$14,277		\$60,616
29	\$22,327	\$2,322	\$21,892	\$14,277		\$60,818
30	\$23,200	\$1,183	\$21,892	\$14,277		\$60,552
Total	\$374,055	\$363,664	\$656,751	\$410,992		\$1,805,462

1 - The interest is calculated using a 5.10% interest rate for years 1 through 5 and an interest rate of 5.10% thereafter.

2 - The Administrative Expenses shown include estimates for the operations and maintenance of the Authorized Improvements, assessment collection costs, and other PID administrative expenses. These estimates will be updated each year as part of the Annual Service Plan Update.

APPENDIX D-2
**PHASE #1 2022-23 ASSESSMENT ROLL SUMMARY – FOR LOTS TRIGGERED IN
2020-21**

Appendix D-2
Phase #1 Assessment Roll (Lots Triggered in 2020-21)

Lots	41
Assessment	\$156,566
Equivalent Units	34.14

Year	Principal	Interest ¹	Administrative Expense		Annual Installment ³
			Maintenance Assessment	Other Administrative Expenses ²	
9/30/2021	\$2,425	\$8,059	\$9,248	\$4,851	\$24,583
9/30/2022	\$2,224	\$7,266	\$9,173	\$4,907	\$23,570
9/30/2023	\$2,673	\$6,957	\$9,173	\$5,006	\$23,808
9/30/2024	\$2,673	\$7,611	\$9,173	\$5,106	\$24,563
9/30/2025	\$2,940	\$7,475	\$9,173	\$5,208	\$24,796
9/30/2026	\$2,940	\$7,325	\$9,173	\$5,312	\$24,750
9/30/2027	\$3,207	\$7,175	\$9,173	\$5,418	\$24,973
9/30/2028	\$3,207	\$7,012	\$9,173	\$5,527	\$24,918
9/30/2029	\$3,475	\$6,848	\$9,173	\$5,637	\$25,132
9/30/2030	\$3,742	\$6,671	\$9,173	\$5,750	\$25,335
9/30/2031	\$3,742	\$6,480	\$9,173	\$5,865	\$25,259
9/30/2032	\$4,009	\$6,289	\$9,173	\$5,982	\$25,453
9/30/2033	\$4,277	\$6,085	\$9,173	\$5,982	\$25,516
9/30/2034	\$4,544	\$5,867	\$9,173	\$5,982	\$25,565
9/30/2035	\$4,544	\$5,635	\$9,173	\$5,982	\$25,333
9/30/2036	\$4,811	\$5,403	\$9,173	\$5,982	\$25,369
9/30/2037	\$5,078	\$5,158	\$9,173	\$5,982	\$25,391
9/30/2038	\$5,346	\$4,899	\$9,173	\$5,982	\$25,399
9/30/2039	\$5,613	\$4,626	\$9,173	\$5,982	\$25,394
9/30/2040	\$5,880	\$4,340	\$9,173	\$5,982	\$25,375
9/30/2041	\$6,148	\$4,040	\$9,173	\$5,982	\$25,342
9/30/2042	\$6,682	\$3,726	\$9,173	\$5,982	\$25,563
9/30/2043	\$6,949	\$3,386	\$9,173	\$5,982	\$25,490
9/30/2044	\$7,217	\$3,031	\$9,173	\$5,982	\$25,403
9/30/2045	\$7,751	\$2,663	\$9,173	\$5,982	\$25,569
9/30/2046	\$8,019	\$2,268	\$9,173	\$5,982	\$25,441
9/30/2047	\$8,553	\$1,859	\$9,173	\$5,982	\$25,567
9/30/2048	\$8,820	\$1,423	\$9,173	\$5,982	\$25,398
9/30/2049	\$9,355	\$973	\$9,173	\$5,982	\$25,483
9/30/2050	\$9,721	\$496	\$9,173	\$5,982	\$25,371
Total	\$156,566	\$151,045	\$275,253	\$172,245	\$755,109

1 - The interest is calculated using a 5.10% interest rate for years 1 through 5 and an interest rate of 5.10% thereafter.

2 - The Administrative Expenses shown include estimates for the operations and maintenance of the Authorized Improvements, assessment collection costs, and other PID administrative expenses. These estimates will be updated each year as part of the Annual Service Plan Update.

3 - Assessment years ending 9/30/2021 through 9/30/2023 represent the actual amount billed based on the outstanding assessment at the time Annual Installments were billed.

Appendix D-2
Panchasarp Farms Public Improvement District
Phase #1 Assessment Roll Summary - 2020-21 Trigger Parcels

Parcel	Estimated No. of units	Lot Type	Original Equivalent Units	Outstanding Equivalent Units	Outstanding Assessments	Principal	Interest	Administrative Expenses	Maintenance Expenses	Annual Installment
126.2233.01030	1	60 Ft	0.86	Prepaid	Prepaid	Prepaid	Prepaid	\$126.09	\$231.06	\$357.15
126.2233.01050	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.01120	1	60 Ft	0.86	Prepaid	Prepaid	Prepaid	Prepaid	\$126.09	\$231.06	\$357.15
126.2233.01130	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.01140	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.02020	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.02030	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.02040	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.02050	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.02070	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.02080	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.02130	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.02140	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.02150	1	60 Ft	0.86	Prepaid	Prepaid	Prepaid	Prepaid	\$126.09	\$231.06	\$357.15
126.2233.02190	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.02200	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.02210	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.02220	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.02230	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.02240	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.02250	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.02280	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.02290	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.03020	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.03030	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.03060	1	55 Ft	0.79	Prepaid	Prepaid	Prepaid	Prepaid	\$115.83	\$212.25	\$328.08
126.2233.03070	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.04050	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.04090	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.04140	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.04160	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.04170	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.05040	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.05050	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.05070	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.05090	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.05100	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.05110	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.05150	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.05160	1	55 Ft	0.79	0.79	\$3,502.21	\$68.62	\$178.61	\$115.83	\$212.25	\$575.32
126.2233.05170	1	60 Ft	0.86	0.86	\$3,812.53	\$74.70	\$194.44	\$126.09	\$231.06	\$626.30
126.2233.01001	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.01002	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.02001	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.04001	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.05001	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	41		34.14	30.77	\$136,408.95	\$2,672.87	\$6,956.86	\$5,005.53	\$9,172.59	\$23,807.84

APPENDIX D-3
PHASE #1 2022-23 ASSESSMENT ROLL SUMMARY – FOR LOTS TRIGGERED IN
2021-22

Appendix D-3
Phase #1 Assessment Roll (Lots Triggered in 2021-22)

Lots	55
Assessment	\$209,430
Equivalent Units	45.62

Year	Principal	Interest ¹	Administrative Expense		Annual Installment ³
			Maintenance Assessment	Other Administrative Expenses ²	
9/30/2022	\$3,214	\$10,681	\$12,257	\$6,429	\$32,581
9/30/2023	\$3,214	\$9,728	\$12,257	\$6,558	\$31,757
9/30/2024	\$3,572	\$10,353	\$12,257	\$6,689	\$32,870
9/30/2025	\$3,572	\$10,171	\$12,257	\$6,822	\$32,822
9/30/2026	\$3,929	\$9,989	\$12,257	\$6,959	\$33,133
9/30/2027	\$3,929	\$9,788	\$12,257	\$7,098	\$33,072
9/30/2028	\$4,286	\$9,588	\$12,257	\$7,240	\$33,371
9/30/2029	\$4,286	\$9,369	\$12,257	\$7,385	\$33,297
9/30/2030	\$4,643	\$9,151	\$12,257	\$7,533	\$33,584
9/30/2031	\$5,000	\$8,914	\$12,257	\$7,683	\$33,855
9/30/2032	\$5,000	\$8,659	\$12,257	\$7,837	\$33,753
9/30/2033	\$5,357	\$8,404	\$12,257	\$7,994	\$34,012
9/30/2034	\$5,715	\$8,131	\$12,257	\$7,994	\$34,096
9/30/2035	\$6,072	\$7,839	\$12,257	\$7,994	\$34,162
9/30/2036	\$6,072	\$7,530	\$12,257	\$7,994	\$33,852
9/30/2037	\$6,429	\$7,220	\$12,257	\$7,994	\$33,900
9/30/2038	\$6,786	\$6,892	\$12,257	\$7,994	\$33,929
9/30/2039	\$7,143	\$6,546	\$12,257	\$7,994	\$33,940
9/30/2040	\$7,500	\$6,182	\$12,257	\$7,994	\$33,933
9/30/2041	\$7,858	\$5,799	\$12,257	\$7,994	\$33,907
9/30/2042	\$8,215	\$5,398	\$12,257	\$7,994	\$33,864
9/30/2043	\$8,929	\$4,980	\$12,257	\$7,994	\$34,159
9/30/2044	\$9,286	\$4,524	\$12,257	\$7,994	\$34,061
9/30/2045	\$9,643	\$4,051	\$12,257	\$7,994	\$33,945
9/30/2046	\$10,358	\$3,559	\$12,257	\$7,994	\$34,167
9/30/2047	\$10,715	\$3,030	\$12,257	\$7,994	\$33,996
9/30/2048	\$11,429	\$2,484	\$12,257	\$7,994	\$34,164
9/30/2049	\$11,786	\$1,901	\$12,257	\$7,994	\$33,938
9/30/2050	\$12,501	\$1,300	\$12,257	\$7,994	\$34,051
9/30/2050	\$12,989	\$662	\$12,257	\$7,994	\$33,902
Total	\$209,430	\$202,824	\$367,709	\$230,111	\$1,010,074

1 - The interest is calculated using a 5.10% interest rate for years 1 through 5 and an interest rate of 5.10% thereafter.

2 - The Administrative Expenses shown include estimates for the operations and maintenance of the Authorized Improvements, assessment collection costs, and other PID administrative expenses. These estimates will be updated each year as part of the Annual Service Plan Update.

3 - Assessment years ending 9/30/2022 through 9/30/2023 represent the actual amount billed based on the outstanding assessment at the time Annual Installments were billed.

Appendix D-3
Panchasarp Farms Public Improvement District
Phase #1 Assessment Roll Summary - 2021-22 Trigger Parcels

Parcel	Estimated No. of units	Lot Type	Original Equivalent Units	Outstanding Equivalent Units	Outstanding Assessments	Principal	Interest	Administrative Expenses	Maintenance Expenses	Annual Installment
126.2233.01010	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.01020	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.01040	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.01060	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01070	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01080	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01090	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01100	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.01110	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01150	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01160	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.01170	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01180	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01190	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.01200	1	60 Ft	0.86	Prepaid	Prepaid	Prepaid	Prepaid	\$123.62	\$231.06	\$354.68
126.2233.01210	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01220	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.01230	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01240	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.01250	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.01001	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.01002	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.02010	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.02060	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.02090	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.02100	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.02110	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.02120	1	60 Ft	0.86	Prepaid	Prepaid	Prepaid	Prepaid	\$123.62	\$231.06	\$354.68
126.2233.02160	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.02170	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.02180	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.02260	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.02270	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.02001	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.03010	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.03040	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.03050	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.04010	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.04020	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.04030	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.04040	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.04060	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.04070	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.04080	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.04100	1	60 Ft	0.86	Prepaid	Prepaid	Prepaid	Prepaid	\$123.62	\$231.06	\$354.68
126.2233.04110	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.04120	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.04130	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.04180	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.04190	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.04001	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.05010	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.05020	1	55 Ft	0.79	0.79	\$3,566.59	\$60.11	\$181.90	\$113.56	\$212.25	\$567.81
126.2233.05030	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.05060	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.05080	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.05120	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.05130	1	55 Ft	0.79	Prepaid	Prepaid	Prepaid	Prepaid	\$113.56	\$212.25	\$325.81
126.2233.05140	1	60 Ft	0.86	0.86	\$3,882.62	\$65.43	\$198.01	\$123.62	\$231.06	\$618.12
126.2233.05001	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	55		45.62	42.25	\$190,744.86	\$3,214.49	\$9,727.99	\$6,557.55	\$12,256.98	\$31,757.01

APPENDIX D-4
PHASE #1 2022-23 ASSESSMENT ROLL SUMMARY – FOR LOTS TRIGGERED IN
2022-23

Appendix D-4
Phase #1 Assessment Roll (Lots Triggered in 2022-23)

Lots	2
Assessment	\$7,896
Equivalent Units	1.72

Year	Principal	Interest ¹	Administrative Expense		Annual Installment ³
			Maintenance Assessment	Other Administrative Expenses ²	
9/30/2023	\$121	\$403	\$462	\$242	\$1,228
9/30/2024	\$121	\$397	\$462	\$247	\$1,227
9/30/2025	\$135	\$390	\$462	\$252	\$1,239
9/30/2026	\$135	\$383	\$462	\$257	\$1,237
9/30/2027	\$148	\$377	\$462	\$262	\$1,249
9/30/2028	\$148	\$369	\$462	\$268	\$1,247
9/30/2029	\$162	\$361	\$462	\$273	\$1,258
9/30/2030	\$162	\$353	\$462	\$278	\$1,255
9/30/2031	\$175	\$345	\$462	\$284	\$1,266
9/30/2032	\$189	\$336	\$462	\$290	\$1,276
9/30/2033	\$189	\$326	\$462	\$295	\$1,273
9/30/2034	\$202	\$317	\$462	\$301	\$1,282
9/30/2035	\$215	\$307	\$462	\$301	\$1,286
9/30/2036	\$229	\$296	\$462	\$301	\$1,288
9/30/2037	\$229	\$284	\$462	\$301	\$1,276
9/30/2038	\$242	\$272	\$462	\$301	\$1,278
9/30/2039	\$256	\$260	\$462	\$301	\$1,279
9/30/2040	\$269	\$247	\$462	\$301	\$1,280
9/30/2041	\$283	\$233	\$462	\$301	\$1,279
9/30/2042	\$296	\$219	\$462	\$301	\$1,278
9/30/2043	\$310	\$204	\$462	\$301	\$1,277
9/30/2044	\$337	\$188	\$462	\$301	\$1,288
9/30/2045	\$350	\$171	\$462	\$301	\$1,284
9/30/2046	\$364	\$153	\$462	\$301	\$1,280
9/30/2047	\$391	\$134	\$462	\$301	\$1,288
9/30/2048	\$404	\$114	\$462	\$301	\$1,282
9/30/2049	\$431	\$94	\$462	\$301	\$1,288
9/30/2050	\$444	\$72	\$462	\$301	\$1,280
9/30/2051	\$471	\$49	\$462	\$301	\$1,284
9/30/2052	\$490	\$25	\$462	\$301	\$1,278
Total	\$7,896	\$7,677	\$13,864	\$8,676	\$38,112

1 - The interest is calculated using a 5.10% interest rate for years 1 through 5 and an interest rate of 5.10% thereafter.

2 - The Administrative Expenses shown include estimates for the operations and maintenance of the Authorized Improvements, assessment collection costs, and other PID administrative expenses. These estimates will be updated each year as part of the Annual Service Plan Update.

3 - Assessment year ending 9/30/2023 represents the actual amount billed based on the outstanding assessment at the time Annual Installments were billed.

Appendix D-4
Panchasarp Farms Public Improvement District
Phase #1 Assessment Roll Summary - 2022-23 Trigger Parcels

Parcel	Estimated No. of units	Lot Type	Original Equivalent Units	Outstanding Equivalent Units	Outstanding Assessments	Principal	Interest	Administrative Expenses	Maintenance Expenses	Annual Installment
126.2233.01260	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$201.35	\$121.20	\$231.06	\$614.20
126.2233.04150	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$201.35	\$121.20	\$231.06	\$614.20
Total	2		1.72	1.72	\$7,896.10	\$121.20	\$402.70	\$242.39	\$462.12	\$1,228.41

APPENDIX E-1
PHASE #2 ASSESSMENT ROLL – ALL PARCELS

Appendix E-1
Phase #2 Assessment Roll

Lots	130
Assessment	\$482,718
Total Units	105.15

Year	Principal	Interest	Administrative Expense		
			Maintenance Assessment	Other Administrative Expenses	Annual Installment
1	\$7,409	\$21,481	\$28,251	\$14,818	\$71,959
2	\$7,409	\$21,151	\$28,251	\$15,115	\$71,926
3	\$8,232	\$20,822	\$28,251	\$15,417	\$72,722
4	\$8,232	\$20,455	\$28,251	\$15,725	\$72,664
5	\$9,056	\$20,089	\$28,251	\$16,040	\$73,435
6	\$9,056	\$19,686	\$28,251	\$16,360	\$73,353
7	\$9,879	\$19,283	\$28,251	\$16,688	\$74,101
8	\$9,879	\$18,843	\$28,251	\$17,021	\$73,995
9	\$10,702	\$18,404	\$28,251	\$17,362	\$74,719
10	\$11,525	\$17,927	\$28,251	\$17,709	\$75,413
11	\$11,525	\$17,415	\$28,251	\$18,063	\$75,254
12	\$12,349	\$16,902	\$28,251	\$18,425	\$75,926
13	\$13,172	\$16,352	\$28,251	\$18,425	\$76,200
14	\$13,995	\$15,766	\$28,251	\$18,425	\$76,437
15	\$13,995	\$15,143	\$28,251	\$18,425	\$75,814
16	\$14,818	\$14,520	\$28,251	\$18,425	\$76,015
17	\$15,641	\$13,861	\$28,251	\$18,425	\$76,178
18	\$16,465	\$13,165	\$28,251	\$18,425	\$76,306
19	\$17,288	\$12,432	\$28,251	\$18,425	\$76,396
20	\$18,111	\$11,663	\$28,251	\$18,425	\$76,450
21	\$18,934	\$10,857	\$28,251	\$18,425	\$76,467
22	\$20,581	\$10,015	\$28,251	\$18,425	\$77,271
23	\$21,404	\$9,099	\$28,251	\$18,425	\$77,179
24	\$22,227	\$8,146	\$28,251	\$18,425	\$77,049
25	\$23,874	\$7,157	\$28,251	\$18,425	\$77,707
26	\$24,697	\$6,095	\$28,251	\$18,425	\$77,468
27	\$26,343	\$4,996	\$28,251	\$18,425	\$78,015
28	\$27,167	\$3,823	\$28,251	\$18,425	\$77,666
29	\$28,813	\$2,614	\$28,251	\$18,425	\$78,103
30	\$29,939	\$1,332	\$28,251	\$18,425	\$77,947
Total	\$482,718	\$409,495	\$847,537	\$530,386	\$2,270,136

1 - The interest is calculated using a 4.45% interest rate for years 1 through 5 and an interest rate of 4.45% thereafter.

2 - The Administrative Expenses shown include estimates for the operations and maintenance of the Authorized Improvements, assessment collection costs, and other PID administrative expenses. These estimates will be updated each year as part of the Annual Service Plan Update.

APPENDIX E-2
**PHASE #2 2022-23 ASSESSMENT ROLL SUMMARY – FOR LOTS TRIGGERED IN
2022-23**

Appendix E-2
Phase #2 Assessment Roll (Lots Triggered in 2022-23)

Lots	59
Assessment	\$220,402
Total	
Equivalent	
Units	48.01

Year	Principal	Interest ¹	Administrative Expense		Annual Installment ³
			Maintenance Assessment	Other Administrative Expenses ²	
9/30/2023	\$3,383	\$9,808	\$12,899	\$6,766	\$32,856
9/30/2024	\$3,383	\$9,657	\$12,899	\$6,901	\$32,840
9/30/2025	\$3,759	\$9,507	\$12,899	\$7,039	\$33,204
9/30/2026	\$3,759	\$9,340	\$12,899	\$7,180	\$33,177
9/30/2027	\$4,135	\$9,172	\$12,899	\$7,324	\$33,530
9/30/2028	\$4,135	\$8,988	\$12,899	\$7,470	\$33,492
9/30/2029	\$4,511	\$8,804	\$12,899	\$7,619	\$33,833
9/30/2030	\$4,511	\$8,604	\$12,899	\$7,772	\$33,785
9/30/2031	\$4,886	\$8,403	\$12,899	\$7,927	\$34,116
9/30/2032	\$5,262	\$8,185	\$12,899	\$8,086	\$34,433
9/30/2033	\$5,262	\$7,951	\$12,899	\$8,247	\$34,360
9/30/2034	\$5,638	\$7,717	\$12,899	\$8,412	\$34,667
9/30/2035	\$6,014	\$7,466	\$12,899	\$8,412	\$34,792
9/30/2036	\$6,390	\$7,199	\$12,899	\$8,412	\$34,900
9/30/2037	\$6,390	\$6,914	\$12,899	\$8,412	\$34,616
9/30/2038	\$6,766	\$6,630	\$12,899	\$8,412	\$34,707
9/30/2039	\$7,142	\$6,329	\$12,899	\$8,412	\$34,782
9/30/2040	\$7,518	\$6,011	\$12,899	\$8,412	\$34,840
9/30/2041	\$7,893	\$5,676	\$12,899	\$8,412	\$34,881
9/30/2042	\$8,269	\$5,325	\$12,899	\$8,412	\$34,906
9/30/2043	\$8,645	\$4,957	\$12,899	\$8,412	\$34,914
9/30/2044	\$9,397	\$4,572	\$12,899	\$8,412	\$35,281
9/30/2045	\$9,773	\$4,154	\$12,899	\$8,412	\$35,239
9/30/2046	\$10,149	\$3,719	\$12,899	\$8,412	\$35,180
9/30/2047	\$10,900	\$3,268	\$12,899	\$8,412	\$35,480
9/30/2048	\$11,276	\$2,783	\$12,899	\$8,412	\$35,371
9/30/2049	\$12,028	\$2,281	\$12,899	\$8,412	\$35,621
9/30/2050	\$12,404	\$1,746	\$12,899	\$8,412	\$35,461
9/30/2051	\$13,156	\$1,194	\$12,899	\$8,412	\$35,661
9/30/2052	\$13,670	\$608	\$12,899	\$8,412	\$35,590
Total	\$220,402	\$186,970	\$386,974	\$242,167	\$1,036,512

1 - The interest is calculated using a 4.45% interest rate for years 1 through 5 and an interest rate of 4.45% thereafter.

2 - The Administrative Expenses shown include estimates for the operations and maintenance of the Authorized Improvements, assessment collection costs, and other PID administrative expenses. These estimates will be updated each year as part of the Annual Service Plan Update.

3 - Assessment year ending 9/30/2023 represents the actual amount billed based on the outstanding assessment at the time Annual Installments were billed.

Appendix E-2
Panchasarp Farms Public Improvement District
Phase #2 Assessment Roll Summary - 2022-23 Trigger Parcels

Parcel	Estimated No. of units	Lot Type	Original Equivalent Units	Outstanding Equivalent Units	Outstanding Assessments	Principal	Interest	Administrative Expenses	Maintenance Expenses	Annual Installment
126.2233.20231	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20233	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20234	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20236	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20237	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20238	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20239	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20242	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20243	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20244	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20245	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20246	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20247	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20248	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20249	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20251	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20253	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20255	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20260	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20261	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20262	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20263	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20266	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20267	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20270	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20271	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20272	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20276	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20277	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20280	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20601	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20602	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20605	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20609	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20610	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20703	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20708	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20710	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20712	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20718	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20719	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20720	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20723	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20725	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20726	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20732	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20734	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20738	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20739	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20740	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20744	1	60 Ft	0.86	0.86	\$3,948.05	\$60.60	\$175.69	\$121.20	\$231.06	\$588.54
126.2233.20803	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20804	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20808	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20810	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20812	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20813	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20815	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20817	1	55 Ft	0.79	0.79	\$3,626.70	\$55.67	\$161.39	\$111.33	\$212.25	\$540.64
126.2233.20001	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.20002	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.20003	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.20004	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126.2233.20005	0	Common Area	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	59		48.01	48.01	\$220,402.09	\$3,382.89	\$9,807.89	\$6,765.78	\$12,899.12	\$32,855.68

APPENDIX F
PID ASSESSMENT NOTICE

PID Assessment Notice

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF BURLESON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

[insert property address]

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Burleson, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Parks at Panchasarp Farms Public Improvement District (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City or MuniCap, Inc., the District Administrator for the City, located at 600 E. John Carpenter Fwy, Suite 150, Irving, Texas 75062 and available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at txpid@municap.com.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

Date: _____

Signature of Seller

Signature of Seller

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

City Council Regular Meeting

DEPARTMENT: Finance

FROM: Martin Avila

MEETING: August 15, 2022

SUBJECT:

Consider approval of a minute order ratifying the Burleson 4A Economic Development Corporation resolution adopting the corporation's FY2022-2023 annual budget. (*Staff Contact: Martin Avila, Finance Director*)

SUMMARY:

On August 15, 2022, staff presented to the Board, for approval, the 4A Economic Development Fund FY2022-2023 annual budget.

Some key highlights in the proposed budget:

- FY2022-2023 proposed budget is \$4,962,661
- Proposed sales tax revenue for FY2022-2023 is \$7,117,335
- FY2022-2023 proposed budget is \$4,962,661
 - \$1,826,505 million for debt service
 - \$1,347,500 for ED incentives
 - \$1,761,156 for personnel and operating costs
- Proposed ending fund balance is \$3,332,822

Capital Project:

- Chisholm Summit - \$35 million
- Expansion of business park - \$20 million

OPTIONS:

N/A

RECOMMENDATION:

Staff recommends approval of minute order ratifying 4A Economic Development Corporation Board's action approving the 4A Economic Development Fund FY2022-2023 budget.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

No fiscal impact

STAFF CONTACT:

Martin, Avila
Finance Director
mavila@burlesontx.com
817-426-9651

4A Fund Proposed Budget FY 2022-23

PRESENTED TO THE 4A BOARD OF DIRECTORS

AUGUST 15, 2022

4A Economic Development Corp

FY 2022-2023 proposed budget is \$4,962,661

Proposed 4A sales tax revenue for FY 23 is \$7,117,335

Proposed FY 23 ending fund balance is \$3,332,822

The proposed budget includes:

- \$1,826,505 million allocated for debt service
- \$1,375,000 for economic development incentives
- \$1,761,156 for personnel and operating costs

Capital Projects

- Chisholm Summit - \$35 million
- Expansion of business park - \$20 million

4A Financial Overview

	FY 21-22 Budget	FY 21-22 Estimate	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected
Beginning Fund Balance	\$ 2,443,008	\$ 2,474,805	\$ 973,148	\$ 3,332,822	\$ 5,134,814	\$ 5,843,217	\$ 6,560,086
Sales Tax Revenue	\$ 6,128,500	\$ 6,910,034	\$ 7,117,335	\$ 7,330,855	\$ 7,550,781	\$ 7,777,304	\$ 8,010,623
Other Revenues	\$ 213,950	\$ 1,183,685	\$ 205,000	\$ 218,200	\$ 235,321	\$ 242,381	\$ 243,424
Total Revenues	\$ 6,342,450	\$ 8,093,719	\$ 7,322,335	\$ 7,549,055	\$ 7,786,102	\$ 8,019,685	\$ 8,254,047
Personnel	\$ 272,724	\$ 315,585	\$ 326,077	\$ 329,071	\$ 341,389	\$ 354,178	\$ 367,456
Debt Service	\$ 1,990,375	\$ 1,990,375	\$ 1,826,505	\$ 3,989,764	\$ 5,286,562	\$ 5,467,495	\$ 5,465,088
380 Incentives	\$ 1,112,500	\$ 1,112,500	\$ 1,375,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Other Expenditures	\$ 1,115,983	\$ 6,176,916	\$ 1,145,079	\$ 1,028,228	\$ 1,049,749	\$ 1,081,143	\$ 1,102,991
Supplemental	\$ -	\$ -	\$ 290,000	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 4,491,582	\$ 9,595,376	\$ 4,962,661	\$ 5,747,063	\$ 7,077,699	\$ 7,302,816	\$ 7,335,535
Change in Fund Balance	\$ 1,850,868	\$ (1,501,657)	\$ 2,359,674	\$ 1,801,992	\$ 708,402	\$ 716,869	\$ 918,512
Ending Fund Balance	\$ 4,293,876	\$ 973,148	\$ 3,332,822	\$ 5,134,814	\$ 5,843,217	\$ 6,560,086	\$ 7,478,597
FB % of Expenditure	95.60%	10.14%	67.16%	89.35%	82.56%	89.83%	101.95%

MAJOR GOVERNMENTAL FUND				
4A SALES TAX REVENUE				
	2020-21 ACTUAL	2021-22 BUDGET	2021-22 ESTIMATE	2022-23 BUDGET
Beginnig fund balance/ working capital	\$ 7,793,082	\$ 2,443,008	\$ 2,474,806	\$ 973,149
Revenues				
Sales Tax	6,157,778	6,128,500	6,910,034	7,117,335
Interest	2,600	25,750	15,000	15,000
Miscellaneous	189,795	188,200	1,168,685	190,000
Total revenues	6,350,173	6,342,450	8,093,719	7,322,335
Expenditures				
Personnel Services	301,783	303,574	350,185	487,864
Material & Supplies	8,171	10,750	8,250	5,750
Purchased Services	255,750	304,367	312,758	555,873
Maintenance and Repair	24,525	35,000	27,750	35,000
Transfers out:				
4A Debt	2,393,447	1,990,375	1,990,375	1,826,505
General Fund- Adm.	256,118	366,203	366,203	176,925
Capital	2,045,760	-	-	-
Economic Incentives	385,991	1,112,500	1,112,500	1,375,000
Other Expenditures	149,137	440,355	427,355	499,744
Capital Outlay	5,847,767	5,000,000	5,000,000	-
Total expenditures	11,668,449	9,563,124	9,595,376	4,962,661
Change in fund balance	(5,318,276)	(3,220,674)	(1,501,657)	2,359,674
Ending fund balance/ working capital	\$ 2,474,806	\$ (777,666)	\$ 973,149	\$ 3,332,823

Next Steps

September 6

Regular City Council meeting. Public hearing on the budget and tax rate and first reading of the budget and tax rate ordinances.

September 12

Special City Council meeting. Final reading of the ordinances to approve the budget and tax rate.

Questions/Comments

Burleson 4A Economic Development Corporation
Resolution 4A081522AnnualBudget

WHEREAS, the Burleson 4A Economic Development Corporation, known as the “Type A Corporation”, incorporated and certified in October 2000 under the authorization of the Development Corporation Act of 1979; and

WHEREAS, the Board of Directors (“Board”) of the Type A Corporation has reviewed the proposed budget for Fiscal Year 2022-2023 attached hereto as Exhibit A and incorporated herein by reference for all purposes (the “Budget”); and

WHEREAS, the Board desires to approve the Budget, and finds the Budget will further the purposes of the Type A Corporation.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE BURLESON 4A ECONOMIC DEVELOPMENT CORPORATION THAT:

Section 1

The Budget attached hereto and incorporated herein for all purposes is adopted for the Fiscal Year beginning October 1, 2022, and ending September 30, 2023; and there is hereby appropriated from the funds indicated such projects, operations, activities, purchases and other expenditures as proposed in the Budget.

Section 2

As described in the attached Budget, the Type A Corporation authorizes the transfer or expenditure of \$4,962,661 in Type A sales tax revenue in FY 22-23 for the following purposes set forth in the Budget.

Section 3

The Type A Corporation respectfully requests that the City Council ratify this resolution.

Section 4

The Secretary of the Type A Corporation is hereby directed to publish notice of this action following ratification by City Council as required by law.

Passed and Approved and **SO RESOLVED** this_____day of_____, 20_____.

Signed:

Attest:

President of Type A Corporation

Secretary of the Type A Corporation

Exhibit “A”

4A Economic Development Corp

FY 2022-2023 proposed budget is \$4,962,661

Proposed 4A sales tax revenue for FY 23 is \$7,117,335

Proposed FY 23 ending fund balance is \$3,332,822

The proposed budget includes:

- \$1,826,505 million allocated for debt service
- \$1,375,000 for economic development incentives
- \$1,761,156 for personnel and operating costs

Capital Projects

- Chisholm Summit - \$35 million
- Expansion of business park - \$20 million

4A Financial Overview

	FY 21-22 Budget	FY 21-22 Estimate	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected
Beginning Fund Balance	\$ 2,443,008	\$ 2,474,805	\$ 973,148	\$ 3,332,822	\$ 5,134,814	\$ 5,843,217	\$ 6,560,086
Sales Tax Revenue	\$ 6,128,500	\$ 6,910,034	\$ 7,117,335	\$ 7,330,855	\$ 7,550,781	\$ 7,777,304	\$ 8,010,623
Other Revenues	\$ 213,950	\$ 1,183,685	\$ 205,000	\$ 218,200	\$ 235,321	\$ 242,381	\$ 243,424
Total Revenues	\$ 6,342,450	\$ 8,093,719	\$ 7,322,335	\$ 7,549,055	\$ 7,786,102	\$ 8,019,685	\$ 8,254,047
Personnel	\$ 272,724	\$ 315,585	\$ 326,077	\$ 329,071	\$ 341,389	\$ 354,178	\$ 367,456
Debt Service	\$ 1,990,375	\$ 1,990,375	\$ 1,826,505	\$ 3,989,764	\$ 5,286,562	\$ 5,467,495	\$ 5,465,088
380 Incentives	\$ 1,112,500	\$ 1,112,500	\$ 1,375,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Other Expenditures	\$ 1,115,983	\$ 6,176,916	\$ 1,145,079	\$ 1,028,228	\$ 1,049,749	\$ 1,081,143	\$ 1,102,991
Supplemental	\$ -	\$ -	\$ 290,000	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 4,491,582	\$ 9,595,376	\$ 4,962,661	\$ 5,747,063	\$ 7,077,699	\$ 7,302,816	\$ 7,335,535
Change in Fund Balance	\$ 1,850,868	\$ (1,501,657)	\$ 2,359,674	\$ 1,801,992	\$ 708,402	\$ 716,869	\$ 918,512
Ending Fund Balance	\$ 4,293,876	\$ 973,148	\$ 3,332,822	\$ 5,134,814	\$ 5,843,217	\$ 6,560,086	\$ 7,478,597
FB % of Expenditure	95.60%	10.14%	67.16%	89.35%	82.56%	89.83%	101.95%

MAJOR GOVERNMENTAL FUND				
4A SALES TAX REVENUE				
	2020-21 ACTUAL	2021-22 BUDGET	2021-22 ESTIMATE	2022-23 BUDGET
Beginnig fund balance/ working capital	\$ 7,793,082	\$ 2,443,008	\$ 2,474,806	\$ 973,149
Revenues				
Sales Tax	6,157,778	6,128,500	6,910,034	7,117,335
Interest	2,600	25,750	15,000	15,000
Miscellaneous	189,795	188,200	1,168,685	190,000
Total revenues	6,350,173	6,342,450	8,093,719	7,322,335
Expenditures				
Personnel Services	301,783	303,574	350,185	487,864
Material & Supplies	8,171	10,750	8,250	5,750
Purchased Services	255,750	304,367	312,758	555,873
Maintenance and Repair	24,525	35,000	27,750	35,000
Transfers out:				
4A Debt	2,393,447	1,990,375	1,990,375	1,826,505
General Fund- Adm.	256,118	366,203	366,203	176,925
Capital	2,045,760	-	-	-
Economic Incentives	385,991	1,112,500	1,112,500	1,375,000
Other Expenditures	149,137	440,355	427,355	499,744
Capital Outlay	5,847,767	5,000,000	5,000,000	-
Total expenditures	11,668,449	9,563,124	9,595,376	4,962,661
Change in fund balance	(5,318,276)	(3,220,674)	(1,501,657)	2,359,674
Ending fund balance/ working capital	\$ 2,474,806	\$ (777,666)	\$ 973,149	\$ 3,332,823

City Council Regular Meeting

DEPARTMENT: Finance

FROM: Martin Avila

MEETING: August 15, 2022

SUBJECT:

Consider approval of a minute order ratifying the Burleson Community Services Development Corporation resolution adopting the corporation's FY2022-2023 annual budget. (*Staff Contact: Martin Avila, Finance Director*)

SUMMARY:

On August 15, 2022, staff presented to the Board, for approval, the 4B Community Services Development Corporation FY2022-2023 annual budget.

FY 2022-2023 proposed budget is \$9,011,863
Proposed FY2023 4B sales tax revenue is \$7,117,335
Proposed FY2023 fund balance is \$3,722,488

The proposed budget includes:

- \$1,390,800 allocated for debt service
- \$376,086 allocated for golf debt service
- \$566,667 for economic development incentives
- \$2,018,400 for Parks Service Center expansion
- \$3,130,479 subsidy PPF operations
- \$728,544 subsidy Golf operations

FY2023 Capital Program – \$16,889,432

OPTIONS:

N/A

RECOMMENDATION:

Staff recommends approval of minute order ratifying 4B Board's action approving the 4B Community Services Development Corporation Fund FY2022-2023 annual budget.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

No fiscal impact

STAFF CONTACT:

Martin, Avila
Finance Director
mavila@burlesontx.com
817-426-9651

4B Fund Proposed Budget FY 2022-23

PRESENTED TO THE 4B BOARD OF DIRECTORS

AUGUST 4, 2022

4B Community Development Corp

FY 2022-2023 proposed budget is \$9,011,863

Proposed FY 23 4B sales tax revenue is \$7,117,335

Proposed FY 23 fund balance is \$3,722,488

The proposed budget includes:

- \$1,390,800 allocated for debt service
- \$376,086 allocated for golf debt service
- \$566,667 for economic development incentives
- \$2,018,400 for Parks Service Center expansion
- \$3,130,479 subsidy PPF operations
- \$728,544 subsidy Golf operations

4B Financial Overview

	FY 21-22 Budget	FY 21-22 Estimate	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected
Beginning Fund Balance	\$ 4,158,317	\$ 4,941,248	\$ 5,547,016	\$ 3,722,488	\$ 3,482,143	\$ 2,834,054	\$ 2,559,393
Sales Tax Revenue	\$ 6,128,500	\$ 6,910,034	\$ 7,117,335	\$ 7,330,855	\$ 7,550,781	\$ 7,777,304	\$ 8,010,623
Other Revenues	\$ 15,000	\$ 15,000	\$ 70,000	\$ 80,000	\$ 75,000	\$ 75,000	\$ 75,000
Total Revenues	\$ 6,143,500	\$ 6,925,034	\$ 7,187,335	\$ 7,410,855	\$ 7,625,781	\$ 7,852,304	\$ 8,085,623
Debt Service	\$ 1,393,675	\$ 1,393,675	\$ 1,390,800	\$ 2,782,888	\$ 3,177,475	\$ 3,325,075	\$ 3,261,100
Golf Course Debt	\$ 371,403	\$ 371,403	\$ 376,086	\$ 370,532	\$ 382,208	\$ -	\$ -
Golf Transfer	\$ 846,315	\$ 802,823	\$ 728,544	\$ 775,539	\$ 956,067	\$ 941,357	\$ 1,218,578
PPF Transfer	\$ 2,715,418	\$ 2,706,031	\$ 3,130,479	\$ 2,823,352	\$ 2,782,940	\$ 2,847,712	\$ 3,212,834
Other Expenditures	\$ 1,082,288	\$ 1,045,334	\$ 3,385,954	\$ 898,889	\$ 975,179	\$ 1,012,822	\$ 1,016,048
Total Expenditures	\$ 6,409,099	\$ 6,319,266	\$ 9,011,863	\$ 7,651,200	\$ 8,273,869	\$ 8,126,965	\$ 8,708,560
Change in Fund Balance	\$ (265,599)	\$ 605,768	\$ (1,824,528)	\$ (240,345)	\$ (648,088)	\$ (274,661)	\$ (622,937)
Ending Fund Balance	\$ 3,892,718	\$ 5,547,016	\$ 3,722,488	\$ 3,482,143	\$ 2,834,054	\$ 2,559,393	\$ 1,936,457
FB % of Expenditure	60.74%	87.78%	41.31%	45.51%	34.25%	31.49%	22.24%

	MAJOR GOVERNMENTAL FUND			
	4 B SALES TAX REVENUE			
	2020-21 ACTUAL	2021-22 BUDGET	2021-22 ESTIMATE	2022-23 BUDGET
Beginnig fund balance/ working capital	\$ 4,606,639	\$ 4,158,317	\$ 4,941,248	\$ 5,547,016
Revenues				
Sales Tax	6,157,778	6,128,500	6,910,034	7,117,335
Interest	795	15,000	15,000	70,000
Total revenues	6,158,573	6,143,500	6,925,034	7,187,335
Expenditures				
Personal Services	-	193,403	156,449	337,433
Material & Supplies	-	3,900	3,900	20,000
Purchased Services	6,746	3,500	3,500	8,500
Maintenance And Repair	376,336	292,325	277,328	-
4B Debt	1,844,545	1,393,675	1,393,675	1,390,800
General Fund- Adm.	10,000	15,450	15,450	153,109
Golf	909,702	1,217,718	1,174,226	1,104,630
PPF	2,676,635	2,715,418	2,706,031	3,130,479
Economic Incentives	-	412,500	412,500	566,667
Other Expenditures	-	176,207	176,207	281,845
Capital Outlay	-	-	-	2,018,400
Total expenditures	5,823,964	6,424,096	6,319,266	9,011,863
Change in fund balance	334,609	(280,596)	605,768	(1,824,528)
Ending fund balance/ working capital	\$ 4,941,248	\$ 3,877,721	\$ 5,547,016	\$ 3,722,488

Capital Improvement Program FY2023-2027

The 4B Fund currently projects approximately \$25.1 million in new debt issuances over the next five years in support of the Five-Year Parks CIP projects.

Parks and Golf 5-Year CIP Plan

Project	FY 23	FY 24	FY 25	FY 26	FY 27	Total
Parks						
Park Refurbishments						
Bartlett Playground					300,000	300,000
Cedar Ridge		200,000				200,000
Cindy Park						0
Elk Ridge	220,000					220,000
Heberle					235,000	235,000
Meadow Crest				220,000		220,000
Mistletoe		300,000				300,000
Oak Valley	500,000					500,000
Wakefield	200,000					200,000
Warren					500,000	500,000
Sport Fields						
Bartlett Field Regrading	1,500,000					1,500,000
Chisenhall Field Turf and Lighting	500,000	500,000	500,000	500,000	500,000	2,500,000
Hidden Creek Softball Relocation	250,000	2,000,000				2,250,000
Trails, Parking and Infrastructure						
Bailey Lake Low Water Crossing			220,000			220,000
Chisenhall and Bailey Lake Parking	2,001,000					2,001,000
Oak Valley Trail-Scott Street Trailhead		500,000				500,000
Village Creek Trail Phase IV		685,000				685,000
Village Creek Trail Phase III	2,417,160					2,417,160
Signage						
Park Monument Signs	65,000	65,000	65,000	65,000	65,000	325,000
City Wide Monument Signs	200,000	200,000				400,000
New Construction						
Shannon Creek Park	3,327,763					3,327,763
Community Park	4,000,000	500,000				4,500,000
Unplanned Park Improvements	50,000	50,000	50,000	50,000	50,000	250,000

Parks and Golf 5-Year CIP Plan (Continued)

BRiCk						
Upgrade A/C Control system and ventilation	500,000					500,000
Replace roof			1,000,000			1,000,000
Retiling of pool part room and family changing areas	62,000					62,000
Addition of Dry Sauna				380,000		380,000
Replacement of entry monument sign					35,000	35,000
Remodel of entryway (Admin, Kiosk, Rockwall and lighting)	125,000					125,000
Golf						
Monument Sign	28,750					28,750
Tee and Wayfinding signage		25,000				25,000
Bunkers						
Bunkers (1,16,17,18)	89,500					89,500
Bunkers (11,5,6,7,9)		97,750				97,750
Bunkers (2,3,4)			44,000			44,000
Bunkers (10,12)				30,800		30,800
Bunkers (13,14)					34,000	34,000
Tree Work						
Tree Removal and Limb up (Creek, 4,14)	49,000					49,000
Tree Removal and Limb up (7,9,10)				45,000		45,000
Tree Removal and Limb up (1,18)			45,000			45,000
Turf Improvements						
Range side (9) (shape, sod, cart path, trees)		45,000				45,000
Greens resurface (all 18) (remove and replace top 6' of material)					375,000	375,000
Ponds and Irrigation						
Pond Renovation bentonite/fountains (4,5,15)				85,000		85,000
Floating Intake Pipe Replacement			16,750			16,750
Park Total	15,230,923	5,000,000	835,000	835,000	1,650,000	23,550,923
BRiCk Total	687,000	0	1,000,000	380,000	35,000	2,102,000
Golf Total	167,250	167,750	105,750	160,800	409,000	1,010,550
Contingency/Escalation 5%	804,259	258,388	97,038	68,790	104,700	1,333,174
Total	16,889,432	5,426,138	2,037,788	1,444,590	2,198,700	27,996,647
Available Funding	1,975,000	204,033	105,750	160,800	409,000	2,854,583
Debt Sale	14,914,432	5,222,105	1,932,038	1,283,790	1,789,700	25,142,064
Total	16,889,432	5,426,138	2,037,788	1,444,590	2,198,700	27,996,647

Next Steps

September 6

Regular City Council meeting. Public hearing on the budget and tax rate and first reading of the budget and tax rate ordinances.

September 12

Special City Council meeting. Final reading of the ordinances to approve the budget and tax rate.

Questions/Comments

Burleson Community Service Development Corporation
Resolution 4B081522AnnualBudget

WHEREAS, the Burleson Community Service Development Corporation, known as the “Type B Corporation”, incorporated and certified in June 1993 under the authorization of the Development Corporation Act of 1979; and

WHEREAS, the Board of Directors (“Board”) of the Type B Corporation has reviewed the proposed budget for Fiscal Year 2022-2023 attached hereto as Exhibit A and incorporated herein by reference for all purposes (the “Budget”); and

WHEREAS, the Board desires to approve the Budget, and finds the Budget will further the purposes of the Type B Corporation.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE BURLESON COMMUNITY SERVICE DEVELOPMENT CORPORATION THAT:

Section 1

The Budget attached hereto and incorporated herein for all purposes is adopted for the Fiscal Year beginning October 1, 2022, and ending September 30, 2023; and there is hereby appropriated from the funds indicated such projects, operations, activities, purchases and other expenditures as proposed in the Budget.

Section 2

As described in the attached Budget, the Type B Corporation authorizes the transfer or expenditure of \$9,011,863 in Type B sales tax revenue in FY 22-23 for the following purposes set forth in the Budget.

Section 3

The Type B Corporation respectfully requests that the City Council ratify this resolution.

Section 4

The Secretary of the Type B Corporation is hereby directed to publish notice of this action following ratification by City Council as required by law.

Passed and Approved and **SO RESOLVED** this____day of_____, 20_____.

Signed:

Attest:

President of Type B Corporation

Secretary of the Type B Corporation

Exhibit “A”

4B Community Development Corp

FY 2022-2023 proposed budget is \$9,011,863

Proposed FY 23 4B sales tax revenue is \$7,117,335

Proposed FY 23 fund balance is \$3,722,488

The proposed budget includes:

- \$1,390,800 allocated for debt service
- \$376,086 allocated for golf debt service
- \$566,667 for economic development incentives
- \$2,018,400 for Parks Service Center expansion
- \$3,130,479 subsidy PPF operations
- \$728,544 subsidy Golf operations

4B Financial Overview

	FY 21-22 Budget	FY 21-22 Estimate	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected
Beginning Fund Balance	\$ 4,158,317	\$ 4,941,248	\$ 5,547,016	\$ 3,722,488	\$ 3,482,143	\$ 2,834,054	\$ 2,559,393
Sales Tax Revenue	\$ 6,128,500	\$ 6,910,034	\$ 7,117,335	\$ 7,330,855	\$ 7,550,781	\$ 7,777,304	\$ 8,010,623
Other Revenues	\$ 15,000	\$ 15,000	\$ 70,000	\$ 80,000	\$ 75,000	\$ 75,000	\$ 75,000
Total Revenues	\$ 6,143,500	\$ 6,925,034	\$ 7,187,335	\$ 7,410,855	\$ 7,625,781	\$ 7,852,304	\$ 8,085,623
Debt Service	\$ 1,393,675	\$ 1,393,675	\$ 1,390,800	\$ 2,782,888	\$ 3,177,475	\$ 3,325,075	\$ 3,261,100
Golf Course Debt	\$ 371,403	\$ 371,403	\$ 376,086	\$ 370,532	\$ 382,208	\$ -	\$ -
Golf Transfer	\$ 846,315	\$ 802,823	\$ 728,544	\$ 775,539	\$ 956,067	\$ 941,357	\$ 1,218,578
PPF Transfer	\$ 2,715,418	\$ 2,706,031	\$ 3,130,479	\$ 2,823,352	\$ 2,782,940	\$ 2,847,712	\$ 3,212,834
Other Expenditures	\$ 1,082,288	\$ 1,045,334	\$ 3,385,954	\$ 898,889	\$ 975,179	\$ 1,012,822	\$ 1,016,048
Total Expenditures	\$ 6,409,099	\$ 6,319,266	\$ 9,011,863	\$ 7,651,200	\$ 8,273,869	\$ 8,126,965	\$ 8,708,560
Change in Fund Balance	\$ (265,599)	\$ 605,768	\$ (1,824,528)	\$ (240,345)	\$ (648,088)	\$ (274,661)	\$ (622,937)
Ending Fund Balance	\$ 3,892,718	\$ 5,547,016	\$ 3,722,488	\$ 3,482,143	\$ 2,834,054	\$ 2,559,393	\$ 1,936,457
FB % of Expenditure	60.74%	87.78%	41.31%	45.51%	34.25%	31.49%	22.24%

	MAJOR GOVERNMENTAL FUND			
	4 B SALES TAX REVENUE			
	2020-21 ACTUAL	2021-22 BUDGET	2021-22 ESTIMATE	2022-23 BUDGET
Beginnig fund balance/ working capital	\$ 4,606,639	\$ 4,158,317	\$ 4,941,248	\$ 5,547,016
Revenues				
Sales Tax	6,157,778	6,128,500	6,910,034	7,117,335
Interest	795	15,000	15,000	70,000
Total revenues	6,158,573	6,143,500	6,925,034	7,187,335
Expenditures				
Personal Services	-	193,403	156,449	337,433
Material & Supplies	-	3,900	3,900	20,000
Purchased Services	6,746	3,500	3,500	8,500
Maintenance And Repair	376,336	292,325	277,328	-
4B Debt	1,844,545	1,393,675	1,393,675	1,390,800
General Fund- Adm.	10,000	15,450	15,450	153,109
Golf	909,702	1,217,718	1,174,226	1,104,630
PPF	2,676,635	2,715,418	2,706,031	3,130,479
Economic Incentives	-	412,500	412,500	566,667
Other Expenditures	-	176,207	176,207	281,845
Capital Outlay	-	-	-	2,018,400
Total expenditures	5,823,964	6,424,096	6,319,266	9,011,863
Change in fund balance	334,609	(280,596)	605,768	(1,824,528)
Ending fund balance/ working capital	\$ 4,941,248	\$ 3,877,721	\$ 5,547,016	\$ 3,722,488

City Council Regular Meeting

DEPARTMENT: Finance

FROM: Martin Avila

MEETING: August 15, 2022

SUBJECT:

Consider approval a minute order ratifying the Tax Increment Finance Reinvestment Zone #2 (TIF #2) Board resolution adopting the board's FY2022-2023 annual budget. (*Staff Contact: Martin Avila, Finance Director*)

SUMMARY:

On August 15, 2022, staff presented to the Board, for approval, the TIF #2 FY2022-2023 annual budget.

- Proposed FY2023 expenditure budget - \$1,021,841
- Personnel Cost - \$322,714
- Ellison Street Project – TIF commitment - \$3,196,500
- Debt service payment \$394,500
- Proposed FY2023 revenues - \$1,117,298
- Proposed FY2023 ending fund balance - \$992,968

OPTIONS:

N/A

RECOMMENDATION:

Staff recommends approval of minute order ratifying TIF #2 Board's action approving the TIF #2 FY2022-2023.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

No fiscal impact

STAFF CONTACT:

Martin, Avila
Finance Director
mavila@burlesontx.com
817-426-9651

TIF #2 Fund Proposed Budget FY 2022-23

PRESENTED TO THE BOARD OF DIRECTORS
AUGUST 15, 2022

TIF #2 (Old Town)

- Proposed budget - \$1,021,841
- Personnel cost - \$322,714
- Ellison Street Project - TIF 2 commitment - \$3,196,500
- Debt service payment - \$394,550
- Proposed FY 23 revenues is \$1,117,298

**THREE YEAR FUND SUMMARIES BY
REVENUE, EXPENDITURES AND FUND BALANCE
FY 2022-2023**

	NON- MAJOR GOVERNMENTAL FUND			
	TIF #2 FUND			
	2020-21 ACTUAL	2021-22 BUDGET	2021-22 ESTIMATE	2022-23 BUDGET
Beginnig fund balance/ working capital	\$ 540,429	\$ 636,189	\$ 824,283	\$ 807,995
Revenues				
TIF- Ad valorem	848,734	955,938	962,680	1,103,298
Miscellaneous	13,579	-	14,000	14,000
Total revenues	862,313	955,938	976,680	1,117,298
Expenditures				
Personnel services	88,086	300,879	312,294	322,714
Material & Supplies	-	37,968	33,728	5,500
Purchased services	9,898	13,900	13,929	13,950
Maintenance And Repair	39,545	85,250	125,250	125,000
Other expenditures	43,681	114,217	114,217	160,127
Transfers out	397,249	393,550	393,550	394,550
Total expenditures	578,459	945,764	992,968	1,021,841
Change in fund balance	283,854	10,174	(16,288)	95,457
Ending fund balance/ working capital	\$ 824,283	\$ 646,363	\$ 807,995	\$ 903,452

Next Steps

September 6

Regular City Council meeting. Public hearing on the budget and tax rate and first reading of the budget and tax rate ordinances.

September 12

Special City Council meeting. Final reading of the ordinances to approve the budget and tax rate.

Questions/Comments

RESOLUTION

Board of Directors

Tax Increment Reinvestment Zone Number Two, City of Burleson, Texas

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A. Tax Code, Chapter 311, the city of Burleson established “Reinvestment Zone Number Two, City of Burleson” (“TIF District”); and

WHEREAS, the Board of Directors (“Board”) of the TIF District has reviewed the proposed budget for Fiscal Year 2022-2023 attached hereto as Exhibit A and incorporated herein by reference for all purposes (the “Budget”); and

WHEREAS, the Board desires to approve the Budget; and

WHEREAS, the Board finds the Budget will further the purposes of the TIF District.

NOW, THEREFORE BE IT RESOLVED THAT:

Section 1

The Budget is hereby approved, subject to any subsequent modifications that may be approved by the Board during the fiscal year 2022-2023.

Section 2

The Chairperson of the Board is authorized to sign this Resolution of the Board’s behalf.

Section 3

This Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND SO RESOLVED by the TIF District this _____ day of _____, 20_____:

Chairperson of the Board
Tax Increment Reinvestment Zone Number Two

ATTEST:

Board Secretary

EXHIBIT “A”

TIF #2 (Old Town)

- Proposed budget - \$1,021,841
- Personnel cost - \$322,714
- Ellison Street Project - TIF 2 commitment - \$3,196,500
- Debt service payment - \$394,550
- Proposed FY 23 revenues is \$1,117,298

**THREE YEAR FUND SUMMARIES BY
REVENUE, EXPENDITURES AND FUND BALANCE
FY 2022-2023**

	NON- MAJOR GOVERNMENTAL FUND			
	TIF #2 FUND			
	2020-21 ACTUAL	2021-22 BUDGET	2021-22 ESTIMATE	2022-23 BUDGET
Beginnig fund balance/ working capital	\$ 540,429	\$ 636,189	\$ 824,283	\$ 807,995
Revenues				
TIF- Ad valorem	848,734	955,938	962,680	1,103,298
Miscellaneous	13,579	-	14,000	14,000
Total revenues	862,313	955,938	976,680	1,117,298
Expenditures				
Personnel services	88,086	300,879	312,294	322,714
Material & Supplies	-	37,968	33,728	5,500
Purchased services	9,898	13,900	13,929	13,950
Maintenance And Repair	39,545	85,250	125,250	125,000
Other expenditures	43,681	114,217	114,217	160,127
Transfers out	397,249	393,550	393,550	394,550
Total expenditures	578,459	945,764	992,968	1,021,841
Change in fund balance	283,854	10,174	(16,288)	95,457
Ending fund balance/ working capital	\$ 824,283	\$ 646,363	\$ 807,995	\$ 903,452

City Council Regular Meeting

DEPARTMENT: Public Works

FROM: Eric Oscarson, Director of Public Works

MEETING: August 15, 2022

SUBJECT:

Consider approval of an Amendment Number 2 to CSO#1625-12-2020, a Professional Services Agreement with Dunaway Associates, Inc. for the design of a new parking lot and connectivity plan on Ellison Street in the amount not to exceed \$114,240 (*Staff Contact: Tiana Jackson, Civil Engineer*)

SUMMARY:

On December 14, 2020, the City Council approved a Chapter 380 and Performance Agreement with BTX Old Town, LLC for a mixed-use development located at 135 West Ellison and 114 West Ellison.

Some of the City's obligations in the agreement were to demo the building at 225 West Renfro, construct a new parking lot at that location and construct a connectivity plan on Ellison Street to the Mayor Vera Calvin Plaza. The original Professional Services Agreement with Dunaway provided civil engineering and landscape architect services to meet these requirements. The original Professional Services Agreement was approved by Council at the January 19, 2021, meeting.

The Construction of these improvements will commence upon receiving the certificate of occupancy on the City owned buildings within the development at 135 West Ellison Street. The City will have 12 months to complete the improvements to be in accordance with the agreement.

Contract Amendment No 1 was approved by Staff on April 27, 2022 for additional conceptual designs. Amendment 1 was approved in the amount of \$7,000. These concepts were presented to Council at the June 3, 2022 meeting to request direction for the site layout.

Contract Amendment No 2 includes additional topographic survey, civil engineering design and landscape architecture services required to proceed with the concept option chosen by Council at the June 3, 2022 meeting. The option includes additional parking, the realignment of Ellison St with Magnolia St at Johnson Ave, and new pedestrian crossing improvements at the proposed intersection.

OPTIONS:

- 1) Approve an Amendment to a Professional Services Agreement with Dunaway Associates, Inc. for the design of a new parking lot and connectivity plan on Ellison Street in the amount not to exceed \$114,240.
- 2) Deny an Amendment to a Professional Services Agreement with Dunaway Associates, Inc. for the design of a new parking lot and connectivity plan on Ellison Street in the amount not to exceed \$114,240.

RECOMMENDATION:

Approve an Amendment to a Professional Services Agreement with Dunaway Associates, Inc. for the design of a new parking lot and connectivity plan on Ellison Street in the amount not to exceed \$114,240.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

- 12/14/2020 – CC approved a Chapter 380 and Performance Agreement with BTX Old Town, LLC for a mixed use development located at 135 West Ellison and 114 West Ellison.
- 1/19/2021 – CC approved a Professional Services Agreement with Dunaway Associates, Inc.
- 6/3/2022 – CC decided in favor of proceeding with site Option 3, including the realignment of Ellison Street, intersection pedestrian improvements, and additional parking area.

FISCAL IMPACT:

Budgeted Y/N:	Y
Fund Name:	2021 CO Bond TIF
Full Account #s:	363-7500-439.32-02
Amount:	\$114,240
Project (if applicable):	21PW02
Financial Considerations:	

STAFF CONTACT:

Name:	Eric Oscarson
Department:	Public Works Director
Email :	eoscarson@burlesontx.com
Phone:	817-426-9837

An aerial photograph of a city street intersection. The street runs diagonally from the bottom left towards the top right. On the left side of the street, there are several large, light-colored commercial buildings with flat roofs. On the right side, there are smaller buildings, some with dark roofs, and a green field. The overall scene is a mix of urban development and open space.

ELLISON ST PARKING LOT RE-DEVELOPMENT

Contract Amendment 2

PROJECT REVIEW

- Lot redevelopment required as part of the agreement for the Ellison on the Plaza project
- Council direction at 6/3/2022 meeting to move forward with new layout
 - Key feature - Realignment of Ellison St with Magnolia St
- City responsible for street and parking construction. Future Building will be built by a future developer in conjunction with Economic Development



PURPOSE FOR AMENDMENT

• ADDITIONAL SCOPE

- Additional Topographic Survey
- Additional Civil Engineering design for the re-alignment of Ellison St
- Intersection pedestrian crossing improvements
- Additional Landscape Architecture services



OPTIONS

Funding Source: 4A Bond

RECOMMENDED



APPROVE

Approve an Amendment to a Professional Services Contract with Dunaway Associates, Inc. for Ellison Street & Parking Improvements in an amount not to exceed \$114,240.



DENY

Deny an Amendment to a Professional Services Contract with Dunaway Associates, Inc. for Ellison Street & Parking Improvements in an amount not to exceed \$114,240.





AUTHORIZATION FOR CONTRACT AMENDMENT

Date: August 1, 2022 **Amendment No.:** 2 **Dunaway Project No.:** B002519.007
Project Name: Ellison Street & Parking Improvements
Attn: Mr. Alex Phillips
Client: City of Burleson
Address: 141 West Renfro Street, Burleson, Texas 76028

Services covered by this authorization shall be performed in accordance with the Dunaway "Standard Terms & Conditions," under the original Agreement dated February 10, 2021.

	LUMP SUM SERVICES	HOURLY SERVICES	TOTAL
ORIGINAL CONTRACT AMOUNT:	\$101,643	\$9,500	\$111,143
CONTRACT AMENDMENT #1 AMOUNT:	\$7,000	\$0.00	\$7,000
CONTRACT AMENDMENT #2 AMOUNT:	\$110,740	\$3,500	\$114,240
TOTAL REVISED CONTRACT AMOUNT:	\$222,883	\$9,500	\$232,383

Client hereby requests and authorizes Dunaway Associates, LLC (Dunaway) to perform the following additional services:

The following scope of services is based on new objectives provided by the City. The project is now understood to include a re-alignment of Ellison Street from Johnson Avenue to Bransom Street. The site plan reflecting the parking lot and municipal building will be updated to reflect the new configuration of Ellison Street to align with Magnolia Street. In addition, a new parking lot is proposed southwest of the re-aligned Ellison Street, and a beacon signal is proposed on Johnson Avenue at the relocated intersection. The work described is expected to result in a plan set that will require one comprehensive review. Once the City has had an opportunity to review, we will attend a design review meeting and update the plan set for a final cursory review prior to bidding.

As this project involves a public roadway, the City of Burleson standards for public infrastructure will be used, along with applicable TxDOT standards for the beacon signal and AASTHO requirements for minimum design speeds along a horizontal curve. As Ellison Street may need to be closed during construction, Dunaway proposes to create a traffic control plan utilizing TxDOT Standard Details to detour traffic.

DETAILED SCOPE OF WORK

1. Additional Topographic Survey \$5,000 Lump Sum
Dunaway will provide additional surveying services for the re-alignment of Ellison Street to Johnson Street at the Magnolia intersection. See attached Exhibit B for approximate limits.
2. Additional Boundary Survey and Replat \$6,500 Lump Sum
DFW Geodesy will prepare a Boundary Survey & Replat for all of Block 56, Original Burleson, consisting of properties recorded in Volume 1319, Page 16 Volume 1759, Page 691 and Volume 2019, Page 200, Deed Records, Johnson County, Texas. Along with a portion of the abandoned right-of-way of Ellison Street. We will prepare the Replat based upon the City of Burleson Regulations. For the purpose of this scope the client will be responsible for providing tax certificates, submittal fees, and recording fees.
3. Additional Preliminary and Final Construction Documents \$97,000 Lump Sum
Dunaway will provide additional civil engineering and landscape architecture services for the re-alignment of Ellison Street to Johnson Street, the parking adjustments that follow this re-alignment, and intersection pedestrian crossing improvements. See attached Exhibit B for conceptual layout. This will include a Preliminary submittal for the City's review and comment and the Final set of Construction Documents.

A tentative list of drawings to be prepared for this Project follows:

- Project Control Sheet & Layout – including realigned roadway
- Demolition Plan
- Drainage Area Map
- Hydrologic & Hydraulic Calculations
- Drainage Sheets
- Paving and Grading Sheets
- Beacon Signal Plans & Details
- Erosion Control Plan & Details
- Limited Utility Coordination
- Electrical/Lighting Plans & Details
- Planting Plans
- Preliminary Specifications and Contract Book

4. Additional Construction Administration \$3,500 Hourly Estimate
Dunaway will provide additional civil engineering and landscape architecture services for the re-alignment of Ellison Street to Johnson Street, the parking adjustments that follow this re-alignment and intersection pedestrian improvements. See attached Exhibit B for conceptual layout.

5. Additional 2% Administration Fee..... \$2,242 Lump Sum

Dunaway will provide additional civil engineering and landscape architecture services for the re-alignment of Ellison Street to Johnson Street, the parking adjustments that follow this re-alignment and intersection pedestrian improvements. See attached Exhibit B for conceptual layout.

If the proposed scope of this amendment meets with your approval, please sign below and return one copy to our office as our notice to proceed.

Respectfully submitted,

DUNAWAY ASSOCIATES, LLC,
a Texas limited liability company

Agreed & Accepted

CITY OF BURLESON



Anita M. Beard, PLA, ASLA
Discipline Lead | Associate

By: _____

Name: _____

Title: _____

Date: _____



Jeffrey S. Taylor, P.E.
Regional Manager | Principal

AMB/JST/niz/lau

B002519.007 CA 2 Ellison Realignment Options_8-1-22 REV 1



CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

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

OFFICE USE ONLY CERTIFICATION OF FILING

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

Dunaway Associates, LLC
Fort Worth, TX United States

Certificate Number:
2022-918553

Date Filed:
08/04/2022

Date Acknowledged:

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

City of Burleson

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

CSO#1673-02-2021
Town of Burleson Block 56 Redevelopment and Ellison Street Parking

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Wilde, Chris	Fort Worth, TX United States	X	
	Galbreath, Tom	Fort Worth, TX United States	X	
	Williamson, Jason	Fort Worth, TX United States	X	
	Eubanks, Ross	Houston, TX United States	X	

5 Check only if there is NO Interested Party.

☐

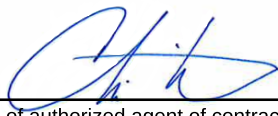
6 UNSWORN DECLARATION

My name is Chris Wilde, and my date of birth is [REDACTED].

My address is 550 Bailey Ave., Suite 400, Fort Worth, TX, 76107, USA.
(street) (city) (state) (zip code) (country)

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

Executed in Tarrant County, State of Texas, on the 4 day of Aug., 20 22.
(month) (year)



Signature of authorized agent of contracting business entity
(Declarant)

City Council Regular Meeting

DEPARTMENT: Public Works
FROM: Eric Oscarson, Public Works Director
MEETING: August 15, 2022

SUBJECT:

Consider approval of a construction contract with GROD Construction for the construction of The Turkey Peak Entry Road and Drainage Flume, project WA2201, in an amount not to exceed \$349,548. (*Staff Contact: Tiana Jackson, Civil Engineer*)

SUMMARY:

The Turkey Peak Entry Road and Drainage Flume Project was identified as a priority project from the Public Works Department. During the construction of the 2MGD Turkey Peak tank project, when the tanks were drained, the drainage channel experienced seepage onto the neighboring properties. The pavement overlay was originally part of the Turkey Peak Tank project but will be constructed with the flume project. Bids were publicly opened on July 19th, 2022. Two proposals were received. GROD Construction was the low bidder at \$291,290. They have done work for the City of Burleson before, and references have previously been checked. This project includes a 20% contingency in the amount of \$58,258.

OPTIONS:

- Approve of a construction contract with GROD Construction for the construction of the Turkey Peak Entry Road and Drainage Flume project in an amount not to exceed \$349,548.
- Deny a construction contract with GROD Construction for the construction of the Turkey Peak Entry Road and Drainage Flume project in an amount not to exceed \$349,548.

RECOMMENDATION:

Approve of a construction contract with GROD Construction for the construction of the Turkey Peak Entry Road and Drainage Flume project in an amount not to exceed \$349,548.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

Turkey Peak 2.0MG Ground Storage Tank Project (167365) from 2015 Water & Wastewater Master Plan.

- Original Professional Services Contract for the design of the Turkey Peak 2MGD Ground Storage Tank, approved by CC on December 16, 2016 in the amount of \$288,850
- Amendment No 1 approved by CC on May 22, 2017, in the amount of \$67,435.00
- Amendment No 2 approved by CC on September 8, 2020 in the amount of \$8,415
- City Council approved amendment 3 to a professional services contract with Neel Shaffer, Inc for the design of the overflow drainage channel, asphalt overlay, and Oncor three (3) phase power on March 1, 2020.
- City Council approved a construction contract with Red River Construction company on March 16, 2020 in the amount of \$4,104,831 for the 2 Million Gallon (MG) Ground Storage Tank Project.
- Change Order No 1 approved by CC on May 16, 2020, in the amount of \$64,730.02.
- Change Orders No 2-6 were administratively approved as they were under the City Council threshold. Final change order completed January 28, 2022.

FISCAL IMPACT:

Budgeted Y/N: Y

Fund Name: Water and Sewer Fund

Full Account #s: 470-7365-516.78-98

Amount: \$349,548

Project (if applicable): WA2201

Financial Considerations:

STAFF CONTACT:

Name: Eric Oscarson
Department: Public Works
Email: eoscarson@burlesontx.com
Phone: 817-426-9837

TURKEY PEAK ENTRY ROAD AND DRAINAGE FLUME

Construction Contract



PROJECT ELEMENTS




**RECONSTRUCTION OF
EXISTING ENTRY ROAD
ASPHALT PAVEMENT**



**RECONSTRUCTION OF
DRAINAGE FLUME**

BY THE NUMBERS



SEALED BID

JULY 19, 2022



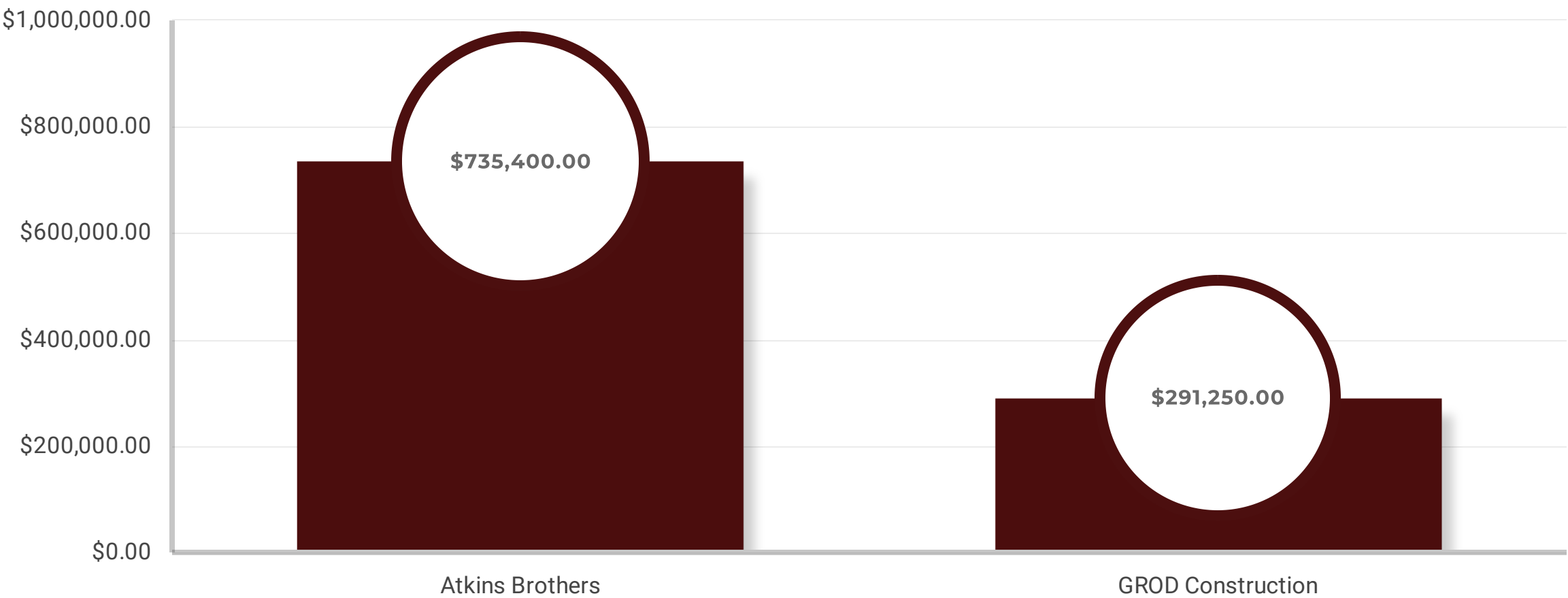
2 BIDS RECEIVED

**GROD
CONSTRUCTION
COST OF CONSTRUCTION
\$291,290**



**TIME OF CONSTRUCTION
90 CALENDAR DAYS**

BID SUMMARY



COST BREAKDOWN

Paid for by Water and Sewer funds

**TOTAL REQUESTED
APPROVAL:
\$349,548**

**ORIGINAL
BUDGET FOR
CONSTRUCTION:
\$350,000**

**LOW BID:
\$291,290**

**REQUESTED CONTINGENCY
20% = \$58,258**

OPTIONS

RECOMMENDED



APPROVE

Approve a construction contract with GROD Construction for the construction of The Turkey Peak Entry Road and Drainage Flume, project WA2201, in an amount not to exceed \$349,548



DENY

Approve a construction contract with GROD Construction for the construction of The Turkey Peak Entry Road and Drainage Flume, project WA2201, in an amount not to exceed \$349,548



SECTION NO. 7

STATE OF TEXAS§

Contract

COUNTY OF JOHNSON §

PROJECT NO.WA2201

This Contract, made and entered into this _____ day of _____, 20____, by and between the City of Burleson of Johnson County, Texas, a municipal corporation, hereinafter called "Owner," and

hereinafter called "Contractor."

W I T N E S S E T H:

For and in consideration of the payment, agreements and conditions hereinafter mentioned, and under the conditions expressed in the bonds herein, Contractor hereby agrees to complete the construction of improvements described as follows:

Turkey Peak Entry Road and Drainage Flume Project

City of Burleson Project No. WA2201

in the City of Burleson, Texas, and all extra work in connection therewith, under the terms as stated in the Standard Specifications for Public Works Construction as it may be amended from time to time (hereinafter called "Standard Specifications"), and under the terms of the Special Provisions of this Contract; and at his, her or their own proper cost and expense to furnish all superintendence, labor, insurance, equipment, tools and other accessories and services necessary to complete the said construction in accordance with all the Contract documents, incorporated herein as if written word for word, and in accordance with the plans, which include all maps, plats, blueprints, and other drawings and printed or written explanatory manner therefore, and the specifications as prepared by **City of Burleson** hereinafter called Engineer, who has been identified by the endorsement of the Contractor's written proposal, these General Provisions of the Standard Specifications, the Special Provisions of this Contract, the payment, performance, and maintenance bonds hereto attached; all of which are made a part hereof and collectively evidence and constitute the entire Contract.

The Contractor hereby agrees to commence work within ten (10) days after the date written notice to do so shall have been given to him or her and to

complete same within 90 calendar days after the date of written notice to commence work.

The Owner agrees to pay the Contractor in current funds for the performance of the Contract in accordance with the proposal submitted therefore, subject to additions and deductions, as provided therein.

This Contract is entered into subject to the Charter and ordinances of Owner, as they may be amended from time to time, and is subject to and is to be construed, governed, and enforced under all applicable State of Texas and federal laws. Situs of this Contract is agreed to be Johnson County, Texas, for all purposes including performance and execution.

If any of the terms, sections, subsections, sentences, clauses, phrases, provisions, covenants, or conditions of this Contract is held for any reason to be invalid, void or unenforceable, the remainder of the terms, sections, subsections, sentences, clauses, phrases, provisions, covenants, or conditions of this Contract shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

Owner reserves the right to terminate this agreement immediately upon breach of any term or provision of this Contract by Contractor; or, if any time during the term of this Contract, Contractor shall fail to commence the work in accordance with the provisions of this Contract or fail to diligently provide Services in an efficient, timely, and careful manner and in strict accordance with the provisions of this Contract or fail to use an adequate number or quality of personnel and equipment to complete the work or fail to perform any of its obligations under this Contract, then Owner shall have the right, if Contractor shall not cure any such default after thirty (30) days written notice thereof, to terminate this Contract and complete the work in any manner it deems desirable, including engaging the Services of other parties therefore. Any such act by Owner shall not be deemed a waiver of any other right or remedy of Owner. If after exercising any such remedy the cost to Owner of the performance of the balance of the work is in excess of that part of the Contract sum which has not theretofore been paid to Contractor hereunder, Contractor shall be liable for and shall reimburse Owner for such excess.

No right or remedy granted herein or reserved to the parties is exclusive of any other right or remedy herein by law or equity provided or permitted; but, each shall be cumulative of every other right or remedy given hereunder. No covenant or condition of this Contract may be waived without consent of the parties. Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Contract.

Contractor's status shall be that of an independent Contractor and not an agent, servant, employee or representative of Owner in the performance of this

Contract. No term or provision of, or act of Contractor or Owner under this Contract shall be construed as changing that status.

This Contract embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties relating to matters herein; and except as otherwise provided herein, cannot be modified without the written agreement of the parties.

Owner and Contractor each bind themselves, their successors, executors, administrators and assigns to the other party to this Contract. Neither Owner nor Contractor will assign, sublet, subcontract or transfer any interest in this Contract without the written consent of the other party. No assignment, delegation of duties or subcontract under this Contract will be effective without the written consent of Owner.

It is further agreed that one or more instances of forbearance by the City in the exercise of its rights herein shall in no way constitute a waiver thereof.

In performing this Contract, Contractor agrees to use diligent efforts to purchase all goods and services from Burleson Businesses whenever such goods and services are comparable in availability, quality and price.

IN WITNESS WHEREOF, the parties of these presents have executed this agreement in the year and date first written above.

WITNESS:

CONTRACTOR

By _____
Signature

Company Name

Typed/Printed Name

Tax Identification Number:

Title

By _____
Signature

Address

Printed or Typed Name

City State Zip

Printed or Typed Title

ATTEST:

CITY OF BURLESON, TEXAS

Amanda Campos
City Secretary

Bryan Langley
City Manager

THE STATE OF TEXAS §

Corporate Acknowledgment

COUNTY OF JOHNSON §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, ☐ who is known to me or ☐ who was proved to me on the oath of _____ (name of person identifying the acknowledging person) or ☐ who was proved to me through _____ (description of identity card or other document issued by the federal or state government containing the picture and signature of the acknowledging person) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of _____, a corporation of _____ County, Texas, and as _____ thereof, and for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 20____.

Notary Public In and For The State of Texas

Notary's Printed Name

My Commission Expires: _____

THE STATE OF TEXAS §

City Acknowledgement

COUNTY OF JOHNSON §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, known to me to be a person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act of the City of Burleson, Texas, a Texas municipal corporation, and as _____ thereof, and for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 20____.

Notary Public In and For The State of Texas

Notary's Printed Name

My Commission Expires: _____

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

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

OFFICE USE ONLY CERTIFICATION OF FILING

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

GRod Construction LLC
BOYD, TX United States

Certificate Number:
2022-915704

Date Filed:
07/28/2022

Date Acknowledged:

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

City of Burleson

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

2022-018
Turkey Peak Entry Road & Drainage Flume

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

5 Check only if there is NO Interested Party.



6 UNSWORN DECLARATION

My name is Jessica Rodriguez, and my date of birth is [REDACTED]

My address is 889 E. Rock Island Ave., Boyd, TX, 76023, USA.
(street) (city) (state) (zip code) (country)

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

Executed in Wise County, State of Texas, on the 28th day of July, 20 22.
(month) (year)



Digitally signed by Jessica Rodriguez
DN: cn=Jessica Rodriguez, o=GRod
Construction, LLC, ou,
email=jrod@grodconstruction.com, c=US
Date: 2022.07.28 11:09:47 -05'00'

Signature of authorized agent of contracting business entity
(Declarant)

City Council Regular Meeting

DEPARTMENT: City Manager's Office
FROM: Tommy Ludwig, Deputy City Manager
MEETING: August 15, 2022

SUBJECT:

Consider approval of a conflict of interest waiver agreement with Taylor Olson Adkins Sralla Elam (TOASE) law firm associated with an extraterritorial jurisdiction (ETJ) boundary adjustment between the cities of Burleson, Crowley, and Fort Worth. *(Staff Contact: Tommy Ludwig, Deputy City Manager)*

SUMMARY:

The city of Fort Worth has contacted city of Burleson staff regarding a tract of land in their ETJ, which they have determined they cannot provide city services to, due to its distance from their corporate limits. Fort Worth indicated that they were interested in possibly relinquishing this portion of their ETJ to the cities of Burleson and Crowley. However, before Fort Worth will relinquish the ETJ they stated that Burleson and Crowley must agree to how the area would be split amongst the municipalities. Any ETJ relinquished from Fort Worth would be incorporated into Burleson and Crowley's ETJ, and would not become corporate limits without a voluntary annexation by the property owners.

In order to legally document the proposed division of property, a boundary agreement must be prepared and adopted by the cities of Burleson, Crowley, and Fort Worth. TOASE serves as the city attorney for Burleson and Crowley, and cannot assist in preparing the boundary agreement unless a conflict waiver is approved by both City Councils. Upon approval of the conflict of interest waiver by Burleson and Crowley, TOASE will begin preparing a formal boundary agreement defining how the area would be divided between the municipalities. Once drafted, the boundary agreement would appear before each City Council at a later date for separate consideration and action.

OPTIONS:

- 1) Approve the conflict of interest waiver agreement with TOASE law firm
- 2) Deny the conflict of interest waiver agreement with TOASE law firm

RECOMMENDATION:

Approve the conflict of interest waiver agreement with TOASE law firm

PRIOR ACTION/INPUT (Council, Boards, Citizens):

NA

FISCAL IMPACT:

NA

STAFF CONTACT:

Tommy Ludwig
Deputy City Manager
tludwig@burlesontx.com
817-426-9623



Conflict of Interest Waiver Agreement

August 15, 2022 – City Council Meeting
Staff Presenter – Tommy Ludwig, Deputy City Manager

City of Fort Worth ETJ

City of Fort Worth has interest in possibly relinquishing a portion of their ETJ

- Too far from corporate limits to provide city services
- Area located between the cities of Burleson and Crowley
- Burleson and Crowley must agree to new ETJ boundaries before Fort Worth takes action

Conflict of Interest Waiver

- To legally document the proposed property division, a boundary agreement must be prepared and adopted by Burleson, Crowley, and Fort Worth
- TOASE serves as the City Attorney for both Burleson and Crowley, and they cannot begin to draft the boundary agreement until both cities approve a conflict of interest waiver agreement
- Once drafted, the boundary agreement would appear before each City Council at a later date for separate consideration and action
- Any property relinquished by Fort Worth would become the ETJ of Burleson and Crowley, and not be included in the corporate limits of either city without a separate voluntary annexation by the property owners

Recommendation & Next Steps

- Staff recommends approval of the conflict of interest waiver agreement
- Upon approval, staff will coordinate with Crowley, Fort Worth, and TOASE to prepare the boundary agreement document
- Staff anticipates the proposed agreement will appear before the City Council for consideration prior to the end of the calendar year

QUESTIONS / COMMENTS

City Council Regular Meeting

DEPARTMENT: Legal

FROM: Matt Ribitzki, Deputy City Attorney/Compliance Manager

MEETING: August 15, 2022

SUBJECT:

Consider approval of a resolution authorizing a settlement and stipulation of the City of Burleson, Texas's proof of claim in the Chesapeake Energy Corporation, et al., bankruptcy matter (United States Bankruptcy Court for the Southern District of Texas, Houston Division, Case No. 20-33233); providing a repealing clause and an effective date. (*Staff Contact: Matt Ribitzki, Deputy City Attorney/Compliance Manager*)

SUMMARY:

In 2016, the City filed a lawsuit against Chesapeake Exploration, LLC, Chesapeake Marking, LLC, and Chesapeake Energy Marketing LLC (together "Chesapeake") along with other defendants alleging, among other allegations, underpayment of royalties from various oil and gas leases. On June 28, 2020, Chesapeake filed for bankruptcy relief in the United States Bankruptcy Court for the Southern District of Texas. In October of 2020, the City filed a proof of claim in the bankruptcy that asserted claims related to the lawsuit. In November of 2021, because of the bankruptcy filing, the City nonsuited its claims against Chesapeake.

The proposed resolution authorizes city staff to settle and stipulate the amount of the claim in the Chesapeake bankruptcy.

On November 8, 2021, the City Council passed a resolution resolving the lawsuit on behalf of the City with the other defendants in the lawsuit - Total E&P USA, Inc., Dorchester Resources, L.P., Jamestown Resources, L.L.C., and Larchmont Resources, L.L.C.

OPTIONS:

- 1) Approve the resolution.
- 2) Deny the resolution.

RECOMMENDATION:

None.

FISCAL IMPACT:

n/a

STAFF CONTACT:

Matt Ribitzki
Deputy City Attorney/Compliance Manager
mribitzki@burlesontx.com
817-426-9664

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURLESON, TEXAS, AUTHORIZING A SETTLEMENT AND STIPULATION OF THE CITY OF BURLESON, TEXAS'S PROOF OF CLAIM IN THE CHESAPEAKE ENERGY CORPORATION, ET AL., BANKRUPTCY MATTER (UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION, CASE NO. 20-33233); PROVIDING A REPEALING CLAUSE AND AN EFFECTIVE DATE.

WHEREAS, the City of Burleson, Texas ("City"), is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City filed a lawsuit in the 96th Judicial District Court, Tarrant County, Texas, under the MDL No. 96-000003-15, and styled City of Burleson, Texas v. Chesapeake Exploration, LLC, et al. (the "Lawsuit"); and

WHEREAS, the City Council previously authorized and directed the City Manager and City Attorney to settle this matter with certain parties to the Lawsuit, specifically, Total E&P USA, Inc., Dorchester Resources, L.P. (f/k/a Arcadia Resources, L.P.), Jamestown Resources, L.L.C., and Larchmont Resources, L.L.C.; and

WHEREAS, on June 28, 2020, Chesapeake Exploration, L.L.C., Chesapeake Operating, L.L.C., and Chesapeake Energy Marketing, L.L.C. filed for bankruptcy relief in the United States Bankruptcy Court for the Southern District of Texas in Case No. 20-33233 (the "Bankruptcy"); and

WHEREAS, in October of 2020, the City filed a proof of claim in the Bankruptcy asserting, among other things, claims related to the Lawsuit; and

WHEREAS, based on all the facts and circumstances, the City Council finds that it is in the best interest of the City to settle this matter with Chesapeake Exploration, L.L.C., Chesapeake Operating, L.L.C., and Chesapeake Energy Marketing, L.L.C. (collectively the "Certain Other Parties").

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

Section 1.

The City Council hereby authorizes and directs the City Manager and City Attorney to execute documents necessary to resolve the matter with the Certain Other Parties, including: 1) a settlement and release agreement with the Certain Other Parties, and 2) a stipulation and agreed order to regarding City of Burleson, Texas's Proofs of Claim. The City Council hereby further directs the City Attorney and City Manager to have such documents filed with the Court and to take any additional actions necessary and prudent to resolve the matter with the

Certain Other Parties.

Section 2.

All order and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provisions of this resolution shall be and remain controlling as to the matters resolved herein.

Section 3.

This resolution shall take effect immediately from and after its passage.

PASSED, APPROVED, AND SO RESOLVED by the City Council of the City of Burleson, Texas, on the _____ day of _____, 20____.

Chris Fletcher, Mayor
City of Burleson, Texas

ATTEST:

APPROVED AS TO LEGAL FORM:

Amanda Campos, City Secretary

E. Allen Taylor, Jr., City Attorney

City Council Regular Meeting

DEPARTMENT: Public Works

FROM: Michelle McCullough, Assistant Public Works Director

MEETING: August 15, 2022

SUBJECT:

3808 S. Burleson Blvd. (Case 22-104): Hold a public hearing and consider a waiver to Section 5.5.E "Parking Lot/Site Layout Design Criteria" of the Design Standards Manual as amended by Resolution R-1175-10 for the parking lot design within 3808 S. Burleson Blvd. (*Staff Presenter: Michelle McCullough, Assistant Public Works Director*) (*Planning and Zoning Commission recommended approval by unanimous vote.*)

SUMMARY:

On June 20, 2022 the City Council approved an item rezoning the subject property from Site Plan Zoning to Industrial Zoning. During the rezoning process, staff notified the property owner the current parking lot material did not meet current city standards and if a Certificate of Occupancy (CO) was required in the future, the parking lot would need to be brought up to current standards. The property owner anticipates a CO will be required for future projects and has requested a waiver to allow the existing 12" flexbase surface to be used in lieu of reconstruction of the parking lot to current City standards. Staff has supported similar requests in the past where the parking lot was utilized for employee parking or vehicle/truck storage and would not be accessible to the general public.

OPTIONS:

- 1) Recommend approval as presented
- 2) Recommend approval with changes
- 3) Recommend Denial

RECOMMENDATION:

Staff recommends approval of the ordinance requesting a waiver with the following conditions:

1. A geotechnical engineering report be submitted to the city detailing the pavement section existing for the parking lot and specifying that the section exceeds the structural capabilities of 7" of flexbase on 95% compacted subgrade prior to any Certificate of Occupancy.

The parking lot shall only be utilized for employee parking and vehicle/truck storage and not accessible to the general public.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

Planning and Zoning Commission voted to unanimously approve the waiver with staff recommendations on August 9, 2022.

FISCAL IMPACT:

N/A

STAFF CONTACT:

Jared Wesley
Senior Civil Engineer
jwesley@burlesontx.com
817-426-9612

Waiver Request – Parking Lot Standards

3808 S. Burleson Blvd.

Location:

- 2.07 acres
- Located south of the intersection of Valley St. and S. Burleson Blvd.

Applicant and Property Owner:

Larry Pool, Pools Land Mart, INC.

Item for approval:

Waiver to Section 5.5.E “Parking Lot/Site Layout Design Criteria” of the Design Standards Manual as amended by Resolution R-1175-10



Waiver Request – Parking Lot Standards

3808 S. Burleson Blvd.

Background:

- City Council approved Resolution amending Design Standards Manual on June 21, 2010 to include parking lot pavement standards
 - 6" Hot-Mix Asphalt Concrete-HMAC
 - 5" Reinforced Portland Cement Concrete
 - 6" Lime or Cement stabilized base
- City Council has approved waivers on recent projects for flexbase in areas where the public does not have access. The following section is the minimum staff has supported
 - 7" of flexbase on 95% compacted base

Waiver Request – Parking Lot Standards

3808 S. Burleson Blvd.

Notification:

- Public notices mailed to property owners within 200 feet of subject property
- Published in newspaper



Waiver Request – Parking Lot Standards

3808 S. Burleson Blvd.

P&Z Summary

Vote

Recommended Approval Unanimously

Discussion

None

Speakers

None

Waiver Request – Parking Lot Standards

3808 S. Burleson Blvd.

Council Action Requested

Questions/Discussion

Staff recommends approval of a waiver to Section 5.5.E “Parking Lot/Site Layout Design Criteria” of the Design Standards Manual as amended by Resolution R-1175-10 for the parking lot located at 3808 S. Burleson Blvd with the following conditions. (Case 22-104)

- A geotechnical engineering report be submitted to the city detailing the pavement section existing for the parking lot and specifying that the section exceeds the structural capabilities of 7” of flexbase on 95% compacted subgrade prior to any Certificate of Occupancy
- The parking lot shall only be utilized for employee parking and vehicle/truck storage and not accessible to the general public

City Council Regular Meeting

DEPARTMENT: PUBLIC WORKS
FROM: Michelle McCullough, P.E., CFM
MEETING: August 15, 2022

SUBJECT:

2301 CR 805E. (Case 22-096): Hold a public hearing and consider a waiver to Section 5.1.a “Street and right-of-way basic policies” of the Design Standards Manual for the design criteria for streets within the Good Farms Subdivision. (*Staff Presenter: Michelle McCullough, Public Works Assistant Director*) (*Planning and Zoning Commission recommended denial by a vote of 3-1.*)

SUMMARY:

On July 1, 2022, William Gladbach (applicant) submitted an application for a waiver to the subdivision ordinance for the design criteria for streets with the Good Farms Subdivision located within the City’s extraterritorial jurisdiction (ETJ). The applicant has requested a waiver to modify the city’s public roadways section which is required to be designed and constructed per Section 5.1 of the Subdivision and Development Ordinance. Section 5.1 requires public roadways to conform to the city’s design standards manual.

Staff has received similar waiver requests in the past from applicants who desire to develop within the ETJ. The County has notified City staff they have limited ability and funding to maintain roadways constructed to City standards. Due to funding constraints, roadways constructed to city standards will be prioritized lower on the County’s maintenance schedule. This can create a burden for the property owners to maintain or reconstruct the roadway when failures occur.

On March 18, 2019, staff presented a modified roadway section for rural, one-acre minimum residential developments to the City Council in order to provide direction to the property owner requesting a waiver to the City’s paving requirements. At that time, the City Council was agreeable to a modified section for developments a minimum of one-acre in size. The table on the following page represents the standards within the City’s Subdivision Ordinance, the County’s minimum standards, and the proposed design standards for a privately maintained roadway within the subdivision.

Roadway Sections			
Element	City Standard	County Standard	Staff Recommendation
ROW Width	80'	60'	60'
Pavement Width	Asphalt - 28' with 12" ribbon curb (30' total) Concrete – 30' (curb and gutter)	Asphalt - 22' with 3' flex base shoulder or 31' if curbs provided Concrete – No detail provided	Asphalt - 24' with 3' flexbase shoulder Concrete – 24' with 1' stabilized base outside pavement
Pavement Thickness	7" Asphalt 6" Concrete	3-course chip seal 2" Asphalt 5" Concrete	2" Asphalt 5" Concrete*
Base		8" Flexbase	8" flexbase (if Asphalt)
Subgrade	8" Lime or Cement Stabilized	8" Lime or Cement Stabilized	8" Lime or Cement Stabilized
Culvert Requirements	Concrete Pipe	Corrugated Metal Pipe	Concrete Pipe
Width for Ditches	25'	13'	Contain 100- year flows

*Geotech Report must support section

The City Council approved a professional services contract on July 18, 2022 to update the city's design standards manual and staff will begin that process in the fall of 2022. As part of the update, staff will coordinate with the county to develop roadway and drainage standards that will allow the county to take ownership of the roadways and maintain them once constructed and accepted by the city.

OPTIONS:

- 1) Approve a waiver to Section 5.1 "Streets and right-of-way basic policies" of the Subdivision and Development Ordinance for the design criteria for streets within the Good Farms Subdivision.
- 2) Deny a waiver to Section 5.1 "Streets and right-of-way basic policies" of the Subdivision and Development Ordinance for the design criteria for streets within the Good Farms Subdivision.

RECOMMENDATION:

Staff recommends approval a waiver to 5.1 “Streets and right-of-way basic policies” of the Subdivision and Development Ordinance for the design criteria for streets within the Good Farms Subdivision.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

August 9, 2022 - Planning and Zoning Commission recommended denial of the waiver request by a 3-1 vote. (Case 22-096)

FISCAL IMPACT:

None

STAFF CONTACT:

Michelle McCullough, P.E., CFM
Public Works Assistant Director – Development
mmccullough@burlesontx.com
817-426-9616

Waiver Request –Street Section

Good Farms

Location:

- 60.33 acres
- Located west of the intersection of County Road 805B and County Road 805E

Applicant and Property Owner:

Tim Buffington, BB Investment Partners, LLC

Item for approval:

Waiver to Section 5.1 “Street and right-of-way basic policies” of the Subdivision and Development Ordinance as it relates to the public roadway section

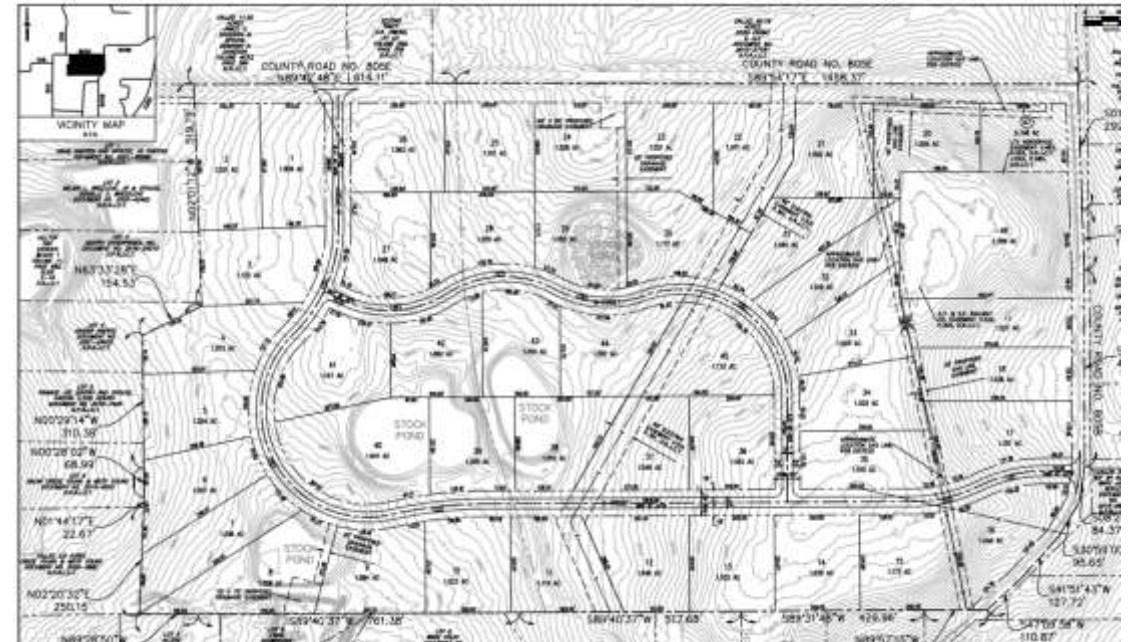


Waiver Request – Street Section

Good Farms

Proposed Residential Subdivision:

- Property located in the ETJ
- Preliminary Plat at staff level
- Proposes 47 single-family residential lots
 - Minimum one-acre lots
 - Water service by Crest Water
 - Sewer service by on-site sewage facility
- County will maintain road if asphalt



Waiver Request – Street Section

Good Farms

City of Burleson:

- Per interlocal agreement with Johnson County
 - Burleson has platting authority within ETJ
 - City can extend development design standards to ETJ developments including paving standards
- Burleson Subdivision Ordinance
 - Public streets shall be designed and constructed per public roadway standards
 - City inspectors inspect street paving and associated drainage
- City does not maintain roadways located within the ETJ

Johnson County:

- Limited funding available for maintenance of roadways
 - Roadways constructed to city standards can be more expensive to maintain and may be prioritized lower for maintenance
 - Can create future burdens on property owners

Waiver Request – Pavement Section

Good Farms

Waiver Request

- March 18, 2019 – staff presented modified paving sections to City Council after receiving similar requests
- City Council was agreeable to modified section
- Applicant is requesting a waiver to the city's required public roadway section
- City's Subdivision Ordinance does not provide ability for staff to modify without waiver today
- City Council approved contract to update the design manual on July 18, 2022
 - City will coordinate with county to develop roadway and drainage standards
 - Modified section will allow county to take over maintenance once constructed

Roadway Sections			
Element	City Standard	County Standard	Staff Recommendation
ROW Width	80'	60'	60'
Pavement Width	Asphalt - 28' with 12" ribbon curb (30' total) Concrete – 30' (curb and gutter)	Asphalt - 22' with 3' flex base shoulder or 31' if curbs provided Concrete – No detail provided	Asphalt - 24' with 3' flexbase shoulder Concrete – 24' with 1' stabilized base outside pavement
Pavement Thickness	7" Asphalt 6" Concrete	3-course chip seal 2" Asphalt 5" Concrete	2" Asphalt 5" Concrete*
Base		8" Flexbase	8" flexbase (if Asphalt)
Subgrade	8" Lime or Cement Stabilized	8" Lime or Cement Stabilized	8" Lime or Cement Stabilized
Culvert Requirements	Concrete Pipe	Corrugated Metal Pipe	Concrete Pipe
Width for Ditches	25'	13'	Contain 100- year flows

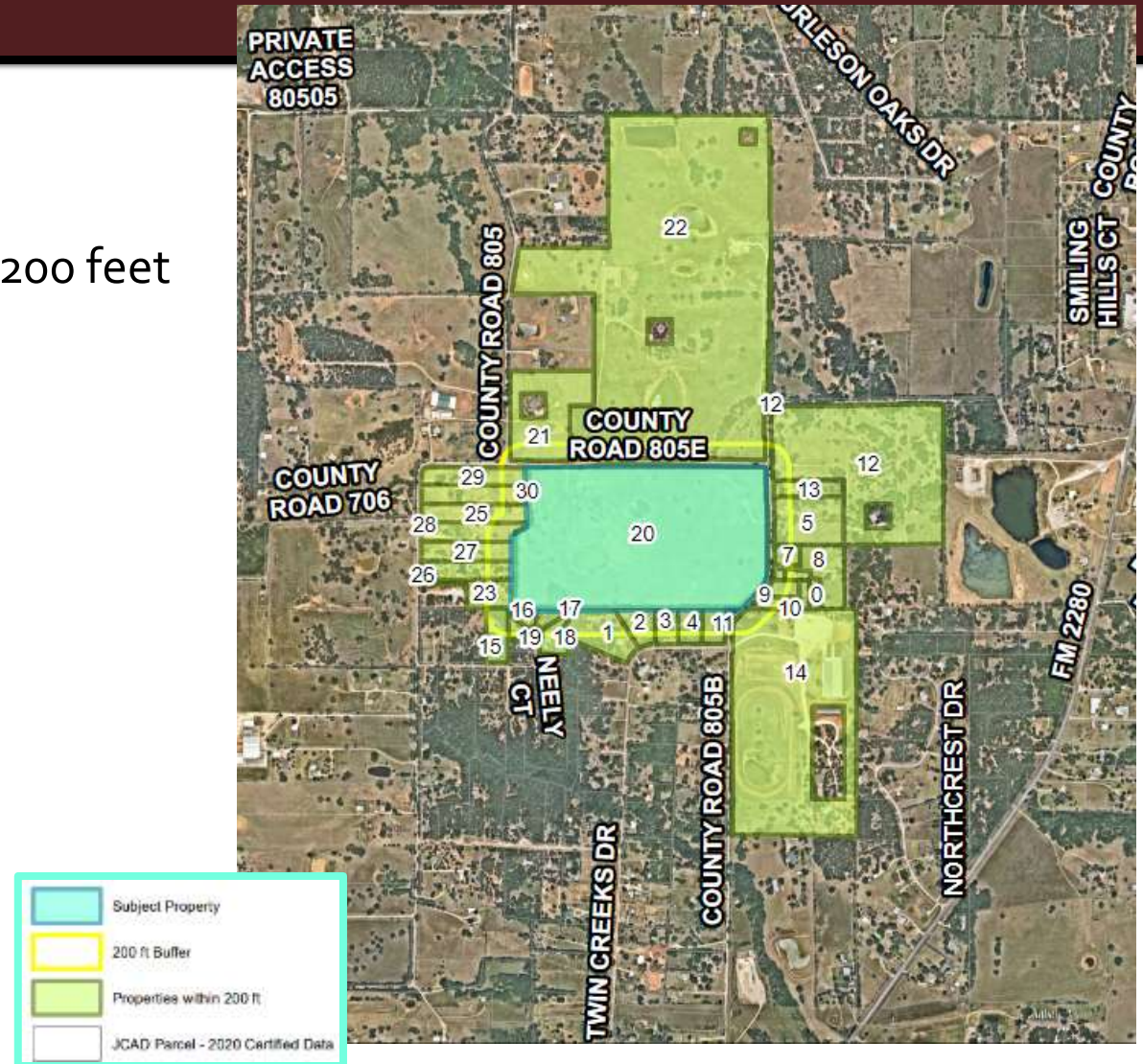
*Geotech Report must support section

Waiver Request – Pavement Section

Good Farms

Notification:

- Public notices mailed to property owners within 200 feet of subject property
- Published in newspaper



Waiver Request – Pavement Section

Good Farms

P&Z Summary

Vote

Recommended Denial by a vote of 3-1.

Discussion

A P&Z Commissioner expressed concern with the waiver and potential pot holes related to cost to repair.

Speakers

One resident outside of city's ETJ to the south spoke with concerns to the county roadways and when they may be widened due to the development. He also asked questions regarding the general design with drainage and how the development may impact his property.

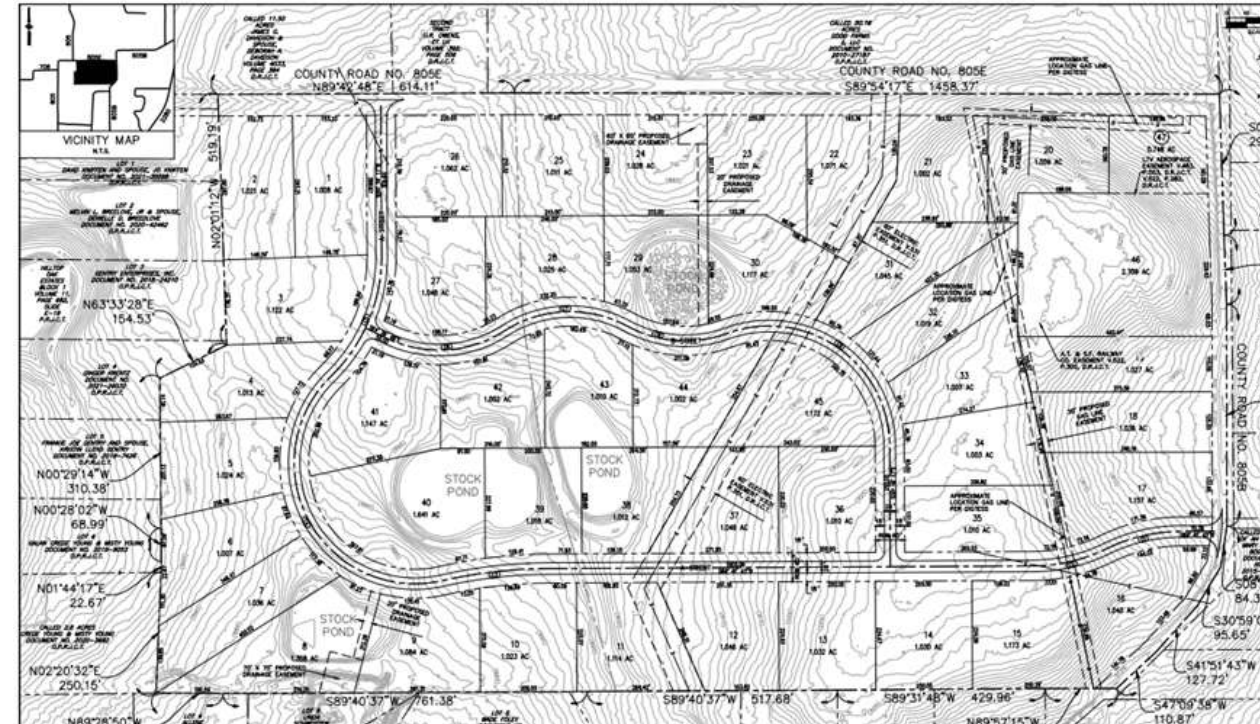
Waiver Request – Pavement Section

Good Farms

Questions/Discussion

Council Action Requested

Recommend approval of a waiver to Section 5.1 “Street and right-of-way basic policies” of the Subdivision and Development Ordinance for the design criteria for streets within the Good Farms Subdivision as it relates to the public roadway section . (Case 22-096)



City Council Regular Meeting

DEPARTMENT: City Manager's Office
FROM: Martin Avila, Finance Director
MEETING: August 15, 2022

SUBJECT:

Consider and take action on an ordinance for the sale and issuance of the City of Burleson, Texas Combination Tax and Revenue Certificates of Obligation Bonds, Series 2022 not to exceed \$13,500,000, and issuance cost. (First and Final Reading) (*Staff Presenter: Martin Avila, Finance Director*)

SUMMARY:

On June 20, 2022, Council approved a resolution for notice of intent to issue bonds. As part of the FY 2022 CIP plan and proposed projects, staff has identified capital projects for FY 2022 for \$13,500,000 million to be included in the proposed FY2022 bond sale.

The total proposed bond sale will be self-supported as follows:

- \$6,000,000 – W&WW Fund (City of Fort Worth Sewer Relief Line)
- \$4,000,000 – 4B Fund (Park projects)
- \$3,500,000 – TIF2 Fund (Ellison Street Project)

The bond sale and pricing will be completed in the morning of August 15, 2022, and results will be presented to Council for approval the evening during the Council Regular Meeting.

OPTIONS:

Approve Ordinance or Not Approve Ordinance

RECOMMENDATION:

Staff recommends approval of issuance of bonds

PRIOR ACTION/INPUT (Council, Boards, Citizens):

Council Approved reimbursement resolutions

- February 7, 2022 - W&WW Fund (Water and sewer capital projects)

- October 18, 2021 - 4B Fund (Parks projects)
- February 1, 2021 – TIF #2 (Ellison Street project)

On June 20, 2022, Council approved resolution of notice of intent to issue bonds.

FISCAL IMPACT:

No fiscal impact

STAFF CONTACT:

Martin, Avila
Finance Director
mavila@burlesontx.com
817-426-9651



Bond Sale

Final Pricing of Bond Sale

- Final pricing and bond sale will occur in the morning of August 15, 2022
- Presentation will be updated prior to the August 15, 2022 City Council Regular meeting

Bond Sale

- Bond Sale to issue General Obligation Bonds, Series 2022 not to exceeds \$1,450,000
 - Bond program approved by voters on May 7, 2022
- Issue Certificate of Obligation Bonds, Series 2022 not to exceed \$13,500,000
 - Issue is all **self supporting debt**
 - \$6,000,000 – Water & Sewer Fund (City of Fort Worth Sewer Relief Line)
 - \$4,000,000 – 4B Fund (Park projects) -5 year CIP Plan
 - \$3,500,000 – TIF 2 Fund (Ellison Street Project)
- Staff will also present an ordinance authorizing issuance of General Obligation Bonds in the amount of \$1,413,000.
 - Bond program approved by voters on May 7, 2022

Voter Approved Bond Program

Project Name	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
SH174 Traffic Signal Improvements	\$ 300,000	\$ 1,861,123	\$ -	\$ -	\$ -	\$ -	\$ 2,161,123
Neighborhood Street Rebuild	\$ 100,000	\$ 825,833	\$ 750,000	\$ 750,000	\$ 750,000	\$ -	\$ 3,175,833
Alsbury- Hulen to CR 1020	\$ 948,000		\$ 6,434,496		\$ -	\$ -	\$ 7,382,496
Sidewalk program	\$ 50,000	\$ 446,946	\$ 200,000	\$ 200,000	\$ 200,000	\$ 170,000	\$ 1,266,946
Dual LT Lakewood at SH174 Intersection Improvement*	\$ 15,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Police Expansion	\$ -	\$ 3,600,000	\$ 16,407,500	\$ 16,409,500	\$ -	\$ -	\$ 36,417,000
CR 1020 (Alsbury) Widening (design)	\$ -	\$ 2,500,000	\$ -	\$ -			\$ 2,500,000
SH174 Widening (Schematic and Env)	\$ -	\$ -	\$ 430,000	\$ -	\$ -	\$ -	\$ 430,000
Hulen at Wilshire Intersection	\$ -	\$ -	\$ -	\$ 200,000	\$ 1,501,027	\$ -	\$ 1,701,027
Hulen Widening (SH174 to Candler)	\$ -	\$ -	\$ -	\$ 1,800,000	\$ 6,003,653	\$ -	\$ 7,803,653
Hillside Dr. Elk Dr & FM731	\$ -		\$ -	\$ 200,000	\$ 836,509	\$ -	\$ 1,036,509
Fire Station	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000	\$ 13,443,000	\$ 15,943,000
FM1902 Pedestrian Mobility	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 1,189,901	\$ 1,489,901
Wilshire Blvd (SH174) Construction Documents from Hulen to City Limits*	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000	\$ -	\$ 1,900,000
E Renfro (FM3391)Widening PS&E	\$ -	\$ -		\$ -	\$ -	\$ 2,697,512	\$ 2,697,512
	\$ 1,413,000	\$ 9,318,902	\$ 24,221,996	\$ 19,559,500	\$ 13,991,189	\$ 17,500,413	\$ 86,005,000

Options

- Approve or Deny Ordinance
- Staff recommends approval of Ordinance

QUESTIONS/COMMENTS

PROVIDING FOR THE ISSUANCE OF \$[_____] CITY OF BURLESON,
TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF
OBLIGATION, SERIES 2022; AND ORDAINING OTHER MATTERS
RELATING TO THE SUBJECT

WHEREAS, on the 16th day of August, 2022, the City Council of the City of Burleson (the "City" or the "Issuer") passed a resolution authorizing and directing notice of its intention to issue certificates of obligation in a maximum principal amount of \$13,500,000, with such notice to be published in a newspaper and posted on the City's website as required by Section 271.049 of the Texas Local Government Code ("Section 271.049"); and

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 was submitted to the voters of the City during the preceding three years and failed to be approved;

WHEREAS, a notice was (i) published in the *Fort Worth Star-Telegram*, a "newspaper" of the type described in Section 2051.044 of the Texas Government Code, as required by Section 271.049, on June 26, 2022 and July 3, 2022, and (ii) posted in a prominent location on the Issuer's website on June 24, 2022 and remain posted through the date hereof; and

WHEREAS, no petition, signed by at least 5% of the qualified electors of the City as permitted by Section 271.049 protesting the issuance of such certificates of obligation, has been filed; and

WHEREAS, the certificates of obligation hereinafter authorized are to be issued and delivered pursuant to Subchapter C of Chapter 271 of the Texas Local Government Code;

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

Section 1. AUTHORIZATION OF CERTIFICATES OF OBLIGATION. That the City's certificates of obligation, to be designated the "City of Burleson, Texas Combination Tax and Revenue Certificates of Obligation, Series 2022" (the "Certificates"), are hereby authorized to be issued and delivered in the principal amount of \$[_____] for the purpose of paying contractual obligations to be incurred by the City for the following, to-wit,

- (i) the construction of improvements and extensions to the City's water and wastewater system;
- (ii) the construction, installation, and equipment of park and recreational improvements in the City, including parking and related infrastructure;
- (iii) the construction, installation, and equipment of public safety facilities in the City;
- (iv) the construction, installation, and equipment of City facilities and offices within tax increment revenue zone number two, City of Burleson (commonly known as the Old Town TIF), containing approximately 720 acres along Interstate Highway 35,

including Old Town and City Hall, and extending east to the south of Spinks Airport and to the west to the 174 corridor; and

- (v) legal, fiscal, and engineering fees in connection with such projects.

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

Section 2. DATE, DENOMINATIONS, NUMBERS AND MATURITIES. That initially there shall be issued, sold and delivered hereunder one fully registered Certificate, without interest coupons, dated as of the date of initial delivery (the "Date of Delivery") to the "Purchaser" identified in Section 22 hereof, shall be in the denomination of \$5,000 or any integral multiple thereof (an "Authorized Denomination"), numbered T-1, 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 owner thereof, or to the registered assignee or assignees of the Certificates or any portion thereof (in each case, the "registered owner") in the manner provided and on the dates stated in the FORM OF CERTIFICATE, and the Certificates shall mature and be payable on March 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
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Section 3. REDEMPTION. (a) That the City reserves the right to redeem the Certificates maturing on or after [____], in whole, or in part in Authorized Denominations, on [____], or on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption. If less than all of the Certificates are to be redeemed by the City, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot Certificates, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption; provided, that during any period in which ownership of the Certificates is determined only by a book entry at a securities depository for the Certificates, if fewer than all of the Certificates of the same maturity and bearing the same interest rate are to be redeemed, the particular Certificates of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository. The City shall notify the Paying Agent/Registrar at least forty-five (45) days prior to the scheduled redemption date that a redemption of the Certificates is to be effected.

(c) At least thirty (30) days prior to the date fixed for any such redemption the City shall cause a written notice of such redemption to be deposited in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books (hereinafter defined) of the Paying Agent/Registrar. By the date fixed for any such redemption, due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or the portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. Except as provided in subsection (d) of this Section with respect to a conditional redemption of Certificates, if such notice of redemption is mailed, and if due provision for such payment is made, all as provided above, the Certificates, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed

for their redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price of par plus accrued interest thereon to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of the Certificates or any portion thereof. 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 Authorized Denomination, at the written request of the registered owner, and in an 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 City, all as provided in this Ordinance. In addition, notice of such redemption shall be provided in the manner described in Section 5(h) hereof, but the failure to provide such notice as described in Section 5(h) hereof, or any defect therein, shall not affect the validity or effectiveness of the proceedings for the redemption of the Certificates.

(d) With respect to any optional redemption of the Certificates, unless certain prerequisites to such optional redemption required by this Ordinance have been met and money sufficient to pay the principal of, premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to giving such notice, such notice may state that the optional redemption will, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied, such notice will be of no force and effect, the City will not redeem such Certificates and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates will not be redeemed.

Section 4. INTEREST. That the Certificates scheduled to mature during the years, respectively, set forth below shall bear interest at the following rates per annum:

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Year</u>	<u>Interest Rate (%)</u>
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Said interest shall be payable to the registered owner of any such Certificate in the manner provided and on the dates stated in the FORM OF CERTIFICATE.

Section 5. CHARACTERISTICS OF THE CERTIFICATES. (a) That the Issuer shall keep or cause to be kept at the designated corporate trust office of U.S. Bank Trust Company, National Association, or such other bank, trust company, financial institution, or other agency named in accordance with the provisions of subsection (g) of this Section (the "Paying Agent/Registrar"), books or records for the registration and transfer 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 transfers and registrations under such reasonable regulations as the Issuer and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. The place of payment for the Certificates designated by the Paying Agent/Registrar shall be referred to herein as the "Designated Trust Office" of the Paying Agent/Registrar. It shall be the duty of the Paying Agent/Registrar to obtain from the registered owner 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. The Issuer or its designee shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar at its Designated Trust Office, 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. Registration of each Certificate may be transferred in the Registration Books only upon presentation and surrender thereof to the Paying Agent/Registrar at its Designated Trust Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of such Certificate, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Certificate or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Certificate or any portion thereof, a new substitute certificate or certificates shall be issued in exchange therefor in the manner herein provided. As of the date this Ordinance is approved by the Issuer, the Designated Trust Office is the Dallas, Texas office of U.S. Bank Trust Company, National Association set forth in the "Paying Agent/Registrar Agreement" executed by the City and U.S. Bank Trust Company, National Association in connection with the sale and delivery of the Certificates.

(b) The entity in whose name any Certificate shall be registered in the Registration Books at any time shall be treated as the absolute owner thereof for all purposes of this Ordinance, whether such Certificate shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Certificate shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, and to act as its agent to exchange or replace Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all exchanges thereof, and all replacements thereof, as provided in this Ordinance.

(d) Each Certificate may be exchanged for fully registered certificates in the manner set forth herein. Each Certificate issued and delivered pursuant to this Ordinance, to the extent of the unredeemed principal amount thereof, may, upon surrender thereof at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered certificates, without interest coupons, in the form prescribed in the FORM OF CERTIFICATE, in an Authorized Denomination (subject to the requirement hereinafter stated that each substitute Certificate shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the principal amount of any Certificate or Certificates so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Certificate shall be redeemed prior to its scheduled maturity as provided herein, a substitute certificate or certificates having the same maturity date, bearing interest at the same rate, in an Authorized Denomination at the request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Certificate or portion thereof is assigned and transferred, each Certificate issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar

shall exchange or replace Certificates as provided herein, and each fully registered certificate or certificates delivered in exchange for or replacement of any Certificate or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Certificates for all purposes of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any Certificate delivered in exchange for or replacement of another Certificate prior to the first scheduled interest payment date on the Certificates (as stated on the face thereof) shall be dated the same date as such Certificate, but each substitute Certificate so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute Certificate is delivered, unless such substitute Certificate is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Certificate the interest on the Certificate for which it is being exchanged has not been paid, then such substitute certificate shall be dated as of the date to which such interest has been paid in full. On each substitute Certificate issued in exchange for or replacement of any Certificate or Certificates issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF CERTIFICATE (the "Authentication Certificate"). An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute Certificate, date such substitute Certificate in the manner set forth above, and manually sign and date the Authentication Certificate, and no such substitute Certificate shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Certificates surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement 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 Chapter 1201, Texas Government Code, the duty of exchange or replacement of any Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which originally were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts. Neither the City nor the Paying Agent/Registrar shall be required (1) to issue, transfer, or exchange any Certificate during a period beginning at the opening of business thirty (30) days before the day of the first mailing of a notice of redemption of Certificates and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Certificate so selected for redemption in whole when such redemption is scheduled to occur within thirty (30) calendar days.

(e) All Certificates issued in exchange for or replacement of any other Certificate or portion thereof (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 be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Certificates shall be payable, all as provided, and in the manner required or indicated, in the FORM OF CERTIFICATE.

(f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers of Certificates, but the registered owner of any Certificate requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The registered owner of any Certificate requesting any exchange shall pay the Paying Agent/Registrar's reasonable and standard or customary fees and charges for exchanging any such Certificate or portion thereof, together with any taxes or governmental charges required to be paid

with respect thereto, all as a condition precedent to the exercise of such privilege of exchange, except, however, that in the case of the exchange of an assigned and transferred Certificate or any portion thereof in any Authorized Denomination, and in the case of the exchange of the unredeemed portion of a Certificate which has been redeemed in part prior to maturity, as provided in this Ordinance, such fees and charges will be paid by the City. In addition, the City hereby covenants with the registered owners of the Certificates that it will pay the (i) reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on Certificates, when due, and (ii) fees and charges of the Paying Agent/Registrar for services with respect to the transfer or registration of Certificates solely to the extent above provided, and with respect to the exchange of Certificates solely to the extent above provided.

(g) The City covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency 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. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than sixty (60) days written notice to the Paying Agent/Registrar. 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 City covenants that it will promptly appoint a competent and legally qualified national or state banking institution which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and whose qualifications substantially are similar to the previous Paying Agent/Registrar 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 City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates, 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) (i) In addition to the manner of providing notice of redemption of Certificates as set forth in this Ordinance, the Paying Agent/Registrar shall give notice of redemption of Certificates by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to the MSRB (as defined in Section 7 hereof). In addition, in the event of a redemption caused by an advance refunding of the Certificates, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the MSRB shall be sent so that they are received at least two days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of redemption to the owner of any Certificate who has not sent the Certificates in for redemption sixty (60) days after the redemption date.

(ii) Each redemption notice, whether required in the FORM OF CERTIFICATE or otherwise by this Ordinance, shall contain a description of the Certificates to be

redeemed, including the complete name of the Certificates, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts called for redemption, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Certificate may be redeemed, including a contact person and telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the registered owners of the Certificates shall include CUSIP numbers relating to each amount paid to such registered owner.

(i) If required by law, the City shall not execute the Paying Agent/Registrar Agreement unless the Paying Agent/Registrar has confirmed to the City Manager that it (A) has made disclosure filings to the Texas Ethics Commission in accordance with Section 2252.908, Texas Government Code, or that it is exempt from such disclosure filings under Section 2252.908(c)(4), Texas Government Code, (B) does not boycott Israel within the meaning and for the purposes of Chapter 2271, Texas Government Code, and (C) is not a listed company within the meaning and for the purposes of Sections 2252.153 and 2270.0201 of the Texas Government Code. If applicable, within thirty (30) days of receipt of the disclosure filings from the Paying Agent/Registrar, the City will submit a copy of the disclosure filings with the Texas Ethics Commission.

Section 6. FORM OF CERTIFICATES. That the form of the Certificates, including the form of the Comptroller's Registration Certificate to accompany the Initial Certificate (as defined in Section 7) on the initial delivery thereof, the form of the Authentication Certificate and the form of Assignment to be printed on each of the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially in the form as set forth in Exhibit A to this Ordinance, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance. The printer of the Certificates is hereby authorized to print on the Certificates (i) the form of bond counsel's opinion relating to the Certificates, and (ii) an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Certificates.

Section 7. DEFINITIONS. That the term "Available Revenues" shall have the meaning given said term in Section 8 hereof; the term "Business Day" means a day that is not a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close; the term "Code" means the Internal Revenue Code of 1986; the term "Initial Certificate" means Certificate No. T-1 initially issued and delivered to the Purchaser pursuant to Section 22 of this Ordinance; the term "MSRB" means the Municipal Securities Rulemaking Board; the term "Rule" means SEC Rule 15c2-12, as amended from time to time; the term "SEC" means the United States Securities and Exchange Commission; the term "Surplus Revenues" means those revenues from the operation of the City's combined municipal waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof and other obligations heretofore or hereafter incurred to which such revenues have been or shall be encumbered by a lien on and pledge of such revenues superior to the lien on and pledge of such revenues to the Certificates; and the term "Treasury Regulation" means all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

Section 8. INTEREST AND SINKING FUND. That a special fund or account, to be designated the "City of Burleson, Texas Series 2022 Certificate of Obligation Interest and Sinking

Fund" (the "Interest and Sinking Fund") is hereby created and shall be established and maintained by the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any Certificate is outstanding and unpaid, the City Council shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of the Issuer, with full allowances being made for tax delinquencies and costs of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide a sinking fund to pay the principal (including mandatory sinking fund redemption payments, if any) of the Certificates as such principal matures or comes due through operation of the mandatory sinking fund redemption, if any, but never less than 2% of the outstanding principal amount of the Certificates as a sinking fund each year. The rate and amount of ad valorem tax is hereby ordered to be levied against all taxable property in the City for each year while any Certificate is outstanding and unpaid, and the ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes necessary to pay the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Notwithstanding the foregoing, if the City deposits or budgets to be deposited in the Interest and Sinking Fund any other revenues, income or resources, including, without limitation, Surplus Revenues (the "Available Revenues"), in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied may be reduced to the extent and by the amount of the Available Revenues then on deposit or budgeted to be deposited in the Interest and Sinking Fund.

Section 9. REVENUES. That the Certificates are additionally secured by and shall be payable from the Surplus Revenues. The Surplus Revenues are pledged by the City pursuant to authority of Chapter 1502, Texas Government Code, specifically Section 1502.058 thereof. The City shall promptly deposit the Surplus Revenues upon their receipt to the credit of the Interest and Sinking Fund created pursuant to Section 8, to pay the principal and interest on the Certificates. The amount of Surplus Revenues pledged to the payment of the Certificates shall not exceed \$1,000.

Section 10. TRANSFER. That the City shall do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest due on the Certificates.

Section 11. SECURITY FOR FUNDS. That the Interest and Sinking Fund created by this Ordinance shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds, and the Interest and Sinking Fund shall be used only for the purposes and in the manner permitted or required by this Ordinance.

Section 12. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES. (a) *Replacement Certificates*. That 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 to the Paying Agent/Registrar. In

every case of loss, theft, or destruction of a Certificate, the applicant for a replacement certificate shall furnish to the City 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 applicant shall furnish to the City 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 applicant 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 which is then continuing in the payment of the principal of, premium, if any, or interest on the Certificate, the City 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 City whether 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 Chapter 1206, Texas Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the City Council of the City 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, subject to the conditions imposed by this Section 12 of this Ordinance, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 5(d) of this Ordinance for Certificates issued in conversion and exchange of other Certificates.

Section 13. **FEDERAL INCOME TAX MATTERS.** That the City covenants to take such action as to ensure, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (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 10 percent of the proceeds are so used, that amounts, whether or not received by the City, 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 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent 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 5 percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent 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;

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

(e) 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;

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

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

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

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

(g) 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);

(h) to refrain from using the proceeds of the Certificates or the proceeds of any prior bonds to pay debt services 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 refunding); and

(i) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent 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, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing clauses (a) and (b) above, the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the City 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 which impose additional requirements which are applicable to the Certificates, the City 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 City hereby authorizes and directs the Mayor, the City Manager, any Assistant City Manager, and the Director of Finance to execute any documents, certificates or reports required by the Code, and to make such elections on behalf of the City which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

In order to facilitate compliance with clause (i) above, a "Rebate Fund" is hereby established by the City 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 bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

The resolution adopted by the City Council on June 20, 2022, described in the preamble to this Ordinance was intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

Section 14. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. That the Issuer covenants to account for the expenditure of proceeds from the sale of the Certificates and any investment earnings thereon to be used for the purposes described in Section 1 of this Ordinance (such purpose referred to herein and Section 15 hereof as a "Project") on its books and records by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (a) the expenditure on a Project is made or (b) such Project is completed. The foregoing notwithstanding, the Issuer shall not expend such proceeds or investment earnings more than 60 days after the earlier of (a) the fifth anniversary of the date of delivery of the Certificates or (b) the date the Certificates are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Certificates. 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.

Section 15. DISPOSITION OF PROJECT. That the Issuer covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of this Section, 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 of this Section, 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.

Section 16. DEFAULT AND REMEDIES.

(a) *Events of Default.* That 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 Certificate when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, 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 City.

(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 City, or any official, officer or employee of the City in their official capacity, 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, employees or members of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

Section 17. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES. That the City Manager of the City or the designee thereof 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 their 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 (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Registration Certificate.

Section 18. DTC REGISTRATION. That the Certificates initially shall be issued and delivered in such manner that no physical distribution of the Certificates will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Certificates. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Certificates initially authorized by this Ordinance shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. It is expected that DTC will hold the Certificates on behalf of the Purchasers and their participants. So long as each Certificate is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Certificates in Authorized Denominations, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Certificates initially deposited with DTC shall be immobilized and not be further exchanged for substitute Certificates except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Certificates. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Certificates, and the method of paying the fees and charges of DTC. The City does not represent nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Certificates is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Ordinance, substitute Certificates will be duly delivered as provided in this Ordinance, and there will be no assurance or representation that any book-entry system will be maintained for such Certificates. In connection with the initial establishment of the foregoing book-entry system with DTC, the City heretofore has executed a "Blanket Letter of Representations" prepared by DTC in order to implement the book-entry system described above.

Section 19. CONTINUING DISCLOSURE OBLIGATION. (a) *Annual Reports.* (i) That the City shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2022, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 22 of this Ordinance, being the information described in Exhibit B hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit B hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within twelve months after the end of each fiscal year ending in or after 2022. If the audit of such financial statements is not complete within such twelve month period, then the City shall provide notice that the audited financial statements are not available and provide unaudited financial statements by such twelve month period, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) If the City 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 City 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 (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. All filings shall be made electronically, in the format specified by the MSRB.

(b) *Disclosure Event Notices.* The City shall notify the MSRB, in a timely manner not in excess of ten 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 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 City;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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 Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;

15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Obligated Person, and which reflect financial difficulties.

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

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 City 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 City, or if jurisdiction has been assumed by leaving the City Council and official or officers of the City 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 City.

As used in clauses 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a 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), however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time; and the term "Obligated Person" means the City.

(c) *Limitations, Disclaimers, and Amendments.* (i) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the City 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 City 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 City'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 City 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 CITY 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 CITY, 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 City in observing or performing its obligations under this Section shall comprise a breach of or default under the 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 City under federal and state securities laws.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City agrees to undertake such obligation in accordance with the Rule as amended.

(vi) The provisions of this Section may be amended by the City 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 City, 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 person that is unaffiliated with the City (such as nationally-recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) 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. The City 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.

Section 20. DEFEASANCE. (a) *Deemed Paid*. That 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 (e) 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 insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City 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 or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or 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 20(a)(i) or (ii) shall not be irrevocable, provided that in the proceedings providing for such payment arrangements, the Issuer: (1) 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) *Investment in Defeasance Securities.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City 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 City, or deposited as directed in writing by the City. 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 (a)(i) or (ii) above. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Securities, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) *Selection of Defeased Certificates.* In the event that the City 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.

(d) *Defeasance Securities.* The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, [and](iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent[and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under the then applicable laws of the State of Texas].

(e) *Continuing Duty of Paying Agent/Registrar.* Until all Defeased Certificates shall 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 City shall make proper arrangements to provide and pay for such services.

Section 21. AMENDMENTS. The City hereby reserves the right to amend this Ordinance subject to the following terms and conditions.

(a) *Amendments Not Requiring Consent.* The City may from time to time, without the consent of any holder of the Certificates, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (1) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interest of the holders of the Certificates, (2) grant additional rights or security for the benefit of the holders of the Certificates, (3) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interest of the holders of the Certificates, (4) 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 (5) make such other provisions in regard to matters or questions arising under this Ordinance that are not inconsistent with the provisions hereof and which, in the opinion of nationally-recognized bond counsel selected by the City, do not materially adversely affect the interests of the holders of the Certificates.

(b) *Amendments With Consent.* Except as provided in paragraph (a) above, the holders of the Certificates aggregating in principal amount a majority of the aggregate principal amount of then outstanding Certificates that are subject to 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 City; provided, however, that without the consent of 100% in aggregate principal amount of the Certificates then outstanding, 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 of, redemption premium, if any, or interest on the outstanding Certificates, or imposing any condition with respect to such payment, or
- (5) Change the minimum percentage of the principal amount of the Certificates necessary for consent to such amendment.

(c) *Notice.* If at any time the City shall desire to amend this Ordinance, the City shall send by United States mail, first-class, postage prepaid, to each registered owner of the affected Certificates a notice of the proposed amendment and cause a copy of the proposed amendment to be published at least once in a financial newspaper or journal of general circulation in The City of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all owners of Certificates.

(d) *Receipt of Consents.* Whenever at any time within one year from the date of the first publication of said notice or other service of written notice of the proposed amendment the City shall receive an instrument or instruments executed by all of the owners or the owners of at least a majority in aggregate principal amount of Certificates, as appropriate, which instrument or

instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the City may adopt the amendatory ordinance in substantially the same form.

(e) *Effect of Amendments.* Upon the adoption by the City of any ordinance to amend this Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be amended in accordance with the amendatory ordinance, and the respective rights, duties, and obligations of the City and all the owners of then outstanding Certificates and all future Certificates shall thereafter be determined, exercised, and enforced under this Ordinance, as amended.

(f) *Consent Irrevocable.* Any consent given by any owner of Certificates pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Certificates during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the City, but such revocation shall not be effective if the owners of a majority in aggregate principal amount of Certificates, prior to the attempted revocation, consented to and approved the amendment.

(g) *Ownership.* For the purpose of establishing ownership of the Certificates, the City shall rely solely upon the registration of the ownership of such Certificates on the Registration Books kept by the Paying Agent/Registrar.

Section 22. SALE OF CERTIFICATES. (a) *Sale.* The Certificates are hereby sold and shall be delivered to [_____] (the “Underwriter”), for the purchase price of \$[_____] (representing the par amount of the Certificates of \$[_____] plus aggregate original issue premium of \$[_____] (premium to be applied as set forth in Section 24), less an underwriting discount of \$[_____]), pursuant to the terms and provisions of a Purchase Agreement with the Underwriter. It is hereby officially found, determined, and declared that the Certificates have been sold pursuant to the terms and provisions of a Purchase Agreement in substantially the form presented at this meeting, which the Mayor of the Issuer (or in the Mayor’s absence, by the Mayor Pro-Tem) is hereby authorized and directed to execute. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Certificate shall be registered in the name of the Underwriter or its designee.

(b) *Offering Documents.* The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Underwriter 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.

Section 23. FURTHER PROCEDURES. That the Mayor, the City Manager, any Assistant City Manager, the Director of Finance, the City Secretary, the Deputy City Secretary, and all other officers, employees, and agents of the City, 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 and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as

may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, and the sale and delivery of the Certificates and fixing all details in connection therewith.

Section 24. **USE OF PROCEEDS.** That the proceeds from the sale of the Certificates may be used for the purposes described in Section 1 of this Ordinance, in the manner described in the letter of instructions executed by the City or on behalf of the City by its financial advisor. The foregoing notwithstanding, proceeds representing accrued interest on the Certificates shall be deposited to the credit of the Interest and Sinking Fund, and proceeds representing premium on the Certificates shall be used in a manner consistent with the provisions of Section 1201.042(d), Texas Government Code. The sum of the principal amount of the Certificates and the premium paid by the Purchaser to fund the improvements described in Section 1 of this Ordinance equals \$[____], and does not exceed the maximum amount of Certificates stated in the notice of intent to issue the Certificates (\$[____]) that was approved and published in the manner described in the preamble to this Ordinance. Any amounts remaining after completion of the improvements described in Section 1 hereof shall be transferred FIRST to the Rebate Fund, to the extent required by Section 13 hereof and as further described in Section 24 hereof, and THEREAFTER to the Interest and Sinking Fund.

Section 25. **INTEREST EARNINGS.** That the interest earnings derived from the investment of proceeds from the sale of the Certificates may be used along with other proceeds for the construction of the permanent improvements set forth in Section 1 hereof for which the Certificates are issued; provided, that after completion of such permanent improvements, 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 proceeds which are required to be rebated to the United States of America pursuant to this Ordinance 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.

Section 26. **WRITTEN PROCEDURES.** That unless superseded by another action of the City, to ensure compliance with the covenants contained in Section 13 hereof regarding private business use, remedial actions, arbitrage and rebate, the written procedures adopted by the City in the ordinance authorizing the issuance of City of Burleson, Texas Waterworks and Sewer System Revenue Bonds, Series 2012, adopted by the City Council on April 16, 2012, apply to the Certificates.

Section 27. **PREAMBLE.** That the preamble to this Ordinance is incorporated by reference and made a part hereof for all purposes.

Section 28. **MISCELLANEOUS PROVISIONS.** (a) *Titles Not Restrictive.* That the titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(b) *Rules of Construction.* The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision. Except where the context otherwise requires, terms defined in this Ordinance to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to an officer or designated position (e.g., City Manager) include any person acting in the capacity of such officer or designated position, whether on an acting, interim or permanent basis. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Ordinance is adopted by the City and any future amendments thereto or successor provisions

thereof. Any reference to "FORM OF CERTIFICATE" shall refer to the form of the Certificates set forth in Exhibit A to this Ordinance. Any reference to the payment of principal in this Ordinance shall be deemed to include the payment of any mandatory sinking fund redemption payments as may be described herein.

(c) *Inconsistent Provisions.* All ordinances, orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(d) *Severability.* If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the City hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(e) *Governing Law.* This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(f) *Open Meeting.* The City officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code.

(g) *Application of Chapter 1208, Government Code.* Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of ad valorem taxes and the Surplus Revenues granted by the City under Sections 8 and 9, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the ad valorem taxes and Surplus Revenues granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City 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 to perfect the security interest in said pledge to occur.

(h) *Payment of Attorney General Fee Authorized.* The City Council hereby authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Certificates, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

(i) *Immediate Effect.* In accordance with the provisions of Section 1201.028, Texas Government Code, this Ordinance shall be effective immediately upon its adoption by the City Council.

**Exhibit A
to
Ordinance**

FORM OF CERTIFICATE

NO. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF TARRANT AND JOHNSON
CITY OF BURLESON, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP</u>
	%		

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF BURLESON, TEXAS (the "City" or the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of

_____ DOLLARS

and to pay interest thereon, from the Date of Delivery specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the Interest Rate per annum specified above, with said interest payable on [____], and semiannually on each September 1 and March 1 thereafter; except that if this Certificate is required to be authenticated and the date of its authentication is later than [____], such interest is payable semiannually on each September 1 and March 1 following such date. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. At maturity or redemption prior to maturity, the principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at the designated corporate trust office in Dallas, Texas (the "Designated Trust Office") of U.S. Bank Trust Company, National Association, 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, 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 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 15th day of the month next preceding each date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for payment at the Designated Trust Office of the Paying Agent/Registrar. The

Issuer covenants with the registered owner of this Certificate that on or before each principal 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.

IN THE EVENT OF NON-PAYMENT of interest on a scheduled payment date, and for 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 ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of a Certificate appearing on the Registration Books kept by the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

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 Designated 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 which 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, dated the Date of Delivery specified above, is one of a Series of Certificates authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$[____], for the purpose of paying contractual obligations to be incurred by the City, to-wit, the construction of improvements described in the Ordinance, and the payment of costs for professional services as described in the Ordinance, including the payment of fiscal, engineering and legal fees incurred in connection therewith.

ON [____], or on any date thereafter, the Certificates of this Series maturing on [____] and thereafter may be redeemed prior to their scheduled maturities, at the option of the Issuer, in whole, or in part, at par and accrued interest to the date fixed for redemption. The years of maturity of the Certificates called for redemption at the option of the City prior to their stated maturity shall be selected by the City. The Certificates or portions thereof redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar; *provided*, that during any period in which ownership of the Certificates is determined only by a book entry at a securities depository for the Certificates, if fewer than all of the Certificates of the same maturity and bearing the same interest rate are to be redeemed, the particular Certificates of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

A WRITTEN NOTICE OF redemption shall be given to the registered owner of each Certificate or a portion thereof being called for redemption not more than 60 days nor less than 30 days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. If such notice of redemption is mailed, and if due provision for such payment is made, all as provided above, this Certificate, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled

maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Certificate or any portion hereof. 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.

THE FOREGOING PARAGRAPH NOTWITHSTANDING, with respect to any optional redemption of the Certificates, unless certain prerequisites to such optional redemption required by the Ordinance have been met and money sufficient to pay the principal of, premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to giving such notice, such notice may state that the optional redemption will, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in the notice of redemption. If a notice of conditional redemption is given and such prerequisites to the redemption are not satisfied, such notice will be of no force and effect, the City will not redeem such Certificates and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates will not be redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the principal 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, 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 maturity date, and bearing interest at the same rate, in any principal 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 at its Designated Trust Office 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 at its Designated Trust Office, 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 transferred and 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 foregoing notwithstanding, in the case of the exchange of an assigned and transferred Certificate or Certificates or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the Issuer. The one requesting such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for exchanging any Certificate or portion thereof. 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, or exchange as a condition precedent to the exercise of such privilege. In any circumstance, neither the Issuer nor the Paying Agent/Registrar shall be required (1) to make any transfer or exchange during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Certificates and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Certificates so selected for redemption when such redemption is scheduled to occur within 30 calendar days.

WHENEVER the beneficial ownership of this Certificate is determined by a book entry at a securities depository for the Certificates, the foregoing requirements of holding, delivering or transferring this Certificate shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

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 promptly will 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; that this Certificate is a direct obligation of said Issuer, issued on the full faith and credit thereof; 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, in the manner provided in the Ordinance, and have been pledged for such payment, within the limit prescribed by law; and that a limited pledge (not to exceed \$1,000) of the surplus revenues from the operation of the City's combined municipal waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof and any other obligations heretofore or hereafter incurred to which such revenues have been or shall be encumbered by a lien on and pledge of such revenues superior to the lien on and pledge of such revenues to the Certificates, have been pledged as additional security for the 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 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, this Certificate has been signed with the manual or facsimile signature of the Mayor of the City, attested by the manual or facsimile signature of the City Secretary, and the official seal of the Issuer has been duly affixed to, or impressed, or placed in facsimile, on this Certificate.

XXXXXXXXXXXXXXXXX

City Secretary

XXXXXXXXXXXXXXXXX

Mayor

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate has been issued under the provisions of the proceedings adopted by the City as described in the text of this Certificate; and that this Certificate has been issued in exchange for or replacement of a certificate of obligation of an issue which 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 _____

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION
Dallas, Texas
Paying Agent/Registrar

By _____
Authorized Representative

FORM OF COMPTROLLER'S CERTIFICATE
(ATTACHED TO THE INITIAL CERTIFICATE)

OFFICE OF COMPTROLLER : REGISTER NO. _____
STATE OF TEXAS :

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 HAND and seal of office at Austin, Texas this _____.

(SEAL)

Comptroller of Public Accounts of
the State of Texas

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please insert Social Security or Taxpayer Identification Number of Transferee)

/ _____/

(Please print or typewrite name and address, including zip code of Transferee)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Certificate on books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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.

INITIAL CERTIFICATE INSERTIONS

The Initial Certificate shall be in the form set forth above, except that the form of the single fully registered Initial Certificate shall be modified as follows:

- (i) immediately under the name of the Certificate the headings "Maturity Date", "Interest Rate", "Date of Delivery" and "CUSIP" shall be omitted; and
- (ii) Paragraph one shall read as follows:

Registered Owner: [_____]
Principal Amount: [_____]
Date of Delivery: [_____]

THE CITY OF BURLESON, TEXAS (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on March 1 in each of the years and in principal installments in accordance with the following schedule:

(Information to be inserted from the Official Bid Form)

and to pay interest thereon from the date of delivery specified above, on [____], and semiannually on each September 1 and March 1 thereafter to the maturity date specified above, or to the date of redemption prior to maturity, at the interest rate per annum specified above. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

**Exhibit B
to
Ordinance**

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 19 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified below (and included in the Appendix or under the headings of the Official Statement referred to):

1. The information included in the Official Statement under the following captions, but for the most recently concluded fiscal year: Tables 1 through 6 and 8 through 15, inclusive.

2. Appendix B to the Official Statement, **"Excerpts from the City of Burleson, Texas Annual Financial Report for the Year Ended September 30, 2022"**.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the Annual Financial Report referred to above.

City Council Regular Meeting

DEPARTMENT: City Manager's Office
FROM: Martin Avila, Finance Director
MEETING: August 15, 2022

SUBJECT:

Consider and take action on an ordinance for the sale and issuance of the City of Burleson, Texas General Obligation Bonds, Series 2022 not to exceed \$1,450,000, and issuance cost. (First and Final Reading) (*Staff Presenter: Martin Avila, Finance Director*)

SUMMARY:

The General Obligation Bonds Series 2022 in the amount not to exceed \$1,450,000 are part of the \$86,005,000 bond program approved by the voters on May 7, 2022. The bonds will be issued for design and improvements of projects approved in the bond program.

OPTIONS:

Approve Ordinance or Not Approve Ordinance

RECOMMENDATION:

Staff recommends approval of issuance of bonds

PRIOR ACTION/INPUT (Council, Boards, Citizens):

On May 7, 2022 voters approved \$86,005,000 bond program.

FISCAL IMPACT:

No fiscal impact

STAFF CONTACT:

Martin, Avila
Finance Director
mavila@burlesontx.com
817-426-9651



Bond Sale

Final Pricing of Bond Sale

- Final pricing and bond sale will occur in the morning of August 15, 2022
- Presentation will be updated prior to the August 15, 2022 City Council Regular meeting

Bond Sale

- Bond Sale to issue General Obligation Bonds, Series 2022 not to exceeds \$1,450,000
 - Bond program approved by voters on May 7, 2022
- Issue Certificate of Obligation Bonds, Series 2022 not to exceed \$13,500,000
 - Issue is all **self supporting debt**
 - \$6,000,000 – Water & Sewer Fund (City of Fort Worth Sewer Relief Line)
 - \$4,000,000 – 4B Fund (Park projects) -5 year CIP Plan
 - \$3,500,000 – TIF 2 Fund (Ellison Street Project)
- Staff will also present an ordinance authorizing issuance of General Obligation Bonds in the amount of \$1,413,000.
 - Bond program approved by voters on May 7, 2022

Voter Approved Bond Program

Project Name	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
SH174 Traffic Signal Improvements	\$ 300,000	\$ 1,861,123	\$ -	\$ -	\$ -	\$ -	\$ 2,161,123
Neighborhood Street Rebuild	\$ 100,000	\$ 825,833	\$ 750,000	\$ 750,000	\$ 750,000	\$ -	\$ 3,175,833
Alsbury- Hulen to CR 1020	\$ 948,000		\$ 6,434,496		\$ -	\$ -	\$ 7,382,496
Sidewalk program	\$ 50,000	\$ 446,946	\$ 200,000	\$ 200,000	\$ 200,000	\$ 170,000	\$ 1,266,946
Dual LT Lakewood at SH174 Intersection Improvement*	\$ 15,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Police Expansion	\$ -	\$ 3,600,000	\$ 16,407,500	\$ 16,409,500	\$ -	\$ -	\$ 36,417,000
CR 1020 (Alsbury) Widening (design)	\$ -	\$ 2,500,000	\$ -	\$ -			\$ 2,500,000
SH174 Widening (Schematic and Env)	\$ -	\$ -	\$ 430,000	\$ -	\$ -	\$ -	\$ 430,000
Hulen at Wilshire Intersection	\$ -	\$ -	\$ -	\$ 200,000	\$ 1,501,027	\$ -	\$ 1,701,027
Hulen Widening (SH174 to Candler)	\$ -	\$ -	\$ -	\$ 1,800,000	\$ 6,003,653	\$ -	\$ 7,803,653
Hillside Dr. Elk Dr & FM731	\$ -		\$ -	\$ 200,000	\$ 836,509	\$ -	\$ 1,036,509
Fire Station	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000	\$ 13,443,000	\$ 15,943,000
FM1902 Pedestrian Mobility	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 1,189,901	\$ 1,489,901
Wilshire Blvd (SH174) Construction Documents from Hulen to City Limits*	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000	\$ -	\$ 1,900,000
E Renfro (FM3391)Widening PS&E	\$ -	\$ -		\$ -	\$ -	\$ 2,697,512	\$ 2,697,512
	\$ 1,413,000	\$ 9,318,902	\$ 24,221,996	\$ 19,559,500	\$ 13,991,189	\$ 17,500,413	\$ 86,005,000

Options

- Approve or Deny Ordinance
- Staff recommends approval of Ordinance

QUESTIONS/COMMENTS

ORDINANCE NO. _____

PROVIDING FOR THE ISSUANCE OF \$[_____] CITY OF BURLESON, TEXAS
GENERAL OBLIGATION BONDS, SERIES 2022; AND ORDAINING OTHER
MATTERS RELATING TO THE SUBJECT

WHEREAS, by virtue of an election held within the City of Burleson, Texas (“the Issuer”) on May 7, 2022, this City Council became authorized to issue, sell and deliver the general obligation bonds of the Issuer, of which there have been issued heretofore, are authorized to be issued by this Ordinance, and will remain authorized but unissued hereafter, as described in Schedule I attached hereto and incorporated herein;

WHEREAS, this City Council finds and determines that it is necessary and proper to order the issuance, sale and delivery of such voted bonds;

WHEREAS, the Bonds hereinafter authorized to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Texas Government Code, Chapter 1331, as amended; 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 Texas Government Code, Chapter 551; Now, Therefore

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

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS. 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 bonds of the City of Burleson, Texas (the “Issuer”) are hereby authorized to be issued and delivered in the aggregate principal amount of \$[_____] for the public purposes of (i) designing, constructing, improving, extending, expanding, upgrading and developing streets, roads, bridges, thoroughfares and related improvements, including utility relocation, landscaping, sidewalks and pedestrian walkways, lighting, signalization, drainage, and the purchase of any necessary land or right-of-way (the “Projects”); and (iii) paying costs of issuance of the Bonds.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF BONDS. Each bond issued pursuant to this Ordinance shall be designated: “CITY OF BURLESON, TEXAS GENERAL OBLIGATION BOND, SERIES 2022,” and initially there shall be issued, sold, and delivered hereunder one fully registered Bond, without interest coupons, dated September 15, 2022, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1 (the “Initial Bond”), with Bonds 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 Bond being made payable to the initial purchaser as described in Section 9 hereof), or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the “Registered Owner”), and said bonds shall mature and be payable on September 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 BOND 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:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
<u>(3/1)</u>	<u>Amounts (\$)</u>	<u>Rates (%)</u>

The term “Bonds” as used in this Ordinance shall mean and include collectively the bonds initially issued and delivered pursuant to this Ordinance and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term “Bond” shall mean any of the Bonds.

Section 3. CHARACTERISTICS OF THE BONDS.

(a) Appointment of Paying Agent/Registrar. The Issuer hereby appoints U.S. Bank Trust Company, Dallas, Texas, to serve as paying agent and registrar for the Bonds (the “Paying Agent/Registrar”). The Mayor or 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 Bonds (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 Bond to which payments with respect to the Bonds 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 Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND attached as Exhibit A to this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(c) Exchange. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds 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 Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the authentication of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds 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 Bonds, 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 Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, 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 Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds 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 Bonds 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 Bond 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 of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds 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 entity 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 Bonds, 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 Bonds issued in exchange for the Initial Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof and the ownership of each such Bond 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 Bonds 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 Bonds. Notwithstanding anything to the contrary contained herein, while the Bonds 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) Bonds Registered in the Name of Cede & Co. With respect to Bonds 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 Bonds. 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 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. 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 Bonds that they be able to obtain certificated Bonds, 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 Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds 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 Bonds 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 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.

(m) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds 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 Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds 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 Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance. The Bonds initially 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 Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Bond, in the FORM OF BOND set forth as Exhibit A to this Ordinance.

(n) Authentication. Except as provided below, no Bond 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 Bond 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 Initial Bond 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 Bond 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 Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance, the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the FORM OF BOND set forth Exhibit A to this Ordinance.

(o) Cancellation of Initial Bond. On the closing date, the Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the initial purchaser of the Bonds 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 signed 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 Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds 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 Bonds in safekeeping for DTC.

Section 4. FORM OF BONDS. The form of the Bonds, 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 Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as shown in Exhibit A, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

Section 5. INTEREST AND SINKING FUND.

(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 Bonds. All amounts received from the sale of the Bonds 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 Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bonds 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 Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bonds as such principal matures (but never less than 2% of the original amount of said Bonds 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 Bonds 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 Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Notwithstanding the requirements of this subsection, if 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 this subsection may be reduced to the extent and by the amount of lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Issuer under this Section and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the Registered Owners 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, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, 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 Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond 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 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 the amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, 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 Bonds 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 Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds 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 Bonds 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 Bonds 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 received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, 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 Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds 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 Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

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

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

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the Registered Owner applying for a replacement Bond 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 Bond, 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 Bond, as the case may be. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond 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 Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

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

(e) Authority for Issuing Replacement Bonds. 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 Bond 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 Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3 of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 8. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS.

(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 Bonds 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 Bonds (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 by the Bonds (the "Project") 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 Bonds, 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 Bonds 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 Bonds (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 Bonds 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 Bonds 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 Bonds, 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 Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds 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 Bonds;

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

(8) to refrain from using proceeds of the Bonds or the proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the date of issue of the Bonds in contravention of the requirements 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 date of delivery of the Bonds) 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 Bonds 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) 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 Bonds are issued, an information statement concerning the Bonds, 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 Bonds 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 Owners. 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 Bonds, 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 Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, 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 Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, the City Manager or the Finance Director 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 Bonds.

(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 Bonds or investment earnings thereon more than sixty (60) days after the earlier of (1) the fifth (5th) anniversary of the delivery of the Bonds, or (2) the date the Bonds 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 Bonds 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 Projects. 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 Bonds. 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 Bonds. 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.

Section 9. SALE OF BONDS AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) That the Bonds are hereby sold and shall be delivered to [_____] (the “Underwriter”), for the purchase price of \$[_____] (representing the par amount of the Bonds of \$[_____] plus net aggregate original issue premium of \$[_____] (premium to be applied as set forth in Section 16), less an underwriting

discount of \$[____], and plus accrued interest of \$[____]) pursuant to the terms and provisions of a Purchase Agreement with the Underwriter. It is hereby officially found, determined, and declared that the Bonds have been sold pursuant to the terms and provisions of a Purchase Agreement in substantially the form presented at this meeting, which the Mayor of the Issuer (or in the Mayor's absence, by the Mayor Pro Tem) is hereby authorized and directed to execute. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Bond shall be registered in the name of the [____], or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto (the "Official Statement"), and approves the distribution of such Official Statement in the reoffering of the Bonds by the Underwriter 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.

(c) That the Mayor, the City Manager, any Assistant City Manager, the Director of Finance, the City Secretary, the Deputy City Secretary, and all other officers, employees, and agents of the Issuer, 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 and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, and the sale and delivery of the Bonds and fixing all details in connection therewith.

Section 10. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; 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 Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their 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 Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Bond. 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 Bonds 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 of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Bonds 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 Bonds to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed.

Section 11. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Bonds issued for the Projects shall be used along with other Bond proceeds for the Projects; 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 Bond proceeds that are required to be rebated to

the United States of America pursuant to Section 9 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

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 2022 General Obligation Bonds Construction Fund” for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Projects 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.

(b) The Issuer may invest proceeds of the Bonds issued for Projects (including investment earnings thereon) and amounts deposited in 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 Bonds will be used as soon as practicable for the purposes for which the Bonds 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 13. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. 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) That the Issuer shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2022, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 22 of this Ordinance, being the information described in Exhibit B hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit B hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within twelve months after the end of each fiscal year ending in or after 2022. If the audit of such financial statements is not complete within such twelve month period, then the Issuer shall provide notice that the audited financial statements are not available and provide unaudited financial statements by such twelve month period, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(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 (including an

official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. All filings shall be made electronically, in the format specified by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB, in a timely manner not in excess of ten Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

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 Bonds, or other events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, 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 Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Obligated Person, and which reflect financial difficulties.

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 (a) of this Section by the time required by such subsection.

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 City Council and official 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.

As used in clauses 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a 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), however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time; and the term "Obligated Person" means the Issuer.

(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 Bonds 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 Bonds 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 Bonds, 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 Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND 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 Bonds 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 Bonds in the primary offering of the Bonds 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 Bonds 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 Bonds. 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 Bonds in the primary offering of the Bonds. 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 Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Bonds 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 Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds 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 Bonds 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 Bonds 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 Bonds.

(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 Owners of at least 51% in aggregate principal amount of all of the Bonds 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 Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond 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 Bond 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 Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Bonds, the Issuer shall rely solely upon the registration of the ownership of such Bonds 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 Bonds 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 Bonds, 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 Bonds 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 Bonds 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 Bonds 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 Bond 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 Bonds are being sold at a net aggregate premium equal to \$[_____]. With respect to such premium attributable to the Bonds, \$[_____] shall be used to pay costs of issuance (including underwriter's discount and accrued interest) with any remainder to be deposited to the Interest and Sinking Fund and \$[_____] shall be deposited into the Construction Fund for the Projects. The \$[_____] principal amount of Bonds issued pursuant to the bond election for the Proposition A Projects, plus the premium of \$[_____] deposited into the Construction Fund for the Proposition A Projects, results in a total principal plus premium of \$[_____] being issued from the voted authorization for Proposition A Projects.

Section 17. APPROPRIATION. To pay the debt service coming due on the Bonds, if any, prior to receipt of the taxes levied to pay such debt service, 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 Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the Issuer or any person executing any Bond.

Section 19. EFFECTIVE DATE. In accordance with the provisions of Texas 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.

SCHEDULE I

Voted Bonds

<u>May 7, 2022 Election</u>	<u>Amount Authorized (\$)</u>	<u>Amount Previously Issued (\$)</u>	<u>Amount Being Issued (\$)</u>	<u>Unissued Balance (\$)</u>
Prop. A - Streets and Roads	\$33,645,000			
Prop. B – Public Safety	\$52,360,000			

*\$[_____] principal plus \$[_____] premium.

**\$[_____] principal plus \$[_____] premium.

EXHIBIT A

(a) Form of Bond.

NO. R-

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF BURLESON, TEXAS
GENERAL OBLIGATION BOND
SERIES 2022

PRINCIPAL
AMOUNT
\$ _____

Interest Rate	Delivery Date	Maturity Date	CUSIP No.
_____	_____, 2022	March 1, _____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

THE CITY OF BURLESON, TEXAS, in Tarrant and Johnson Counties, 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 [____], 2022, at the Interest Rate per annum specified above. Interest is payable on [March 1], 2023, and semiannually on each [September 1] and [March 1] thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond 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 Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, which is the “Paying Agent/Registrar” for this Bond. The payment of interest on this Bond 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 Bond (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 (15th) day of the month preceding each such date (the “Record Date”) on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, principal and 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 Bond 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 Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment or redemption at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date and interest payment date for this Bond 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 Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond 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 BOND is one of a series of Bonds dated [____], 2022, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$[____] for designing, constructing, improving, extending, expanding, upgrading and developing streets, roads, bridges, thoroughfares and related improvements, including utility relocation, landscaping, sidewalks and pedestrian walkways, lighting, signalization, drainage, and the purchase of any necessary land or right-of-way; and (iii) paying costs of issuance of the Bonds.

ON [____], OR ON ANY DATE THEREAFTER, the Bonds 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 Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond 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.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, 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 Bonds 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 Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

[THE BONDS scheduled to mature on [_____] (the “Term Bonds”) 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 Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Bonds due September 1, 20__:

Mandatory Redemption Date: 9/1/20__	Principal Amount: \$[_____]
Mandatory Redemption Date: 9/1/20__	Principal Amount: \$[_____]
Mandatory Redemption Date: 9/1/20__*	Principal Amount: \$[_____]

* Stated Maturity

The principal amount of Term Bonds 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 Bonds 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 and delivered to the Paying Agent/Registrar for cancellation, or (2) 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 Bonds 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 Bond 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 Bond. 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 Bonds 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 Bonds 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 Bond shall be redeemed, a substitute Bond or Bonds 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.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Bond 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 Bonds, 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 Bond 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 Bond 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 Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond 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 Bond 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 Bond 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 Bond 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 Bonds 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 Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond 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 Bond 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 Bond, 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.

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 Bonds.

BY BECOMING the Registered Owner of this Bond, 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 Bond and the Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in his absence, by the Mayor Pro Tem) 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 Bond.

(signature)
City Secretary

(signature)
Mayor

(SEAL)

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

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond 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 Bond has been issued under the provisions of the Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds 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: _____ U.S. Bank Trust Company, National Association
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please print or type 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 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond 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 Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Comptroller's Registration Certificate.

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 Bond and that this Bond 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 Bond Insertions.

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

A. immediately under the name of the Bond, 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 BURLESON, TEXAS, in Tarrant and Johnson Counties, 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 September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Maturity Dates (3/1)	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 [_____] at the respective Interest Rate per annum specified above. Interest is payable on [March 1], 2023, and semiannually on each [September 1] and [March 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 Bond 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 Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

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

City Council Regular Meeting

DEPARTMENT: Development Services

FROM: Tony D. McIlwain, Development Services Director

MEETING: August 15, 2022

SUBJECT:

Receive a report, hold a discussion, and give staff direction regarding digital billboard signs.
(Staff Presenter: Tony D. McIlwain, Development Services Director)

SUMMARY:

Clear Channel Outdoor is the number one digital display provider in the Dallas-Fort Worth area. Recently, they submitted a proposal where they “would like to work together with the City of Burleson in a mutually beneficial joint endeavor.” They would like to place two permanent off-premises signs (i.e., digital billboards) on city-owned properties. The two sites being considered are located on I-35 and Hidden Creek Parkway. Currently, city regulations prohibit new billboards (since 2002) and all existing, permanent off-premises signs are considered legally non-conforming.

Clear Channel Outdoor has expressed some revenue sharing as well as dedicated display time at each location for Burleson promotions, events and public service messages. If the City is interested in pursuing any consideration for new digital billboards, it will require amendments to the City’s existing sign regulations. Additionally, if the City is interested in having digital billboards placed at the two subject locations, it will require the release of a Request for Proposals (RFP) and provide an opportunity for all interested parties to respond. The City cannot directly enter into an agreement with any party for use of these properties in lieu of a RFP process.

OPTIONS:

- 1) Move forward with amendments to the sign regulations and the RFP process
- 2) Move forward with amendments to the sign regulations
- 3) Do nothing at this time

RECOMMENDATION:

Staff recommends Council direction on this matter.

FISCAL IMPACT:

None

STAFF CONTACT:

Tony D. McIlwain
Development Services Director
email@burlesontx.com
817-426-9684

Digital Billboard Signs

8.15.22

Who is Clear Channel Outdoor?



- One of the worlds largest outdoor advertising companies.
 - Over 450,000 displays in 31 countries
- The #1 digital display provider in Dallas-Fort Worth.
- Offer billboards, digital billboards, airport signs, and other outdoor advertising options.



Background

Clear Channel Outdoor

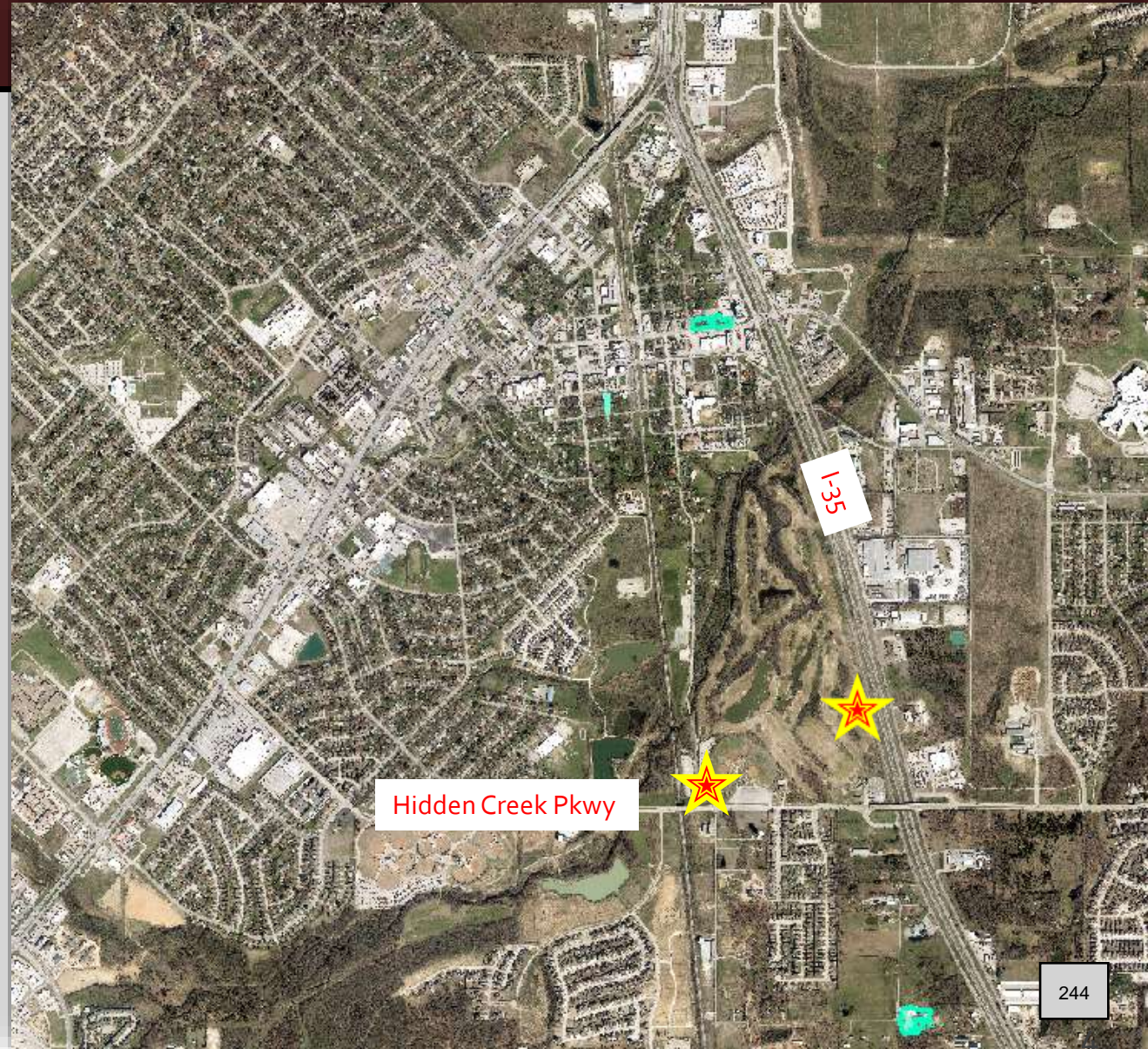
- Approached the City of Burleson to work together on a joint endeavor.
- They would like to install billboards on two city-owned properties.
- According to Clear Channel Outdoor, the endeavor will:
 1. Increase awareness of City amenities;
 2. Improve City communication capabilities;
 3. Provide additional avenues for emergency notifications.



Proposal

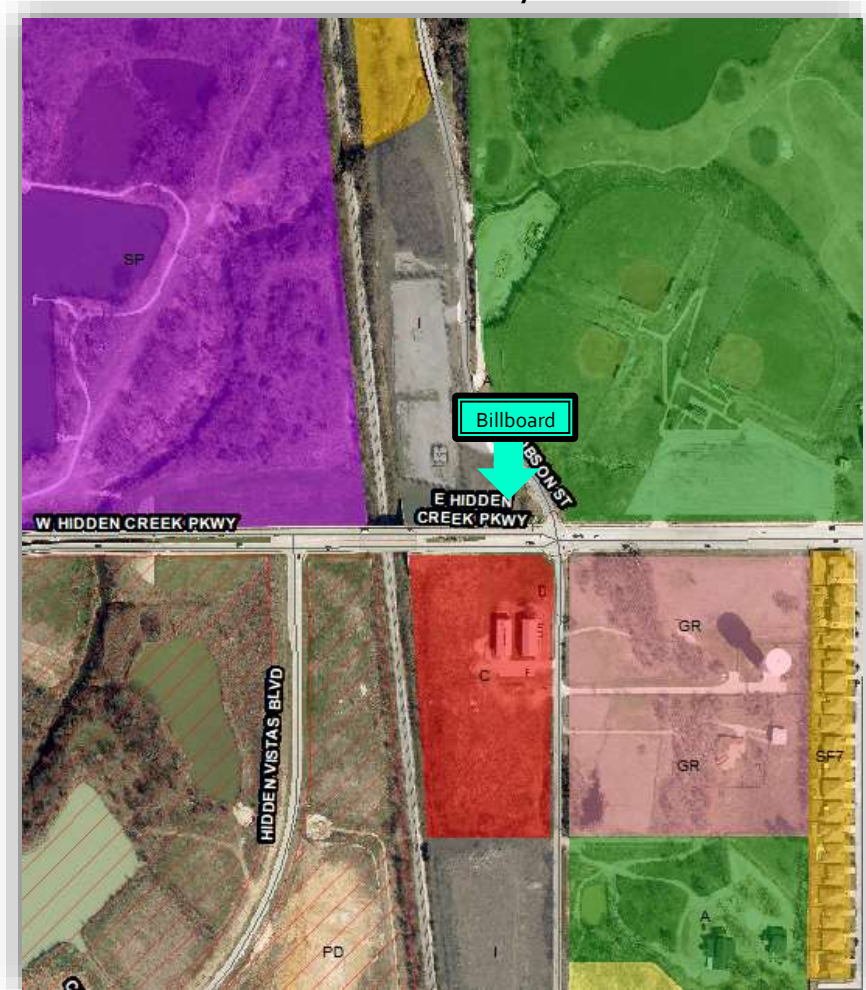


- Proposing Digital Commercial Billboard Signs:
 - One on I-35 (city owned property)
 - One on Hidden Creek Pkwy (city owned property)
- The City of Burleson will have dedicated time on each location for City promotions and public service messages.
- There is the possibility of revenue sharing from the placement of the off-premises signs on city-owned property

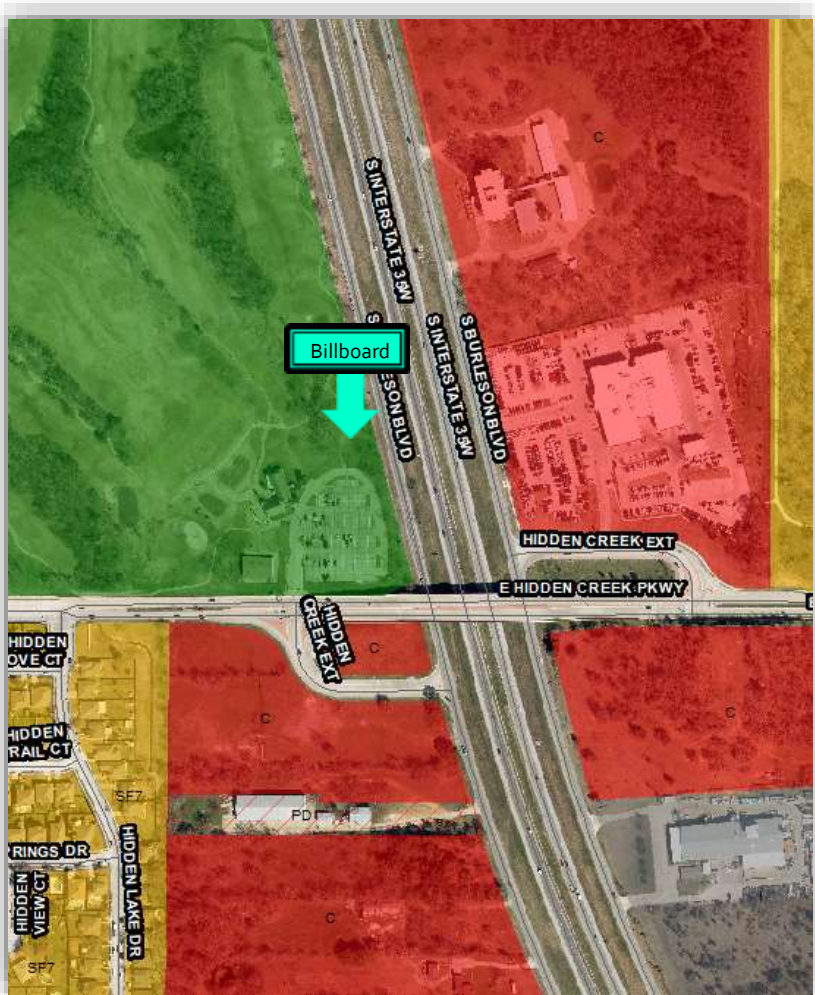


Proposed Locations

Hidden Creek Pkwy



I-35



Permanent Off-Premises Signs

Permanent Off-Premises Signs (Billboard):

- *Off-premises sign*. A sign that directs attention to a business, profession, activity, commodity, service, or entertainment other than one conducted, sold, or offered upon the premises where such sign is located.
- *Electronic billboard* means a sign that can change its copy or sign face by changing or altering a fixed display screen composed of electrically illuminated elements; that also directs attention to a business, product, service, conducted, sold, or offered at a location other than on the premises on which the sign is located.
- “The construction of new permanent off-premises signs shall be **prohibited** in any zoning district effective September 1, 2002.”
- “Converting an existing sign to digital shall be considered a face change and will be allowed, but will not change the nonconforming status of the sign.”

Existing Permanent Off-Premises Signs

- There are 55 legally non-conforming permanent off-premises signs
- All of these signs are eligible to switch out to electronic billboards under Sec. 63-55
- Non-conforming billboard signs must adhere to city code standards that govern non-conforming signs

Sign Regulations-other cities

- The City of Grand Prairie prohibits permanent off-premises signs (billboards). City allows conversion of existing billboards to electronic messaging sign.
- The City of Lewisville prohibits permanent off-premises signs (billboards). City approved an agreement to relocate existing billboards (with stipulations) as a result of a TXDOT right-of-way widening project.
- The City of Duncanville prohibits permanent off-premises signs (billboards). City allows conversion of existing billboards to electronic messaging signs.
- The City of Irving prohibits permanent off-premises signs (billboards) if installed after June 3, 1999. City allows conversion of existing legal non-conforming billboards to electronic messaging sign.

Course of Action

- In order to entertain new permanent off-premises signs, the Code would need to be amended:
 - Revise Chapter 63 to allow permanent off-premises signs by right or via SUP
 - Council can consider additional restrictions (ex. Sec. 63-55)
- Amendments to the sign code will require City Council approval.

▲ Sec. 63-55. Permanent off-premises signs (billboard).

(a) Location.

- (1) ~~The construction of new permanent off-premises signs shall be prohibited in any zoning district effective September 1, 2002. The construction of new permanent off-premises signs shall also be prohibited in the city's extraterritorial jurisdiction. The existing, nonconforming permanent off-premises signs in the city or its extraterritorial jurisdiction that are adjacent to interstate highways and federal-aid primary highways, as those terms are defined in the Highway Beautification Act, are subject to the regulations in this section. All Texas Department of Transportation regulations for permanent off-premises signs shall apply in addition to the requirements of this chapter.~~
- (2) Electronic billboards.
 - a. Converting an existing sign to digital sign shall be considered a face change and will be allowed, but will not change the nonconforming status of the sign.
 - b. Message changes on digital signs shall be allowed at two-second transition with an eight-second hold time.
- (3) No sign shall extend into any area identified as an airport air hazard zone as defined by Spinks Airport Air Hazard Zoning Ordinance as adopted by Resolution No. 503.

(b) Area.

- (1) Each panel or sign shall not exceed 300 square feet in total area.
- (2) No more than two panels or sign faces will be allowed for each sign.
- (3) No off-premises sign shall exceed 60 feet in length, inclusive of border and trim.

(c) Height.

- (1) Maximum 30 feet; except:
 - a. Maximum 50 feet along SH 174; or
 - b. Maximum 70 feet along IH 35.
- (2) Signs must maintain a ten-foot clearance from ground to sign.

Request for Proposal

- Use of city-owned properties in conjunction with a private entity will require a Request for Proposal (RFP)
- City cannot exclude any other interested party from responding to the RFP
- City cannot violate provisions of the existing sign code via the RFP
- Clear Channel Outdoor would be subject to same process as other interested parties

Council Direction and Next Steps

- Staff is seeking Council's direction regarding next steps in the process
- If Council wants to proceed with allowing new billboards, text amendments to Chapter 63 are required
- Any amendment that allows new permanent off-premises signs may result in a proliferation of billboards

City Council Regular Meeting

DEPARTMENT: Public Works

FROM: Eric Oscarson, Director of Public Works

MEETING: August 1, 2022

SUBJECT:

Receive a report, hold a discussion, and give staff direction regarding renovation options for City Hall. (*Staff Presenter: Tommy Ludwig, Deputy City Manager*)

SUMMARY:

As part of the Ellison on the Plaza project, the Annex 3 building will be demolished, and certain staff members will need to be relocated to City Hall. On February 7, 2022, City Council approved a contract with Brinkley Sargent Wiginton for professional services for minor and major renovation options and estimated costs for city hall. Brinkley Sargent Wiginton has been working with staff over the last 6 months reviewing current and future staffing needs, space needs, and inspecting the current facility. They have drafted three renovations options and cost estimated for City Council to evaluate.

RECOMMENDATION:

Hold a discussion and give direction regarding renovation options of City Hall.

FISCAL IMPACT:

Funding for the improvements will be determined based on direction from City Council.

STAFF CONTACT:

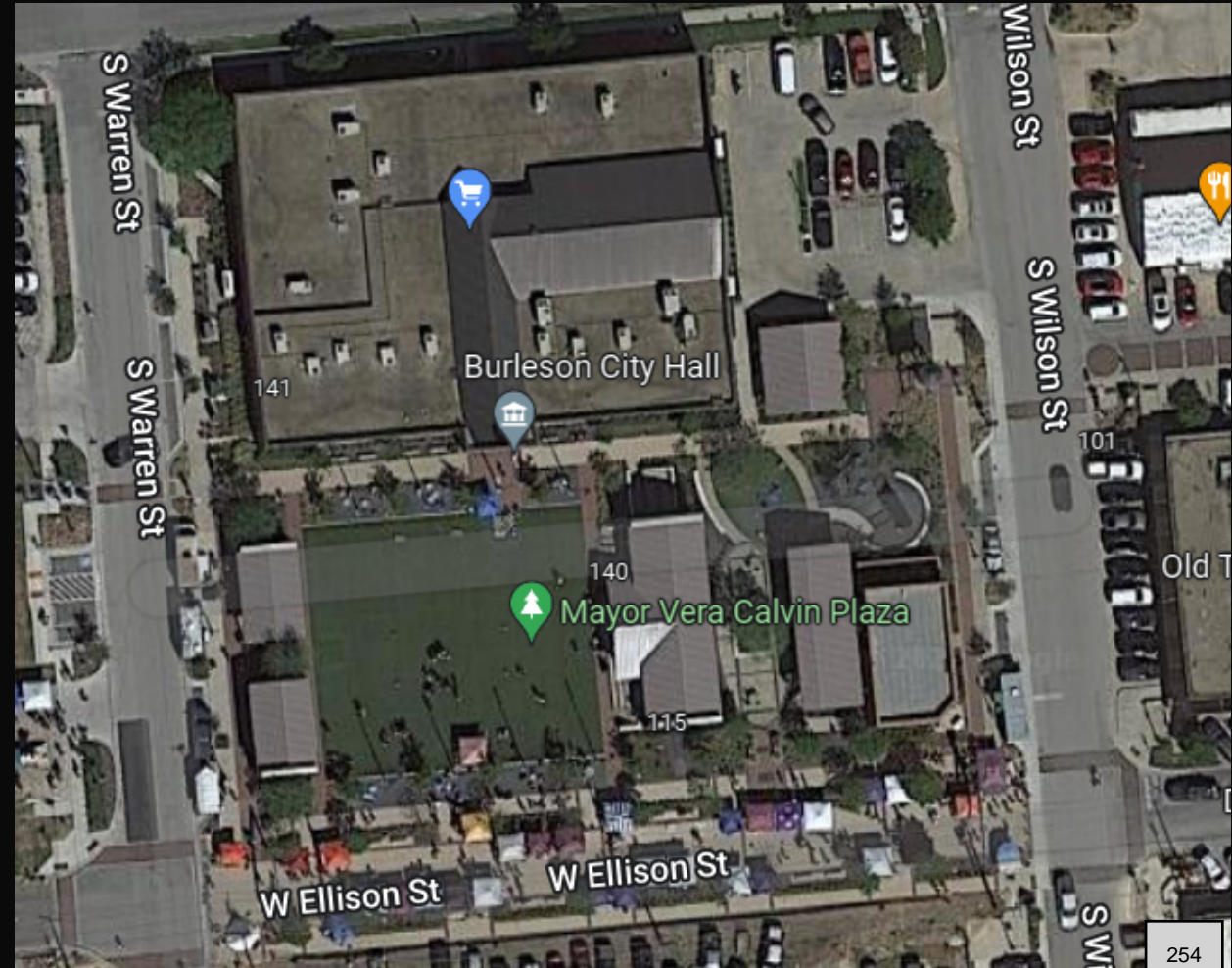
Eric Oscarson
Director of Public Works
eoscarson@burlesontx.com
817-426-9837

CITY HALL RENOVATION

THE CITY OF
BURLESON
TEXAS

CITY HALL RENOVATION

Requesting City Council direction regarding the renovation of City Hall.



ELLISON STREET PROJECT

- Ellison on the Plaza Project to house city staff
- 114 W. Ellison to be demoed and repurposed
- Certain staff from 114 Ellison to move to City Hall
- Renovations required at City Hall to house new staff

FUNDING

Original Funding

- \$204,000 - Cash
- \$120,000 - PEG

Additional Funding

- Contingency Savings from Ellison Street Project
- Cash



ARCHITECTURAL AGREEMENT

On February 7, 2022, City Council approved a contract with Brinkley Sargent Wiginton for professional services for minor and major renovation options and estimated costs for city hall.



NEEDS ASSESSMENT

BSW completed an assessment of current and future needs of all departments to be housed in City Hall.

- Existing City Hall Square Footage could accommodate 7-10 additional years of staff growth.
- Space is not sufficient beyond 10 years.

Based on assessments, BSW provided 3 options for consideration.



OPTION 1

Estimated Cost

Includes Design,
Construction, FFE
\$1,304,000



OPTION 2

Estimated Cost

Includes Design,
Construction and
FFE

\$2,545,000



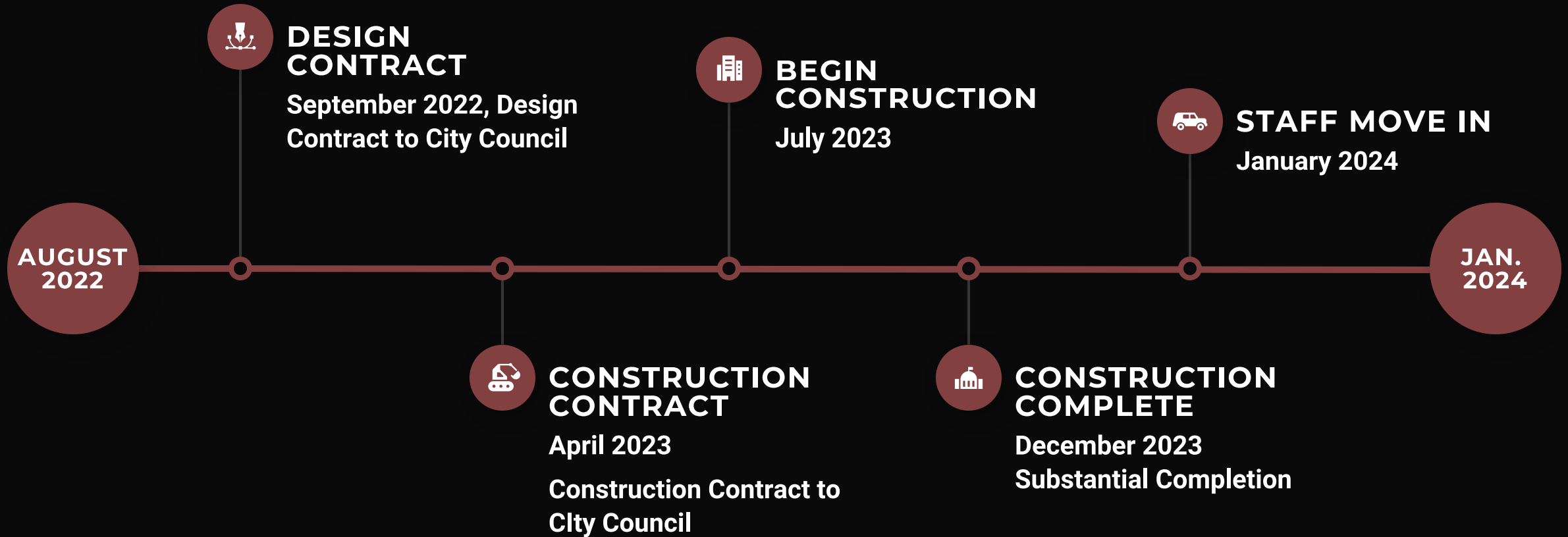
OPTION 3

Estimated Cost

Includes Design,
Construction, and
FFE

\$6,301,000





NEXT STEPS

DISCUSSION

QUESTIONS?



City Council Regular Meeting

DEPARTMENT: City Manager's Office
FROM: Bryan Langley, City Manager
MEETING: August 15, 2022

SUBJECT:

Receive a report, hold a discussion, and give staff direction regarding the proposed budget and receive any additional direction from City Council regarding the fiscal year 2022-2023 annual budget. *(Staff Presenter: Bryan Langley, City Manager)*

SUMMARY:

On August 4, 2022, the City Council discussed the City Manager's proposed budget for FY 2022-23. During the discussion, the Council requested that staff evaluate possibilities for lowering the tax rate further. Specifically, the Council requested that staff explore the possibility of lowering the tax rate to the maintenance and operation "no new revenue rate" (M&O NNRR). To facilitate this discussion, staff has compiled the below information to show the annual and cumulative impact on revenue if an additional tax rate reduction is proposed.

	Tax Rate	FY 23 Tax Levy (in millions)	FY23-27 Tax Levy (in millions)	FY 23-32 Tax Levy (in millions)
Proposed GF Tax Rate	\$0.4649	\$24.314	\$136.256	\$312.479
Proposed Debt Rate	\$0.1923	\$8.525	\$47.106	\$107.227
Total	\$0.6572	\$32.839	\$183.362	\$419.706
1 Cent Reduction M&O	\$0.4549	\$23.871	\$133.811	\$306.867
Proposed Debt Rate	\$0.1923	\$8.525	\$47.106	\$107.227
Total	\$0.6472	\$32.396	\$180.917	\$414.094
Difference to Proposed Budget	\$0.0100	\$0.443	\$2.445	\$5.612
1.73 Cents Reduction	\$0.6399	\$32.073	\$179.132	\$409.998
Difference to Proposed budget	\$0.0173	\$0.766	\$4.230	\$9.708

As shown, a 1 cent (\$0.01 per \$100) tax rate reduction will reduce revenue by \$443,000 in FY 2023, \$2.445 million over the next five years (FY 23-27) and \$5.612 million over the next 10 years (FY 23-32). Likewise, if the rate is reduced by 1.73 cents (\$0.0173 per \$100), revenue will be reduced by \$766,000 in FY 23, \$4.23 million over the next five years (FY23-27), and

\$9.708 million over the next 10 years (FY 23-32). These figures include the impact of compounding the rate of growth over the base year. In other words, the FY 23 values are projected to increase slightly each year as property values continue to grow.

In order to reduce property taxes further, the City Council will need to consider options on reducing costs to match the revenue losses outlined. During the August 4th presentation, the Council asked staff to consider options that would reduce costs tied to the City's proposed Capital Improvement Program. The attached presentation details the options that staff has identified, and it will be used to facilitate a discussion of the issues.

STAFF CONTACT:

Martin, Avila
Finance Director
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817-426-9651



Budget Discussion

PRESENTED TO THE CITY COUNCIL ON AUGUST 15, 2022

Presentation Overview

- Review of City Manager's Proposed Budget
 - Tax Rate and assumptions for 5 Year Plan
- Comparison of Tax Rates for Tax Year 2022 (FY2022-2023)
 - Proposed tax rate – capture 3% growth of tax base
 - Tax rate to generate the same property tax revenue for General Fund (M&O) as in Tax Year 2021
 - Tax rate to generate the same property tax revenue for General Fund and Debt Service as in Tax Year 2021
- Additional Tax Rate Reduction Options

Proposed Budget Recap

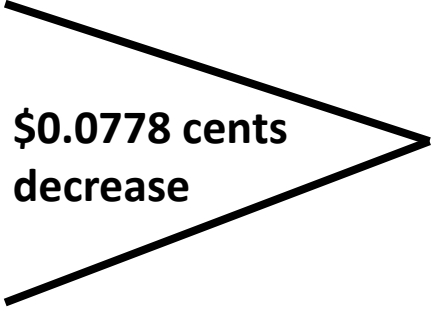
City Manager's Proposed Budget - Recap

- FY 2022-23 Proposed Budget recommends a tax rate of \$0.6572 /\$100 of valuation.
 - 4th straight year that the tax rate has been reduced.
 - Reduction of \$0.0287 – almost 8 cents over the past 4 years.
- Budget was developed with a focus on cost containment and financial sustainability.
 - City is absorbing over 9% annual inflation.
 - No increases in utility fees are proposed.
 - Proposed tax rate is equivalent to a 2.8% increase for average homeowner (\$43 per year).
 - If utility fees are included, an average homeowner would pay approximately 1.5% more over the coming year.

Tax Rate History - Recap

Fiscal Year	M&O (GF) Rate	Debt Service Rate	Total Rate
FY 2022-23 Proposed	\$0.4649	\$0.1923	\$0.6572
FY 2021-22	\$0.04974	\$0.1885	\$0.6859
FY 2020-21	\$0.5187	\$0.1924	\$0.7111
FY 2019-20	\$0.5106	\$0.2094	\$0.7200
FY 2018-19	\$0.5228	\$0.2122	\$0.7350
FY 2017-18	\$0.5228	\$0.2122	\$0.7350
FY 2016-17	\$0.5228	\$0.2122	\$0.7350
FY 2015-16	\$0.5278	\$0.2122	\$0.7400
FY 2014-15	\$0.5278	\$0.2122	\$0.7400
FY 2013-14	\$0.5278	\$0.1622	\$0.6900

**\$0.0778 cents
decrease**



Lowest tax rate since FY 2007-2008 total tax rate - \$0.6618 (15 years ago)

Summary of Assumptions - Recap

	FY 23	FY 24	FY 25	FY 26	FY 27
Existing Appraised Value Growth	3%	3%	3%	3%	3%
New Construction	\$147M	\$125M	\$127.5M	\$130M	\$132.6M
Sales Tax Growth	12%	3%	3%	3%	3%
Compensation *	3.5%	3.5%	3.5%	3.5%	3.5%
Tax Rate	\$0.6572	\$0.6572	\$0.6572	\$0.6572	\$0.6572
Cash Funding – Capital Projects	\$2.5M	\$2.5M	\$1.0M	\$1.0M	\$1.0M
Future Bond Sales	\$9.6M	\$25.9M	\$19.5M	\$14.0M	\$17.5M

*Plus eligible step increases for Police/Fire
FY 23 Compensation effective 10/1/2022

\$8 million cash funding capital projects estimated over
the next 5 years

Average Home Value - Recap

Fiscal Year	Average Home Value	Tax Rate	Tax Levy	Homestead	Net Tax Bill
FY 2022	\$232,000	\$0.6859	\$1,591.29	\$0.00	\$1,591.29
FY 2023	\$253,812	\$0.6572	\$1,668.05	(\$32.86)	\$1,635.19
Net Difference	\$21,812	(\$0.0287)	\$76.76	(\$32.86)	\$43.90

- Monthly net tax bill increase of \$3.66 per month.

General Fund Overview – Recap

	FY 21-22 Budget	FY 21-22 Estimate	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected	FY 29-30 Projected	FY 30-31 Projected	FY 31-32 Projected
Beginning Fund Balance	\$ 15,690,783	\$ 18,339,917	\$ 22,135,793	\$ 20,022,646	\$ 19,221,626	\$ 18,231,223	\$ 16,985,961	\$ 16,208,837	\$ 15,464,231	\$ 15,582,537	\$ 16,649,242	\$ 18,640,922
Property Tax	\$ 22,568,177	\$ 22,855,000	\$ 24,673,009	\$ 25,899,469	\$ 27,187,037	\$ 28,538,761	\$ 29,957,842	\$ 31,595,408	\$ 33,322,736	\$ 35,144,755	\$ 37,066,663	\$ 39,093,945
Property Tax- Chisholm Summit	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,030,000	\$ 1,575,900	\$ 2,138,177	\$ 2,717,322	\$ 3,313,842	\$ 3,928,257	\$ 4,561,105
Homestead exemption	\$ -	\$ -	\$ -	\$ (175,000)	\$ (350,000)	\$ (525,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)
Sales Tax	\$ 12,414,500	\$ 13,995,907	\$ 14,415,784	\$ 14,848,257	\$ 15,293,705	\$ 15,752,516	\$ 16,225,092	\$ 16,711,844	\$ 17,213,200	\$ 17,729,596	\$ 18,261,484	\$ 18,809,328
Other Revenue	\$ 12,622,265	\$ 17,024,758	\$ 14,126,072	\$ 15,863,614	\$ 16,568,374	\$ 17,289,438	\$ 18,046,513	\$ 18,820,263	\$ 19,632,855	\$ 20,486,503	\$ 21,269,229	\$ 22,105,508
Total Revenue	\$ 47,604,942	\$ 53,875,665	\$ 53,214,864	\$ 56,436,341	\$ 59,199,116	\$ 62,085,715	\$ 65,105,347	\$ 68,565,692	\$ 72,186,114	\$ 75,974,696	\$ 79,825,633	\$ 83,869,886
Base Expenses	\$ 50,037,653	\$ 50,079,789	\$ 52,177,833	\$ 52,342,967	\$ 55,428,279	\$ 57,683,195	\$ 59,612,457	\$ 61,573,240	\$ 63,604,652	\$ 65,709,304	\$ 67,889,906	\$ 70,149,271
ARPA funds	\$ -	\$ -	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Future Supplemental	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000	\$ 3,500,000	\$ 4,000,000
Cash Funding Projects	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Supplementals	\$ -	\$ -	\$ 2,650,178	\$ 1,894,393	\$ 2,761,239	\$ 3,147,782	\$ 3,270,014	\$ 3,397,058	\$ 3,529,106	\$ 3,666,355	\$ 3,809,010	\$ 3,957,285
Fire Station 4 - Operation and Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,340,000	\$ 2,434,050	\$ 2,532,332	\$ 2,635,037	\$ 2,742,364
Total Expenditures	\$ 50,037,653	\$ 50,079,789	\$ 55,328,011	\$ 57,237,361	\$ 60,189,518	\$ 63,330,977	\$ 65,882,471	\$ 69,310,298	\$ 72,067,808	\$ 74,907,991	\$ 77,833,953	\$ 80,848,920
Change in Fund Balance	\$ (2,432,711)	\$ 3,795,876	\$ (2,113,147)	\$ (801,020)	\$ (990,403)	\$ (1,245,262)	\$ (777,124)	\$ (744,606)	\$ 118,306	\$ 1,066,705	\$ 1,991,680	\$ 3,020,966
Ending Fund Balance	\$ 13,258,072	\$ 22,135,793	\$ 20,022,646	\$ 19,221,626	\$ 18,231,223	\$ 16,985,961	\$ 16,208,837	\$ 15,464,231	\$ 15,582,537	\$ 16,649,242	\$ 18,640,922	\$ 21,661,889
FB % of Expenditure	26.50%	44.20%	36.19%	33.58%	30.29%	26.82%	24.60%	22.31%	21.62%	22.23%	23.95%	26.79%

- Cash Funding Projects - \$8 million

Additional Capital Projects - Recap

Additional Projects	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
Fire Station 1 Improvements	\$ 300,000	\$ 1,700,000	\$ -	\$ -	\$ -	\$ 2,000,000
City Hall Renovations	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
Alsbury Phase 1 Widening - Candler to Hulen	\$ 323,545	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 3,823,545
Alsbury Design and ROW Acquisition (additional to GO Bond project)	\$ -	\$ 1,833,091	\$ -	\$ -	\$ -	\$ 1,833,091
Hulen 4-Lane Expansion (additional to GO Bond project)	\$ -	\$ -	\$ -	\$ 3,630,029	\$ -	\$ 3,630,029
Renfro Street & Johnson Avenue Pedestrian Improvement	\$ 192,497	\$ -	\$ -	\$ -	\$ -	\$ 192,497
Village Creek Parkway Expansion (Tarrant County Bond 50% Match)	\$ -	\$ -	\$ -	\$ -	\$ 3,501,839	\$ 3,501,839
Wicker Hill Rd & Greenridge Dr Road Reconstruction		\$ -	\$ 949,045	\$ 4,040,465		\$ 4,989,510
Hidden Vistas Extention to CR714					\$ 1,575,349	\$ 1,575,349
Additional Pavement Rehab			\$ 808,198			\$ 808,198
TOTAL	\$ 2,316,042	\$ 7,033,091	\$ 1,757,243	\$ 7,670,494	\$ 5,077,188	\$ 23,854,058
Sources						
Impact Fees	\$ 241,871	\$ -	\$ 949,045	\$ -	\$ 2,064,645	\$ 3,255,561
TIF 2 cash funding	\$ 192,497	\$ -	\$ -	\$ -	\$ -	\$ 192,497
GF Cash funding	\$ 1,500,000	\$ 1,833,091	\$ 808,198	\$ 846,168	\$ 3,012,543	\$ 8,000,000
TIF 3 (dissolved) debt capacity	\$ 81,674	\$ 3,500,000	\$ -	\$ 6,824,326	\$ -	\$ 10,406,000
Excess debt capacity	\$ 300,000	\$ 1,700,000	\$ -	\$ -	\$ -	\$ 2,000,000
TOTAL	\$ 2,316,042	\$ 7,033,091	\$ 1,757,243	\$ 7,670,494	\$ 5,077,188	\$ 23,854,058

Legal Requirements

- State of Texas has specific requirements for adopting tax rates and the budget.
- For the budget, a simple majority of Council (4 votes) is required to pass the budget.
- However, for the tax rate, the State requires that at least 60% of the Council approve a tax rate that exceeds the No New Revenue Rate.
 - This equates to 5 votes that are needed to pass a tax rate that exceeds the NNR rate.
- As such, the Council needs to discuss what tax rate is desired so that the appropriate tax rate ordinances can be prepared.

Tax Rate Options

City Council Direction

- On August 4th, the City Council requested options to reduce the tax rate further.
- Council discussed the possibility of adopting the No New Revenue Rate (NNR) of \$0.6218.
- Directed staff to pursue options that would reduce the rate to either 1) M&O NNR, or 2) rate that would cause no increase to average residential taxpayer (including homestead).
- Direction was to identify options related to capital projects.
 - Option 1 - Reduce cash funded projects.
 - Option 2 - Reduce combination of cash and debt funded projects.
 - Option 3 - Reduce debt funded capital projects.

Property Tax Rate – Average Home Value

Fiscal Year	Average Home Value	Tax Rate	Tax Levy	Homestead	Net Tax Bill	Annual Diff	Monthly
FY 2022	\$232,000	\$0.6859	\$1,591	\$0.00	\$1,591.29		
Proposed	\$253,812	\$0.6572	\$1,668	(\$32.86)	\$1,635.19	\$43.90	\$3.66
M&O rate impact	\$253,812	\$0.6472	\$1,643	(\$32.86)	\$1,610.07	\$18.78	\$1.56
Total rate impact	\$253,812	\$0.6399	\$1,624	(\$32.86)	\$1,591.29	\$0.00	\$0.00

- One cent on the tax rate - \$443,000
- M&O rate impact (\$0.4649 to \$0.4549) - \$443,000 FY 23
\$2,445,000 less revenue projected over 5 year period; \$5,612,000 over 10 years
- Total rate impact (\$0.6572 to \$0.6399) - \$766,303 FY 23
\$4,230,000 less revenue projected over 5 year period; \$9,708,000 over 10 years

Financial Overview – Reduce \$0.01 in M&O

	FY 21-22 Budget	FY 21-22 Estimate	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected	FY 29-30 Projected	FY 30-31 Projected	FY 31-32 Projected
Beginning Fund Balance	\$ 15,690,783	\$ 18,339,917	\$ 22,135,793	\$ 19,507,060	\$ 19,664,675	\$ 19,105,840	\$ 18,263,723	\$ 17,859,901	\$ 16,454,129	\$ 15,874,905	\$ 16,205,716	\$ 17,421,028
Property Tax	\$ 22,568,177	\$ 22,855,000	\$ 24,157,423	\$ 25,358,104	\$ 26,618,604	\$ 27,941,906	\$ 29,331,145	\$ 30,934,242	\$ 32,625,206	\$ 34,408,861	\$ 36,290,295	\$ 38,274,876
Property Tax- Chisholm Summit	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,030,000	\$ 1,575,900	\$ 2,138,177	\$ 2,717,322	\$ 3,313,842	\$ 3,928,257	\$ 4,561,105
Homestead exemption	\$ -	\$ -	\$ -	\$ (175,000)	\$ (350,000)	\$ (525,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)
Sales Tax	\$ 12,414,500	\$ 13,995,907	\$ 14,415,784	\$ 14,848,257	\$ 15,293,705	\$ 15,752,516	\$ 16,225,092	\$ 16,711,844	\$ 17,213,200	\$ 17,729,596	\$ 18,261,484	\$ 18,809,328
Other Revenue	\$ 12,622,265	\$ 17,024,758	\$ 14,126,072	\$ 15,863,614	\$ 16,568,374	\$ 17,289,438	\$ 18,046,513	\$ 18,820,263	\$ 19,632,855	\$ 20,486,503	\$ 21,269,229	\$ 22,105,508
Total Revenue	\$ 47,604,942	\$ 53,875,665	\$ 52,699,279	\$ 55,894,976	\$ 58,630,683	\$ 61,488,860	\$ 64,478,649	\$ 67,904,526	\$ 71,488,584	\$ 75,238,802	\$ 79,049,265	\$ 83,050,818
Base Expenses	\$ 50,037,653	\$ 50,079,789	\$ 52,177,833	\$ 52,342,967	\$ 55,428,279	\$ 57,683,195	\$ 59,612,457	\$ 61,573,240	\$ 63,604,652	\$ 65,709,304	\$ 67,889,906	\$ 70,149,271
ARPA funds	\$ -	\$ -	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Future Supplemental	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000	\$ 3,500,000	\$ 4,000,000
Cash Funding Projects	\$ -	\$ -	\$ 2,500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplementals	\$ -	\$ -	\$ 2,650,178	\$ 1,894,393	\$ 2,761,239	\$ 3,147,782	\$ 3,270,014	\$ 3,397,058	\$ 3,529,106	\$ 3,666,355	\$ 3,809,010	\$ 3,957,285
Fire Station 4 - Operation and Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,340,000	\$ 2,434,050	\$ 2,532,332	\$ 2,635,037	\$ 2,742,364
Total Expenditures	\$ 50,037,653	\$ 50,079,789	\$ 55,328,011	\$ 55,737,361	\$ 59,189,518	\$ 62,330,977	\$ 64,882,471	\$ 69,310,298	\$ 72,067,808	\$ 74,907,991	\$ 77,833,953	\$ 80,848,920
Change in Fund Balance	\$ (2,432,711)	\$ 3,795,876	\$ (2,628,732)	\$ 157,615	\$ (558,836)	\$ (842,117)	\$ (403,822)	\$ (1,405,772)	\$ (579,224)	\$ 330,811	\$ 1,215,312	\$ 2,201,898
Ending Fund Balance	\$ 13,258,072	\$ 22,135,793	\$ 19,507,060	\$ 19,664,675	\$ 19,105,840	\$ 18,263,723	\$ 17,859,901	\$ 16,454,129	\$ 15,874,905	\$ 16,205,716	\$ 17,421,028	\$ 19,622,926
FB % of Expenditure	26.50%	44.20%	35.26%	35.28%	32.28%	29.30%	27.53%	23.74%	22.03%	21.63%	22.38%	24.27%

- Reduce cash funding capital projects from \$8,000,000 to \$3,500,000
- \$2,445,000 less in tax revenue over 5 years
- \$5,612,000 less in tax revenue over 10 years

Tax Reduction Options

- Option 1 (cash only)
 - Reduces the M&O rate from the proposed rate of \$0.4649 to \$0.4549
 - Reduces cash funded projects by \$4,500,000 over the five year plan
- Option 2 (cash and debt)
 - Reduces the M&O rate from the proposed rate of \$0.4649 to \$0.4599
 - Reduce the debt rate from the proposed rate of \$0.1923 to \$0.1873
 - Reduces cash funded projects by \$1,500,000 and debt funded projects by \$2,883,000 over the five year plan.
- Option 3 (debt only)
 - Reduces the debt rate from the proposed rate of \$0.1923 to \$0.1823
 - Reduces debt funded projects by \$5,763,000 over the five year plan

Tax Reduction Options

- Staff eliminated and reallocated funding for the various capital projects based on the remaining capacities associated with each reduction option.
- Reprioritization was based upon:
 - Feedback from City Council at the August 4th budget meeting.
 - Maximization of the remaining funding sources.
- The following projects were removed in the various reduction options:
 - Wicker Hill and Greenridge Reconstruction (Option 1, 2, and 3)
 - Hidden Vistas Extension to CR714 (Option 1, 2, and 3)
 - Additional Pavement Rehabilitation (Option 3 only)

Option Summary

- | | |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Option 1 | Reduce Proposed Tax Rate from \$0.6572 to \$0.6472; M&O rate \$0.4549 and Debt Rate \$0.1923 ; reduce cash funded capital projects from \$8 million to \$3.5 million |
| Option 2 | Reduce Proposed Tax Rate from \$0.6572 to \$0.6472; Combination of Cash ad Debt fund projects, M&O Rate \$0.4599 and Debt Rate \$0.1873 ; reduce cash funded capital projects from \$8 million to \$6.5 million; reduce debt funded projects by \$2.9 million |
| Option 3 | Reduce Proposed Tax Rate from \$0.6572 to \$0.6472; M&O rate \$0.4649 and Debt Rate \$0.1823 ; maintain \$8 million in cash funded capital projects; reduce debt funded projects by \$5.8 million |
| Option 4 | City Manager's Proposed Budget; tax rate of \$0.6572 |
| Option 5 | Other? |