



City of La Vernia
CITY COUNCIL MEETING
102 E. Chihuahua St., La Vernia, Texas 78121
September 10, 2026
6:30 PM

AGENDA

1. Call to Order

2. Invocation & Pledge of Allegiance

3. Citizens to Be Heard

(At this time, citizens who have filled out a registration form prior to the start of the meeting may speak on any topic they wish to bring to the attention of the governing body so long as that topic is not on the agenda for this meeting. Citizens may speak on specific agenda items when that item is called for discussion. During the Citizens to Be Heard section, no council action may take place, and no council discussion or response is required to the speaker. A time limit of three minutes per speaker is permitted; the council may extend this time at their discretion.)

4. Consent Agenda

(All consent agenda items are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember requests an item be removed and considered separately.)

- A. Minutes from the 08/13/2026 City Council Meeting
- B. Minutes from the 08/24/2026 Joint City Council and MDD budget workshop
- C. Minutes from the 09/02/2026 Joint City Council and MDD budget workshop

5. Proclamations

- A. Proclamation regarding National Night Out
- B. Proclamation regarding World Teachers Day

6. Public Hearing

- A. The City of La Vernia City Council will hold a Public hearing regarding Ordinance No. 091026-01 adopting the 2026-2027 Fiscal Year Budget

A.1 Open Public Hearing

A.2 Staff Presentation

A.3 Receive Public Comments

A.4 Close Public Hearing

A.5 Discuss and consider action on Ordinance No. 091026-01 adopting the 2026-2027 Fiscal Year Budget

- B.** The City of La Vernia City Council will hold a Public hearing regarding Ordinance No. 091026-02 adopting the 2026 Ad Valorem Tax Rate, consisting of Operation and Maintenance and Interest and sinking (Debt Service) Tax Rate.

B.1 Open Public Hearing

B.2 Staff Presentation

B.3 Receive Public Comments

B.4 Close Public Hearing

B.5 Discuss and consider action on Ordinance No. 091026-02 adopting the 2026 Ad Valorem Tax Rate, consisting of Operation and Maintenance and Interest and sinking (Debt Service) Tax Rate.

7. Discussion/Action

- A.** Discuss and consider action on the FY 26-27 Holiday schedule
B. Discuss and consider action on the 26-28 Pay Scale
C. Discuss and consider action on the Budget Policy
D. Discuss and consider action on the Fund Policy
E. Discuss and consider action on the Investment Policy

8. Discussion Only

- A.** Discussion surrounding amendments to Ch. 38, Zoning regarding landscape standards and tree preservation

9. Resolutions

- A.** Discuss and consider action on Resolution R091026-01 a Professional Services Agreement with King Fish Developmnt, LLC
B. Discuss and consider action on Resolution No.091026-02 regarding the fee schedule for FY 26-27
C. Discuss and consider action on Resolution No.091026-03 regarding Wells Fargo additional one-year extension

10. Ordinances

- A.** Discuss and consider action on Ordinance No. 091026-03 authorizing the city's combination tax and limited pledge revenue certificates of obligation, series 2026 in the maximum amount of \$2,500,000, for the purposes set forth in the city's notice of intention, payable from the proceeds of an annual ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the city, and a pledge of certain revenues of the city's waterworks and sewer utility system; and other matters in connection therewith

11. Executive Session

The City Council for the City of La Vernia reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act, Texas Government Code 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberation about Security Devices), and 551.087 (Economic Development), and any other provision under Texas law that permits a governmental body to discuss a matter in a closed executive session.

12. Items Specific to Future Line Items on the Agenda

13. Adjourn

DECORUM REQUIRED

Any disruptive behavior, including shouting or derogatory statements or comments may be ruled out of order by the Presiding Officer. Continuation of this type of behavior could result in a request by the Presiding Officer that the individual leave the meeting, and if refused, an order of removal.

The City Council for the City of La Vernia reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act, Texas Governmental Code §551.071 (Consultation with Attorney), §551.072 (Deliberations about Real Property), §551.073 (Deliberations about Gifts and Donations), §551.074 (Personnel Matters), §551.076 (Deliberations about Security Devices), and §551.087 (Economic Development), and any other provisions under Texas law that permit a governmental body to discuss a matter in closed executive session.

The City of La Vernia Council meetings are available to all persons regardless of disability. The facility is wheelchair accessible and parking spaces are available. Request for accommodations, should you require special assistance, must be made 48 hours prior to this meeting. Braille is not available. Please contact the City Secretary at (830) 779-4541 or email mfarrow@lavernia-tx.gov

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the above named La Vernia City Council is a true and correct copy of said Notice and that I posted true and correct copy of said Notice on the bulletin boards of the City Hall of said La Vernia, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on **September 04, 2026 at 5:00 PM** and remained so posted continuously for at least 3 business days proceeding the scheduled time of said meeting.

Madison Farrow, City Secretary



City of La Vernia
CITY COUNCIL MEETING
102 E. Chihuahua St., La Vernia, Texas 78121
August 13, 2026
6:30 PM

Section 4, Item A.

MINUTES

1. Call to Order

The meeting was called to order at 6:32PM

Mayor Gilbert, and Council members Recker, Rabel, Ingle and Oates were present. Evans was absent.

2. Invocation & Pledge of Allegiance

Pastor Bobby Nixon lead the prayer and Mayor Gilbert lead the pledges.

3. Citizens to Be Heard

(At this time, citizens who have filled out a registration form prior to the start of the meeting may speak on any topic they wish to bring to the attention of the governing body so long as that topic is not on the agenda for this meeting. Citizens may speak on specific agenda items when that item is called for discussion. During the Citizens to Be Heard section, no council action may take place, and no council discussion or response is required to the speaker. A time limit of three minutes per speaker is permitted; the council may extend this time at their discretion.)

There were no citizens to be heard.

4. Consent Agenda

(All consent agenda items are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember requests an item be removed and considered separately.)

A. Minutes from the 06/30/2026 City Council Workshop

B. Minutes from the 07/09/2026 City Council Meeting

Motion made by Recker, seconded by Oates to approve as listed, all in favor.

5. Public Hearing

A. The City of La Vernia City Council will hold a Public hearing regarding Ordinance No. 091026-01 adopting the 2026-2027 Fiscal Year Budget

A.1 Open Public Hearing

A.2 Staff Presentation

A.3 Receive Public Comments

A.4 Close Public Hearing

A.5 Discuss and consider action on Ordinance No. 091026-01 adopting the 2026-2027 Fiscal Year Budget

A.1 Open Public Hearing

The Public hearing was opened at 6:33PM.

A.2 Staff Presentation

City Administrator Lindsey Wheeler spoke, she went over a high level overview of the budget. She went over staff request as well.

A.3 Receive Public Comments

A citizen asked if we are having issues with the park lighting? Lindsey stated that we are having issues, the LED lights that are being requested will help with future issues.

A citizen asked about the drainage in the park? Lindsey stated that the funds are already accounted for.

A.4 Close Public Hearing

The Public Hearing was closed 6:45PM.

A.5 Discuss and consider action on Ordinance No. 091026-01 adopting the 2026-2027 Fiscal Year Budget

Mayor Gilbert tabled item for future workshop.

- B. The City of La Vernia City Council will hold a Public hearing regarding Ordinance No. 091026 -02 adopting the 2026 Ad Valorem Tax Rate, consisting of Operation and Maintenance and Interest and sinking (Debt Service) Tax Rate.

B.1 Open Public Hearing

B.2 Staff Presentation

B.3 Receive Public Comments

B.4 Close Public Hearing

B.5 Discuss and consider action on Ordinance No. 091026 -02 adopting the 2026 Ad Valorem Tax Rate, consisting of Operation and Maintenance and Interest and sinking (Debt Service) Tax Rate.

B.1 Open Public Hearing

The Public hearing was opened at 6:46PM.

B.2 Staff Presentation

City Administrator Lindsey Wheeler spoke, she presented the first draft of the tax rate for FY 26-27. She also went over charts showing our tax rates for the previous years, as well as surrounding cities tax rates. She highlighted on the voter-approval rate and why it decreased.

She also went over the impact, and pulled 3 properties in the city limits and showed what their current property taxes are with the current Tax at \$0.272538, and how much it would be with the proposed \$0.370000 tax rate.

B.3 Receive Public Comments

A citizen asked if there has been talk around rezoning the city limits? Mayor Gilbert stated the property owners have to request to annex into the city limits.

A citizen asked if we raised the rate last year? Lindsey stated we did we upped the tax rate to the current 0.272538.

A citizen asked about the new sewer system? Mayor Gilbert stated that we have to maintain and update it.

A citizen asked if there are any grants available? Mayor Gilbert stated yes there are grants and the staff is really good about finding and applying for them.

A citizen asked if the new homes coming in will impact them? Mayor Gilbert stated they are working to not have them affect them, he also highlighted that with more homes the tax rate could decrease.

B.4 Close Public Hearing

The Public Hearing was closed 7:09PM.

B.5 Discuss and consider action on Ordinance No. 091026 -02 adopting the 2026 Ad Valorem Tax Rate, consisting of Operation and Maintenance and Interest and sinking (Debt Service) Tax Rate.

Mayor Gilbert tabled item for future workshop.

6. Discussion Only

A. Discussion regarding the monthly meter replacement report

City Engineer Morgen Gore spoke, she stated all residential meters have been replaced. They only have commercial meters left, there are 54 of them that need to be replaced.

7. Resolutions

A. Discuss and consider action on Resolution No. 081326-01 regarding the contract for animal services with Hearts to Homes Rescue

City Administrator Lindsey Wheeler spoke, she stated Hearts to Homes Rescue will keep 2 spots available for us at anytime, they will work closely with the police department and already have a plan in place for animals.

Motion made by Recker, seconded by Rabel to approve Resolution No. 081326-01 regarding the contract for animal services with Hearts to Homes Rescue, all in favor.

B. Discuss and consider action on Resolution No. 081326-02 regarding the contract for inspection services

City Engineer Morgen Gore spoke, she states this will be as needed for civil inspections and will be charged to the developer.

Josh Mair was present from Toro Consulting and spoke on behalf of them.

Motion made by Recker, seconded by Oates to approve Resolution No. 081326-02 regarding the contract for inspection services, all in favor.

8. Executive Session

The City Council for the City of La Vernia reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act, Texas Government Code 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberation about Security Devices), and 551.087 (Economic Development), and any other provision under Texas law that permits a governmental body to discuss a matter in a closed executive session.

The City Council went into Executive Session at 7:19PM.

The City Council came out of Executive Session at 8:18PM.

- A. Pursuant to Local Government Code section §551.072. *(Deliberations about Real Property)* of the Open Meeting Act. Tex. Gov't Code, the City Council will meet in executive session to deliberate on proposed developments taking place at a property(S) legally known as A0008 J DELGADO SUR, TRACT 48N (U-1), ACRES 25 and A0008 J DELGADO SUR, TRACT 48P (U-1), ACRES 48.53
No public action was taken.
- B. Pursuant to Local Government Code section §551.074 *(Personnel Matters)* of the Open Meeting Act. Tex. Gov't Code, the City Council will meet in executive session to deliberate the annual job performance of the Chief of Police.
No public action was taken.
- C. Pursuant to Local Government Code section §551.074 *(Personnel Matters)* of the Open Meeting Act. Tex. Gov't Code, the City Council will meet in executive session to deliberate the annual job performance of the City Administrator.
No public action was taken.

9. Items Specific to Future Line Items on the Agenda

- Workshop (08/24/26)
- Tree Ordinance
- Trash contract
- Permitted use chart (churches)

10. Adjourn

Motion made by Oates, seconded by Rabel to adjourn at 8:30PM, all in favor.

DECORUM REQUIRED

Any disruptive behavior, including shouting or derogatory statements or comments may be ruled out of order by the Presiding Officer. Continuation of this type of behavior could result in a request by the Presiding Officer that the individual leave the meeting, and if refused, an order of removal.

The City Council for the City of La Vernia reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act, Texas Governmental Code §551.071 (Consultation with Attorney), §551.072 (Deliberations about Real Property), §551.073 (Deliberations about Gifts and Donations), §551.074 (Personnel Matters), §551.076 (Deliberations about Security Devices), and §551.087 (Economic Development), and any other provisions under Texas law that permit a governmental body to discuss a matter in closed executive session.

The City of La Vernia Council meetings are available to all persons regardless of disability. The facility is wheelchair accessible and parking spaces are available. Request for accommodations, should you require special assistance, must be made 48 hours prior to this meeting. Braille is not available. Please contact the City Secretary at (830) 779-4541 or email mfarrow@lavernia-tx.gov

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the above named La Vernia City Council is a true and correct copy of said Notice and that I posted true and correct copy of said Notice on the bulletin boards of the City Hall of said La Vernia, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on **August 06, 2026 at 4:30 PM** and remained so posted continuously for at least 3 business days proceeding the scheduled time of said meeting.

Madison Farrow, City Secretary



**JOINT CITY COUNCIL AND MDD BUDGET
WORKSHOP AND NOTICE OF POSSIBLE
QUORUM AT POSTED TIME OR DIRECTLY
FOLLOWING MDD WORKSHOP**

102 E. Chihuahua St., La Vernia, Texas 78121

August 24, 2026

6:30 PM

MINUTES

1. Call to Order

The meeting was called to order at 6:28PM By Mayor Gilbert for the City Council.

Mayor Gilbert, and Council members Recker, Evans, Rabel, Ingle and Oates were present.

The meeting was called to order at 6:29PM By Recker for the MDD board.

Recker, Gilbert, and Oates were present. Hyland, and Farmer were absent.

2. Citizens to Be Heard

(At this time, citizens who have filled out a registration form prior to the start of the meeting may speak on any topic they wish to bring to the attention of the governing body so long as that topic is not on the agenda for this meeting. Citizens may speak on specific agenda items when that item is called for discussion. During the Citizens to Be Heard section, no council action may take place, and no council discussion or response is required to the speaker. A time limit of three minutes per speaker is permitted; the council may extend this time at their discretion.)

There were no citizens to be heard.

3. Discussion Only

- A. Discussion regarding Ordinance No. 091026-01 adopting the 2026-2027 Fiscal Year Budget

City Administrator Lindsey Wheeler spoke, she went over the citywide budget overview. She went over each fund, what they are and what they do.

She then went over the general fund and new request items for the new budget year. Council then asked some questions and made cuts to some of the items.

She then went over the enterprise fund for the new budget year. Council then asked some questions and made cuts to some of the items.

MDD Executive Director Felicia Carvajal then went over the MDD fund and request items for the new budget year. Council/ MDD then asked some questions and made a cut to one of the line items.

Lindsey then went over the enterprise fund for the new budget year. Council then asked some questions.

- B. Discussion regarding Ordinance No. 091026 -02 adopting the 2026 Ad Valorem Tax Rate, consisting of Operation and Maintenance and Interest and sinking (Debt Service) Tax Rate.

Mayor Gilbert tabled item, to be brought back at the 09/02/2026 Joint City Council and MDD budget workshop.

4. Items Specific to Future Line Items on the Agenda

-Ordinance No. 091026-01

-Ordinance No. 091026-02

-Fee Schedule

-Holiday schedule

- Pay Scale

5. Adjourn

Motion made by Oates to adjourn the City Council at 9:45PM, seconded by Rabel, all in favor.

Motion made by Oates to adjourn the MDD board at 9:45PM, seconded by Gilbert, all in favor.

DECORUM REQUIRED

Any disruptive behavior, including shouting or derogatory statements or comments may be ruled out of order by the Presiding Officer. Continuation of this type of behavior could result in a request by the Presiding Officer that the individual leave the meeting, and if refused, an order of removal.

The City Council for the City of La Vernia reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act, Texas Governmental Code §551.071 (Consultation with Attorney), §551.072 (Deliberations about Real Property), §551.073 (Deliberations about Gifts and Donations), §551.074 (Personnel Matters), §551.076 (Deliberations about Security Devices), and §551.087 (Economic Development), and any other provisions under Texas law that permit a governmental body to discuss a matter in closed executive session.

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The MDD went into Executive Session at 9:00PM as authorized by the Texas Open Meetings Act, Texas Governmental Code §551.074 (Personnel Matters)

The MDD came out of Executive Session at 9:45PM.

No public action was taken.

The City Council went into Executive Session at 9:00PM as authorized by the Texas Open Meetings Act, Texas Governmental Code §551.074 (Personnel Matters)

The City Council came out of Executive Session at 9:45PM.

No public action was taken.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the above named La Vernia City Council is a true and correct copy of said Notice and that I posted true and correct copy of said Notice on the bulletin boards of the City Hall of said La Vernia, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on **August 18, 2026 at 9:00 AM** and remained so posted continuously for at least 3 business days proceeding the scheduled time of said meeting.

Madison Farrow, City Secretary



A Proclamation by the Mayor

WHEREAS, the National Association of Town Watch is sponsoring a unique, nationwide crime, drug, and violence prevention program on October 6th entitled “National Night Out”; and

WHEREAS, the 43rd Annual National Night Out provides a unique opportunity for La Vernia and Wilson County to join forces with thousands of other communities across the country in promoting cooperative, police-community crime prevention efforts; and

WHEREAS, La Vernia Police Department and La Vernia Fire Department, through joint crime, drug, and violence prevention and fire prevention efforts in La Vernia and Wilson County, are supporting National Night Out 2026 locally; and

WHEREAS, it is essential that all citizens of La Vernia be aware of the importance of crime prevention programs and the impact that their participation can have on reducing crime, drugs, and violence in La Vernia; and

WHEREAS, police-community partnerships, neighborhood safety, awareness, and cooperation are essential themes of the “National Night Out” program,

NOW, THEREFORE, I, GARY GILBERT, MAYOR, AND THE CITY COUNCIL OF LA VERNIA, do hereby call on all the citizens of La Vernia and Wilson County to join the Police Department, the Fire Department, and the National Association of Town Watch in supporting the 43rd Annual National Night Out on October 6th, 2026. I hereby proclaim Tuesday, October 6th, 2026, as “NATIONAL NIGHT OUT” in La Vernia.

In Witness Whereof, I have hereunto set my hand and caused the Great Seal of the City of La Vernia, Texas, to be affixed at City Hall in La Vernia this 10th day of September, 2026.

Mayor

City Secretary



A Proclamation by the Mayor

WHEREAS, The City of La Vernia's future strength depends on providing a high-quality education to all students; and

WHEREAS, teacher quality matters more to student achievement than any other school-related factor; and

WHEREAS, teachers spend countless hours preparing lesson plans and supporting students; and

WHEREAS, our community recognizes and supports its teachers in educating the children of this community; and

WHEREAS, #TeachersCan is a statewide movement supported by more than 150 partnering businesses and organizations committed to elevating the teaching profession and honoring the critical role teachers play in the success of Texas,

NOW, THEREFORE, I, GARY GILBERT, MAYOR, AND THE CITY COUNCIL OF LA VERNIA, do hereby call on all the citizens of La Vernia and Wilson County to join #TeachersCan and its partnering entities across Texas in celebrating World Teachers' Day. I hereby proclaim Monday, October 5th, 2026, as "TEACHERS' DAY" in La Vernia.

I further encourage members of our community to personally express appreciation to our teachers and to display a light blue ribbon outside their homes or businesses during the week of October 5th as a symbol of support for our educators.

In Witness Whereof, I have hereunto set my hand and caused the Great Seal of the City of La Vernia, Texas, to be affixed at City Hall in La Vernia this 10th day of September, 2026.

Mayor

City Secretary

ORDINANCE NO. 091026-01**AN ORDINANCE OF THE CITY OF LA VERNIA, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2026, AND ENDING SEPTEMBER 30, 2027, AND OTHER MATTERS IN CONNECTION THEREWITH.**

WHEREAS, the City Administrator of the City of La Vernia, Texas (herein the “City”) has submitted to the City Council a proposed budget of the revenues of said City and the expenditures/expenses of conducting the affairs thereof, which is in accordance with the city’s Budget Policy as outlined in Resolution No. R090524-01; and

WHEREAS, the City Council has received said City Administrator’s proposed budget, a copy of which proposed budget and all supporting schedules have been filed with the City Secretary pursuant to Local Government Code §102.005; and

WHEREAS, the Council set August 24, 2026, and September 10, 2026, as the date for the public hearings thereon and caused notice of such public hearings to be given by the Wilson County News pursuant to LGC §102.006; and

WHEREAS, the public hearings were held on said dates, and all persons were afforded an opportunity to appear and object to any or all items and estimates in the proposed budgets; and

WHEREAS, pursuant to LGC §102.007, the City Council, by the passage of the Budget Ordinance, shall adopt the budget for the ensuing fiscal year and appropriate such sums of money as the Council deems necessary to defray all expenditures of the City during the 2026 – 2027 budget year.

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

Section 1. Budget

A.) The City hereby approves and adopts the budget, attached as **Exhibit A**, in all respects as the City’s annual budget for the fiscal year beginning October 1, 2026 and ending September 30, 2027.

B.) The City Administrator may move funds within the budget strictly as directed by the city’s Fund Policy as outlined in Resolution No. R090524-02.

C.) In accordance with LGC §102.008(a), the adopted budget shall be filed with the City Secretary, and a copy of the adopted budget, including the cover page, shall be posted on the City’s website.

Section 2. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 3. Conflict of Ordinances

Ordinances or parts of Ordinances in conflict herewith are hereby repealed and are no longer of any force and effect.

Section 4. Effective Date

This ordinance shall take effect on the first day of October 2026.

PASSED, AND APPROVED this 10th day of September 2026 and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Gary Gilbert			
Councilwoman Dianell Recker			
Councilman Justin Oates			
Councilwoman Katie Evans			
Councilwoman Chelsey Ingle			
Councilman Garrett Rabel			

Gary Gilbert
Mayor, City of La Vernia

ATTEST:

Madison Farrow
City Secretary, City of La Vernia

Exhibit A

2026



Budget



2027



W E L C O M E H O M E



LA VERNIA

*Rooted in
Community.
Built for
Tomorrow.*



ESSENTIAL
SERVICES.



STRONG
INFRASTRUCTURE.



SUSTAINABLE
FUTURE.

PROPERTY TAX SUMMARY

Section 6, Item A.

As required by Section 102.005 of the Local Government Code, the City of La Vernia is providing the following statement on this cover page of its proposed budget:

This budget will raise more total property taxes than last year's budget by \$22,894.72 or 3.86% and of that amount all \$22,894.72 is tax revenue to be raised from new property added to the tax roll this year.

The FY 2026-27 Proposed Budget is based on a proposed property tax rate of \$0.272538 per \$100 of valuation, which is the same tax rate adopted for FY 2025-26. Accordingly, the proposed tax rate itself reflects no increase from the prior year's adopted rate.

Although the proposed tax rate is unchanged, total property tax revenue may change as a result of changes in taxable values and new property added to the tax roll.

Below is a historical comparison of the City's property tax rates. FY 2026-27 truth-in-taxation rates should be inserted from the City's current certified tax-rate calculation before final adoption.

Tax Rate (per \$100)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Adopted / Proposed Tax Rate	\$0.154000	\$0.138000	\$0.178093	\$0.272538	\$0.272538
No-New- Revenue Rate	\$0.150099	\$0.136928	\$0.121059	\$0.171008	0.262402
Voter- Approval Rate	\$0.162659	\$0.141454	\$0.293091	\$0.272538	0.262472
De Minimis Rate	\$0.427554	\$0.354825	\$0.485054	\$0.442813	0.529827

**Total debt secured by property taxes for FY 2026-27: \$339,059*

Budget Roll Call Vote:

The following is the record roll call vote by each member on the adoption of the FY 2026-27 budget:

For:

Against:

Present and not voting:

Absent:

Property Tax Roll Call Vote:

The following is the record roll call vote by each member on the adoption of the FY 2026-27 tax rate:

For:

Against:

Present and not voting:

Absent:

City of La Vernia, Texas Annual Budget

FISCAL YEAR 2026-2027
OCTOBER 1, 2026 - SEPTEMBER 30, 2027

The Honorable

Mayor Gary Gilbert

Mayor Pro Tem

Dianell Recker

Council Members

Chelsey Ingle

Justin Oates

Katherine Evans

Garrett Rabel

City Leadership

City Administrator

Lindsey Wheeler

Chief of Police

Donald Keil

Department Heads

City Secretary

Madison Farrow

Director of Public Works

Morgen Gore

Municipal Development District

Executive Director

Felicia Carvajal

*Rooted in
Community.
Built for
Tomorrow.*



La Vernia



WELCOME HOME



FISCAL YEAR

2026

2027

ADOPTED
BUDGET
ORDINANCE



CITY OF LA VERNIA, TEXAS

ORDINANCE NO. 091026-01**AN ORDINANCE OF THE CITY OF LA VERNIA, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2026, AND ENDING SEPTEMBER 30, 2027, AND OTHER MATTERS IN CONNECTION THEREWITH.**

WHEREAS, the City Administrator of the City of La Vernia, Texas (herein the "City") has submitted to the City Council a proposed budget of the revenues of said City and the expenditures/expenses of conducting the affairs thereof, which is in accordance with the city's Budget Policy as outlined in Resolution No. R090524-01; and

WHEREAS, the City Council has received said City Administrator's proposed budget, a copy of which proposed budget and all supporting schedules have been filed with the City Secretary pursuant to Local Government Code §102.005; and

WHEREAS, the Council set August 24, 2026, and September 10, 2026, as the date for the public hearings thereon and caused notice of such public hearings to be given by the Wilson County News pursuant to LGC §102.006; and

WHEREAS, the public hearings were held on said dates, and all persons were afforded an opportunity to appear and object to any or all items and estimates in the proposed budgets; and

WHEREAS, pursuant to LGC §102.007, the City Council, by the passage of the Budget Ordinance, shall adopt the budget for the ensuing fiscal year and appropriate such sums of money as the Council deems necessary to defray all expenditures of the City during the 2026 – 2027 budget year.

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

Section 1. Budget

A.) The City hereby approves and adopts the budget, attached as **Exhibit A**, in all respects as the City's annual budget for the fiscal year beginning October 1, 2026 and ending September 30, 2027.

B.) The City Administrator may move funds within the budget strictly as directed by the city's Fund Policy as outlined in Resolution No. R090524-02.

C.) In accordance with LGC §102.008(a), the adopted budget shall be filed with the City Secretary, and a copy of the adopted budget, including the cover page, shall be posted on the City's website.

Section 2. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 3. Conflict of Ordinances

Ordinances or parts of Ordinances in conflict herewith are hereby repealed and are no longer of any force and effect.

Section 4. Effective Date

This ordinance shall take effect on the first day of October 2026.

PASSED, AND APPROVED this 10th day of September 2026 and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Gary Gilbert			
Councilwoman Dianell Recker			
Councilman Justin Oates			
Councilwoman Katie Evans			
Councilwoman Chelsey Ingle			
Councilman Garrett Rabel			

Gary Gilbert

Mayor, City of La Vernia

ATTEST:

Madison Farrow

City Secretary, City of La Vernia

Exhibit A

*Rooted in
Community.
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Tomorrow.*

La Vernia

WELCOME HOME



FISCAL YEAR

2026

2027

ADOPTED TAX ORDINANCE



CITY OF LA VERNIA, TEXAS

ORDINANCE NO. 091026-02

AN ORDINANCE LEVYING A TAX RATE
FOR THE CITY OF LA VERNIA FOR TAX YEAR 2026

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

THE CITY COUNCIL OF LA VERNIA, TEXAS DOES HEREBY ADOPT THE FOLLOWING TAX RATE PER \$100 VALUATION FOR THE TAX YEAR 2026 AS FOLLOWS:

0.144658 FOR THE PURPOSE OF MAINTENANCE AND OPERATION
0.127880 FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON DEBT
0.272538 TOTAL TAX RATE

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE WILSON COUNTY APPRAISAL DISTRICT IS HEREBY AUTHORIZED TO ASSESS AND COLLECT THIS TAX FOR THE CITY OF LA VERNIA ON THIS 10th DAY OF SEPTEMBER 2026.

PASSED, AND APPROVED this 10th day of September 2026 and recorded as follows:

MAINTENANCE AND OPERATION:

Rate - _____

	FOR	AGAINST	ABSTAIN
Mayor Gary Gilbert			
Councilmember Dianell Recker			
Councilmember Justin Oates			
Councilmember Katie Evans			
Councilmember Chelsey Ingle			
Councilmember Garrett Rabel			

PRINCIPAL AND INTEREST ON DEBT:

Rate - _____

	FOR	AGAINST	ABSTAIN
Mayor Gary Gilbert			
Councilmember Dianell Recker			
Councilmember Justin Oates			
Councilmember Katie Evans			
Councilmember Chelsey Ingle			
Councilmember Garrett Rabel			

TOTAL TAX:

Rate - _____

	FOR	AGAINST	ABSTAIN
Mayor Gary Gilbert			
Councilmember Dianell Recker			
Councilmember Justin Oates			
Councilmember Katie Evans			
Councilmember Chelsey Ingle			
Councilmember Garrett Rabel			

Gary Gilbert
Mayor, City of La Vernia

ATTEST:

Madison Farrow
City Secretary

Budget Letter

September 10, 2026

Honorable Mayor and Members of the City Council,

It is my privilege to present the City of La Vernia's Adopted Budget for Fiscal Year 2026–2027. This budget reflects a challenging but productive budget process and represents the City's continued commitment to providing quality municipal services while responding to the infrastructure and operational demands of a growing community.

The FY 2026–2027 budget was developed through multiple rounds of review and adjustment. The initial executive budget contemplated additional recurring revenues, including a proposed property tax rate adjustment and utility rate increases, to support increasing operating costs, infrastructure needs, and the City's new debt obligations. During the budget workshop process, the City Council directed staff to prepare the final budget without those increases.

Accordingly, the adopted budget maintains the **same property tax rate as the prior fiscal year** and does not include the proposed increases to water and wastewater rates.

Working within those parameters required significant revisions to the original budget. Revenues and expenditures were reevaluated across City funds, proposed expenditures were adjusted, and available one-time resources, including grant and bond proceeds, were strategically utilized to fund eligible expenditures that otherwise would have placed additional pressure on recurring revenues.

Through those adjustments, the City was able to present a balanced budget while also accommodating many of the operational, departmental, and personnel needs identified by staff during the budget process.

Financial Considerations

While I am pleased that we were able to achieve balance within the parameters established by the City Council, it is equally important to distinguish between **annual budgetary balance and long-term structural sustainability**.

One-time revenues are valuable tools for funding one-time expenditures and capital investments. However, they should not be viewed as substitutes for recurring revenues when addressing recurring obligations.

This distinction will become increasingly important in future fiscal years.

In particular, the City's 2026 Certificate of Obligation issuance creates an additional annual debt-service obligation of approximately **\$200,000**. When the financing was considered earlier this year, the City's financial advisors presented a corresponding tax-rate adjustment as a means of supporting that new obligation. Because the adopted FY 2026–2027 budget maintains the prior-year tax rate, that additional debt service must instead be absorbed through existing revenues and/or available fund balance.

That approach is manageable within the current budget; however, I would not recommend that the City rely upon fund balance or other nonrecurring resources as a long-term funding strategy for recurring debt service or operating expenditures.

Budget Priorities

Within these financial constraints, the FY 2026–2027 budget continues to advance several important priorities:

- Continued investment in water and wastewater infrastructure and system reliability;
- Street, drainage, and other critical capital improvements;
- Funding for public safety and essential municipal operations;
- Strategic use of bond proceeds, grants, and restricted revenues for eligible capital and one-time expenditures;
- Support for personnel and departmental needs where financially feasible; and
- Continued preparation for significant residential and commercial growth and the corresponding demands that growth will place on City infrastructure and services.

Looking Forward

La Vernia remains in a period of significant growth. That growth creates opportunities for new development, increased economic activity, and expansion of the City's revenue base, but it also brings increased demands for streets, drainage, water and wastewater capacity, public safety, development services, staffing, and other municipal infrastructure.

For FY 2026–2027, the availability of one-time funding sources provided the City with flexibility to address several needs while maintaining existing tax and utility rates. We should recognize, however, that many of those resources are not recurring.

As we enter the next budget cycle, I recommend that the City again evaluate the relationship between recurring revenues and recurring obligations, particularly debt service, utility operations, infrastructure maintenance, personnel, and the service demands associated with continued growth. Maintaining adequate fund balance and preserving the City's long-term financial position should remain central considerations in those discussions.

A balanced budget is an important requirement and accomplishment, but our broader responsibility is to ensure that the financial decisions made in one fiscal year remain sustainable in the years that follow.

I would like to thank the Mayor and City Council for your direction and participation throughout the budget process. I would also like to recognize City staff for their considerable work in evaluating departmental needs, identifying savings and alternative funding sources, and making the adjustments necessary to produce a balanced budget within the parameters established by Council.

I am proud of the work reflected in this budget. It preserves essential services, advances important capital investments, supports our employees, and maintains the City's existing tax and utility rates for our residents. At the same time, it transparently recognizes the financial decisions that will need to be revisited as we prepare for La Vernia's continued growth and future obligations.

I look forward to working with the City Council and our staff throughout the coming fiscal year to implement this budget responsibly and continue planning for the City's long-term financial health.

Respectfully submitted,

Lindsey Wheeler

City Administrator

FY 2026-27

CITYWIDE BUDGET OVERVIEW

Post-Workshop Update and Round Two Synopsis

Purpose: Summarize material revisions following the Council budget workshop

Scope: General Fund, Enterprise Fund, MDD, and Other / Minor Funds

Status: Working balanced operating plan; restricted-fund uses shown separately

Executive Budget Snapshot

Following the Council budget workshop, staff revised revenue assumptions, reduced several major expenditure lines, incorporated targeted increases based on current operating experience, and rebalanced the General Fund and Enterprise Fund without increasing the General Fund ad valorem tax yield above the no-increase assumption now reflected in the working plan.

Budget Component	Round One Revenue	Round Two Revenue	Revenue Change	Round Two Expense	Over / (Under)
General Fund	\$4,062,747.27	\$3,769,189.19	(\$293,558.08)	\$3,769,189.19	\$0.00
Enterprise Fund	\$2,376,171.84	\$2,302,402.54	(\$73,769.30)	\$2,302,402.54	\$0.00
MDD Fund	\$1,004,645.84	\$1,004,645.84	\$0.00	\$1,004,645.84	\$0.00
Other / Minor Funds	\$3,503,096.36	\$3,678,970.00	\$175,873.64	\$3,678,970.00	\$0.00
TOTAL CITYWIDE	\$10,946,661.31	\$10,755,207.57	(\$191,453.74)	\$10,755,207.57	\$0.00

Final Round Two position: All four budget groupings are now balanced individually, producing a balanced citywide plan of \$10,755,207.57 in revenues and \$10,755,207.57 in expenditures.

Most Significant Changes Since Round One

- Police technology/software upgrades were reduced from \$300,000 to \$150,000, a \$150,000 reduction, while retaining funding for the LensLock system and PS Trax.
- WWTP operations were reduced from \$250,000 to \$175,000, a \$75,000 reduction based on the revised projected expense.
- Well Projects were reduced to \$100,000, with eligible project costs shifted to bond-funded projects.
- General Fund current ad valorem revenue was reset to \$385,000 based on an assumption of no increase.
- Water and sewer revenue projections were revised to assume 1% growth and no rate increase.

- The combined Other / Minor Funds were brought into balance through the final fund-level adjustments, including a revised Street Repair allocation and increased 287(g) revenue projection.

General Fund

Round Two position: \$3,769,189.19 in revenues and \$3,769,189.19 in expenses. The General Fund is balanced.

The synopsis below highlights the most material adjustments and the lines most relevant to Council's workshop discussion. It does not reproduce every individual markup or minor line-by-line change made within the working budget.

Revenue Adjustments

Account	Revenue Line	Round Two	Rationale
10-400-010	Ad Valorem Taxes - Current	\$385,000.00	Assumes no increase.
10-400-456	PD Golf Tournament Revenue	\$10,000.00	Reduced based on receipts being lower than projected last year.
10-415-365	Warrant Fee	\$3,500.00	Increased because collections are performing better than projected.

Expense Adjustments

Account	Expense Line	Round Two	Rationale
10-510-240	Telephone	\$13,000.00	Increased expense over last year.
10-510-452	WCAC Quarterly Payment	\$12,500.00	Increased expense over last year.
10-520-270	Technology / Software Upgrades	\$150,000.00	LensLock system and PS Trax; reduced from \$300,000.
10-520-287	Police Events	\$10,000.00	Increased expense over last year.
10-580-010	Wages - Park Department	\$45,000.00	Part-time staffing only.
10-580-500	Capital Outlay - Park	\$10,000.00	Reduced; extends the driving path toward the playground.
10-580-655	Repair and Maintenance	\$19,000.00	Includes gutters for the park restroom.

Council-Requested Review

Staff made the requested revisions to accounts 10-520-270, 10-520-920, 10-580-655, 10-580-500, and 10-510-421.

Staff did not reduce accounts 10-520-600 or 10-580-690. These items remain affordable within the balanced General Fund without increasing the projected ad valorem tax yield, and staff recommends

retaining them because of their anticipated operational benefit to employees and departmental service delivery.

Enterprise Fund

Round Two position: \$2,302,402.54 in revenues and \$2,302,402.54 in expenses. The Enterprise Fund is balanced.

The revised Enterprise Fund removes the previously assumed utility-rate increase, retains a conservative 1% growth factor, and reduces major operating and project costs.

Revenue Adjustments

Account	Revenue Line	Round Two	Rationale
40-400-510	Water Sales	\$927,685.00	Assumes 1% growth and a 0% rate increase.
40-400-520	Sewer Sales	\$283,305.00	Assumes 1% growth and a 0% rate increase.

Expense Adjustments

Account	Expense Line	Round Two	Rationale
40-540-820	WWTP Operation	\$175,000.00	Reduced projected expense; down from \$250,000.
40-540-901	Well Projects	\$100,000.00	Reduced in the Enterprise Fund; eligible costs moved to bond-funded projects.

Municipal Development District

Round Two position: \$1,004,645.84 in revenues and \$1,004,645.84 in expenses. The MDD Fund is balanced.

Council requested only an approximately \$1,000 adjustment to the MDD budget at the prior workshop. No other material MDD revisions require separate discussion in this synopsis.

Other / Minor Funds

Round Two position: \$3,678,970.00 in revenues and \$3,678,970.00 in expenses. The combined Other / Minor Funds are balanced.

Account / Fund	Line Item	Round Two	Rationale
50-400-585	Water Impact Fees	\$340,000.00	New revenue projection.
51-400-580	Sewer Impact Fees	\$5,000.00	New revenue projection.
15-500-201	Transfer to MDD	\$150,000.00	New expense supported by Hotel Occupancy Tax resources.
Debt Service	2026 Series Bond Principal	\$192,195.00	New debt-service expense.
14-500-100	Street Repair	\$153,678.64	Reduced expense allocation to bring the Street Maintenance Fund into balance.
19-400-100	287(g) Revenue	\$262,500.00	Increased revenue projection based on the revised program estimate.

The combined Other / Minor Funds schedule should still be evaluated fund by fund because these funds include legally or operationally restricted revenues, accumulated special-revenue balances, transfers, impact fees, debt service, and bond proceeds. Following the final adjustments, however, the combined schedule is balanced in addition to each of the City's three major budget groupings.

Consolidated Budget Perspective

Round Two totals \$10,755,207.57 in projected revenues and \$10,755,207.57 in planned expenditures. Compared with Round One, both projected revenues and planned expenditures decreased by \$191,453.74.

The General Fund, Enterprise Fund, MDD, and combined Other / Minor Funds are each balanced independently. Together, they produce a fully balanced citywide budget with no consolidated revenue-over-expense variance.

Budget Component	Revenue	Expense	Over / (Under)	Interpretation
General Fund	\$3,769,189.19	\$3,769,189.19	\$0.00	Balanced operating fund
Enterprise Fund	\$2,302,402.54	\$2,302,402.54	\$0.00	Balanced operating fund
MDD Fund	\$1,004,645.84	\$1,004,645.84	\$0.00	Balanced dedicated fund
Other / Minor Funds	\$3,678,970.00	\$3,678,970.00	\$0.00	Balanced combined schedule
TOTAL	\$10,755,207.57	\$10,755,207.57	\$0.00	Balanced citywide

Bottom Line

The Round Two budget responds to Council's requested amendments while preserving the staff priorities that remain affordable within the revised revenue structure. The most substantial reductions are the \$150,000 decrease in Police technology/software upgrades and the \$75,000 decrease in WWTP operations. The revised plan also removes the assumed increase in current General Fund ad valorem revenue and removes the proposed water and sewer rate increase from Enterprise Fund revenue assumptions.

The working budget therefore presents balanced General Fund, Enterprise Fund, MDD, and combined Other / Minor Funds, resulting in a fully balanced citywide plan of \$10,755,207.57.

Source and scope note: Prepared from the prior FY 2026-27 Citywide Budget Overview, the post-workshop changes supplied by staff, and the Round One / Round Two comparison. This synopsis highlights material revisions and Council-requested items; it is not a substitute for the complete line-item budget schedules.

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FISCAL YEAR 2026 - 2027

GENERAL FUND

CITY OF LA VERNIA, TEXAS



Account Number	Description	10/2023 Thru 09/2024		10/2024 Thru 09/2025		10/2025 Thru 09/2026		New Plan	Notes
		Budget	Actual	Budget	Actual	Budget	Actual		
Barnstable District Fund									
10-400-010	AD WILDLIFE TAXES - CURRENT	245,000.00	200,221.17	268,545.00	340,234.12	615,555.00	379,112.77	365,555.00	455,999,499,999,999
10-400-015	AD WILDLIFE TAXES - DELINQUENT	5,000.00	69,446	5,000.00	0.00	5,000.00	176.48	200.00	
10-400-020	AD WILDLIFE TAXES - ANT FEES	750.00	108.60	750.00	0.00	750.00	176.92	200.00	
10-400-025	AD WILDLIFE TAXES - PEN & ANT	2,000.00	1,422.33	2,000.00	2,522.25	2,000.00	2,005.79	2,000.00	
10-400-030	AD WILDLIFE TAXES - TAX CERT	33.00	0.00	33.00	225.75	33.00	21.51	33.00	
10-400-035	HCB PROPERTY TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-040	POLICE CIVIL LIAB - GOV CAPITAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-045	POLICE PLACER OFFICER ALLOCATO	0.00	0.00	0.00	0.00	0.00	2,669.66	0.00	
10-400-049	BALL FIELD USAGE	0.00	500.00	0.00	2,780.00	2,000.00	940.00	1,000.00	
10-400-050	PARK USE INCOME	6,000.00	2,644.00	6,000.00	2,215.00	2,200.00	5,037.55	4,000.00	
10-400-051	PARK GRANT REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-055	CUSTOMER SERVICE INSPECTORS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-060	ROAD LICENSE INCOME	10,000.00	19,320.00	16,000.00	21,025.00	25,000.00	10,250.00	26,000.00	
10-400-065	PERMITS	95,000.00	427,493.88	105,000.00	49,091.39	100,000.00	63,377.83	100,000.00	
10-400-066	VARIANCE, ZONING, SUP REQUEST	2,000.00	1,591.14	2,000.00	1,341.00	1,500.00	2,200.00	2,000.00	
10-400-067	ENGINEERING FEE INCOME	0.00	0.00	0.00	0.00	0.00	1,500.00	1,500.00	
10-400-068	SUMMER YOUTH PROGRAM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-070	CREDIT CARD REWARD REVENUE	15,000.00	10,994.58	16,000.00	14,624.00	16,000.00	14,613.00	16,000.00	
10-400-071	CONSTRUCTION REGISTRATION	3,000.00	3,000.00	3,000.00	3,500.00	3,000.00	2,800.00	3,000.00	
10-400-075	FELPS RESERVE REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-080	INTEREST INCOME	30,000.00	48,888.48	30,000.00	44,096.13	30,000.00	8,111.80	11,000.00	
10-400-090	RESTITUTION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-095	MISC INCOME	6,000.00	346.39	6,000.00	30.00	200.00	433.30	400.00	
10-400-098	OPROD SETTLEMENT	0.00	189.89	0.00	958.18	0.00	348.41	200.00	
10-400-097	POLICE SECURITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-110	STATE SALES TAX	1,125,000.00	1,250,221.20	1,642,209.00	1,308,209.67	1,400,000.00	1,021,110.60	1,400,000.00	
10-400-111	STREET SALES TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-115	PROPERTY RELIEF SALES TAX	279,524.00	310,322.22	0.00	340,577.43	350,000.18	281,777.68	300,500.19	
10-400-120	WATER REVENUE TAX	25,000.00	20,275.04	25,000.00	20,223.66	24,000.00	20,834.75	21,000.00	
10-400-125	WSP CHECK FEE	25.00	0.00	25.00	35.00	35.00	35.00	35.00	
10-400-130	FRANCHISE TAX	78,000.00	83,178.39	78,000.00	91,354.78	70,000.00	65,798.23	70,000.00	
10-400-131	AMERICAN TOWER LEASE	0.00	16,127.00	0.00	16,610.18	16,700.00	17,109.14	17,000.00	
10-400-132	SALE OF PROPERTY	0.00	0.00	0.00	5,000.00	0.00	0.00	0.00	
10-400-135	CERTIFICATE OF OCCUPANCY	3,000.00	3,000.00	3,000.00	1,600.00	1,800.00	1,400.00	1,800.00	
10-400-136	LITTLE LEAGUE ANNUAL FEES	28,000.00	28,640.00	28,500.00	28,595.00	28,500.00	28,595.00	28,500.00	
10-400-190	LEAVE PROCEEDS	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	
10-400-200	GRANT REVENUE PD EQUIP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-215	GRANT REVENUE - PARK PROJECT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-216	GRANT - CHASE ACT - GEN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-400-218	LEGISL TRAINING INCOME	950.00	2,503.71	950.00	2,721.12	2,750.00	0.00	2,500.00	
10-400-235	PD NATIONAL NIGHT OUT	1,000.00	607.75	1,000.00	0.00	1,000.00	0.00	1,000.00	
10-400-240	PD ROAD TOWNMENT REVENUE	0.00	17,256.00	0.00	0.00	17,000.00	10,400.00	15,000.00	Let's turn project into new
10-400-261	MISCELLANEOUS POLICE INCOME	0.00	0.00	0.00	5,688.50	0.00	0.00	0.00	
10-410-210	COURT HOUSE SECURITY FEE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-215	COURT COSTS - DEFERRED FEE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-220	STATE COURT COSTS INCOME ADJ	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-225	STATE COURT COSTS INCOME FIN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-230	STATE COURT COSTS INCOME DPT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-235	STATE COURT COSTS INCOME DR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-240	STATE COURT COSTS INCOME SI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-245	STATE COURT COSTS INCOME SI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-250	STATE COURT COSTS INCOME SI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-257	STATE COURT COSTS - SCHOOL ZON	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-260	STATE COURT COST INCOME ST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-265	STATE COURT COSTS INCOME ST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-270	STATE COURT COSTS INCOME TE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-275	STATE COURT COSTS INCOME TN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-280	STATE COURT COSTS INCOME TN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-284	STATE COURT COSTS DISMISSAL FE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-285	MISC INCOME	9,500.00	1,795.00	9,500.00	0.00	0.00	0.00	0.00	
10-410-286	UNISO SRD OFFICER	253,670.00	282,632.12	290,628.00	289,656.24	150,000.00	222,281.59	223,000.00	
10-410-290	OWN COLLECTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10-410-295	CORP LVED	40,000.00	14,696.50	15,000.00	15,633.75	10,000.00	21,055.00	22,000.00	
10-410-297	UNISO ADMINISTRATION FEES	3,000.00	6,778.40	38,000.00	11,916.23	17,000.00	24,795.78	25,000.00	
10-410-298	POLICE REPORTS	500.00	378.00	500.00	491.10	350.00	216.00	300.00	

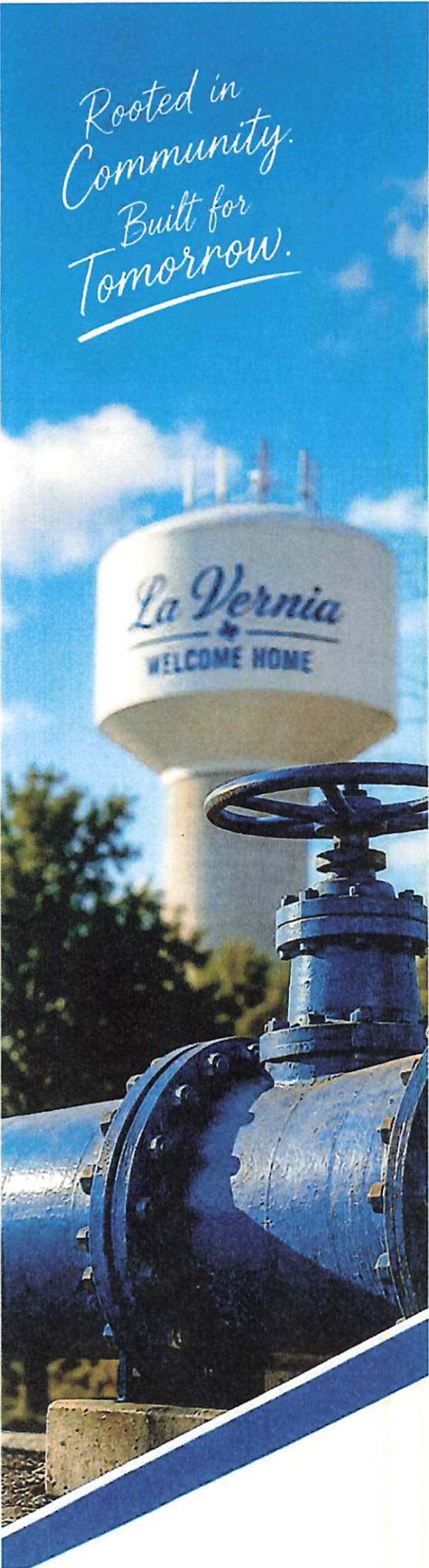
Section 6, Item A.

\$22,500.00 PD's 287 (c) program (\$7,500 per officer), CO 2025 reimbursement resolution proceeds (\$500,000)

000.00

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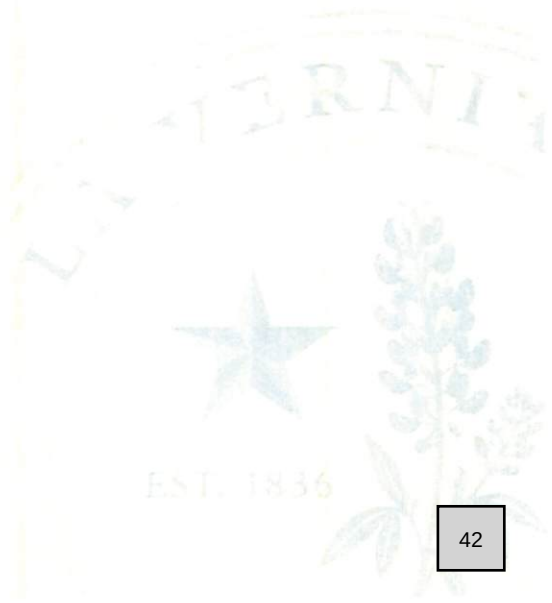
La Vernia

WELCOME HOME

FISCAL YEAR 2026 - 2027

ENTERPRISE FUND

★
CITY OF LA VERNIA, TEXAS



Section 6, Item A.

Account Number	Description	10/2023 Thru 09/2024	10/2024 Thru 09/2025	10/2025 Thru 09/2026	Actual	New Plan	Notes
40-400-095	MISC INCOME	1,000.00	9,912.59	1,000.00	0.00	0.00	Revenues now adjusted in planning for FY 27
40-400-125	NSF CHECK FEE	200.00	540.00	200.00	315.00	175.00	
40-400-505	SALES TAX INCOME	28,000.00	0.00	0.00	25,000.00	24,855.62	
40-400-510	WATER SALES	785,000.00	769,672.83	835,000.00	1,061,089.12	852,492.44	Assumes a 1% growth and 0% rate increase
40-400-520	SEWER SALES	245,000.00	247,725.11	255,000.00	327,197.28	277,539.10	Assumes a 1% growth and 0% rate increase
40-400-525	INFRASTRUCTURE REPAIR	0.00	0.00	0.00	0.00	0.00	
40-400-530	PENALTIES	7,000.00	9,854.91	7,000.00	12,585.30	11,084.15	
40-400-535	METER TAMPERING FEE	0.00	75.00	0.00	0.00	0.00	
40-400-540	OPER & MAINTENANCE	30,000.00	29,694.00	30,000.00	29,964.00	25,968.25	
40-400-550	GARBAGE SALES	380,000.00	426,268.47	420,000.00	506,342.08	388,225.66	
40-400-555	OVERPAYMENT	8,000.00	8,000.00	8,000.00	0.00	7,011.64	
40-400-560	NEW WATER METER FEES	13,000.00	0.00	13,000.00	4,363.48	3,525.74	
40-400-562	NEW WATER CONSTRUCTION FEE	8,000.00	8,000.00	8,000.00	9,125.24	13,724.74	
40-400-565	NEW SEWER CONSTRUCTION FEES	3,000.00	3,000.00	3,000.00	0.00	5,781.14	
40-400-570	RECONNECTIONS	4,000.00	2,950.00	4,000.00	4,400.00	4,412.71	
40-400-575	DRAINAGE IMPACT FEES	0.00	0.00	0.00	0.00	700.00	
40-400-590	WATER DEPOSITS	18,000.00	0.00	18,000.00	0.00	13,018.35	
40-400-591	ADMIN FEE	5,000.00	3,125.00	5,000.00	2,850.00	1,600.00	
40-400-592	GREASE TRAP PERMITS	500.00	0.00	500.00	0.00	0.00	
40-400-593	CIVIL INSPECTIONS REVENUE					5,000.00	
40-400-595	ADJUSTMENTS	1,000.00	0.00	1,000.00	0.00	2,981.61	
40-400-825	METER REPLACEMENT INCOME	0.00	0.00	0.00	0.00	0.00	
40-400-801	WELL PROJECTS 2009	0.00	0.00	0.00	0.00	0.00	
40-400-902	INFRASTRUCTURE GRANT LOAN	0.00	0.00	0.00	0.00	0.00	
40-400-903	NEW LOAN WATER WELL	0.00	0.00	0.00	0.00	0.00	
40-440-100	FEMA COVID RECOVERY REVENUE	0.00	0.00	0.00	0.00	0.00	
40-900-100	TRANSFER IN	0.00	0.00	16,399.87	0.00	511,350.00	This number is based on reimbursement resolution projects
40-500-500	EXPENSES					2,302,402.54	Revenue
40-500-500	CONTINGENCY	0.00	0.00	0.00	0.00	143,645.98	
40-540-010	WAGES	169,660.00	162,978.00	165,070.31	325,849.28	228,333.25	
40-540-015	OVERTIME	12,000.00	12,306.53	10,000.00	10,385.30	12,763.49	
40-540-110	PAYROLL TAXES	13,000.00	12,812.40	13,998.00	12,528.51	17,126.80	
40-540-115	TRIPS	8,870.00	9,215.55	9,240.00	6,750.36	18,649.64	
40-540-120	ON CALL PAY	1,600.00	1,830.00	1,600.00	1,290.00	1,080.00	
40-540-150	EMPLOYEE INSURANCE	29,397.00	31,952.83	25,790.51	64,458.26	38,526.37	
40-540-159	AFLAC	0.00	0.00	0.00	0.00	0.00	
40-540-210	OFFICE EXPENSE	1,750.00	1,859.44	1,500.00	2,851.88	725.68	
40-540-220	OFFICE SUPPLIES	0.00	0.00	0.00	383.60	393.60	
40-540-230	DUES AND SUBSCRIPTIONS	4,000.00	1,803.75	2,500.00	1,903.75	5,793.76	
40-540-240	TELEPHONE	4,500.00	4,874.80	4,500.00	5,892.05	4,779.23	
40-540-250	UNIFORMS	0.00	0.00	0.00	5,000.00	5,292.30	
40-540-260	POSTAGE	3,500.00	3,170.38	3,500.00	3,395.00	3,421.49	
40-540-280	TECHNOLOGY/SOFTWARE UPGRADES	2,800.00	2,800.00	2,800.00	1,500.00	12,058.00	
40-540-280	RETURNED CHECK	0.00	0.00	0.00	0.00	0.00	
40-540-280	BUILDING EXPENSE					84,000.00	

40-540-281	DEPOSIT REFUND	4,500.00	0.00	0.00	0.00	0.00	1,682.12	0.00
40-540-284	APPLIED DEPOSIT REIMBURSEMENT	7,500.00	0.00	0.00	0.00	0.00	7,333.77	0.00
40-540-290	UTILITIES	74,053.00	102,493.61	95,000.00	98,238.80	95,000.00	72,218.06	95,000.00
40-540-310	PROPERTY & LIABILITY INSURANCE	10,200.00	10,124.32	9,700.00	0.00	57,700.00	28,871.00	45,000.00
40-540-320	WORKERS COMP INSURANCE	6,000.00	1,253.15	6,000.00	5,490.36	2,758.83	4,780.00	995.33
40-540-400	PROFESSIONAL FEES	4,000.00	0.00	0.00	0.00	4,000.00	0.00	1,000.00
40-540-410	LEGAL & PROFESSIONAL - ENGINEE	0.00	0.00	0.00	58,431.10	70,000.00	18,073.80	30,000.00
40-540-411	PERMITS & INSPECTIONS	6,000.00	6,523.78	6,000.00	5,572.86	6,000.00	4,221.33	6,000.00
40-540-413	CIVIL INSPECTIONS							5,000.00
40-540-450	EMPLOYEE TRAINING & LICENSING	3,000.00	2,311.98	5,000.00	4,649.00	6,700.00	7,933.13	10,000.00
40-540-455	CRWA MEETING REIMBURSEMENT	300.00	0.00	300.00	0.00	300.00	0.00	300.00
40-540-460	AUDIT EXPENSE	9,400.00	9,350.00	9,400.00	2,671.42	9,400.00	9,400.00	10,000.00
40-540-471	PAYCLK EXPENSE	9,000.00	15,058.42	12,000.00	18,024.12	12,000.00	13,541.69	17,000.00
40-540-490	ADVERTISING	250.00	0.00	2,635.46	1,135.46	3,000.00	0.00	3,000.00
40-540-610	VEHICLE FUEL	500.00	20.00	0.00	0.00	20,500.00	11,844.30	20,500.00
40-540-620	VEHICLE REPAIR	10,000.00	46,352.17	13,000.00	13,920.23	16,000.00	16,675.42	20,000.00
40-540-660	TOOLS	0.00	0.00	0.00	0.00	3,100.00	1,101.49	7,500.00
40-540-690	EQUIPMENT	0.00	0.00	0.00	0.00	15,000.00	14,489.98	31,000.00
40-540-710	GARBAGE COLLECTION EXPENSE	275,000.00	380,405.25	350,000.00	414,685.18	350,000.00	318,787.12	367,500.00
40-540-720	SALES TAX EXPENSE	28,000.00	2,827.18	0.00	0.00	0.00	24,587.85	31,000.00
40-540-805	VALVE REPAIR	0.00	0.00	5,000.00	0.00	5,000.00	0.00	46,000.00
40-540-810	SUPPLIES AND REPAIRS	232,500.00	137,345.94	290,000.00	306,534.56	323,500.00	264,151.04	323,500.00
40-540-820	WWTP OPERATION	165,000.00	312,369.01	150,000.00	167,640.85	150,000.00	113,175.33	175,000.00
40-540-825	METER REPLACEMENT	0.00	0.00	100,000.00	73,488.07	100,000.00	80,874.71	50,000.00
40-540-830	WATER ANALYSIS LAB	7,000.00	9,581.00	12,000.00	14,577.00	15,000.00	9,475.00	15,000.00
40-540-840	CHEMICALS	18,000.00	29,183.29	28,000.00	32,507.29	30,000.00	17,241.13	30,000.00
40-540-880	BULK WATER PURCHASE	45,000.00	127,431.40	50,000.00	47,726.24	50,000.00	22,825.06	50,000.00
40-540-889	WATER PROJECT CONTINGENCY	0.00	0.00	0.00	0.00	15,392.00	15,392.00	15,392.00
40-540-901	WELL PROJECTS	0.00	7,765.00	155,283.80	82,575.55	175,000.00	62,137.50	100,000.00
40-540-902	LAND LEASE	45,000.00	29,156.00	45,000.00	47,248.98	45,000.00	50,163.46	59,526.17
40-540-906	EQUIPMENT PURCHASE	1,500.00	697.82	1,500.00	1,197.99	59,500.00	45,471.89	50,000.00
40-540-908	DEPRECIATION	0.00	441,635.00	0.00	446,887.53	0.00	0.00	0.00
40-540-910	SARA LOAN PRINCIPAL							42,181.64
40-540-913	SARA LOAN INTEREST							3,864.14
40-540-920	MISCELLANEOUS EXPENSE	500.00	400.00	7,381.55	3,451.10	8,000.00	2,972.36	5,000.00
40-599-500	CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
								2,302,402.54 Expense
								0.00 Balanced

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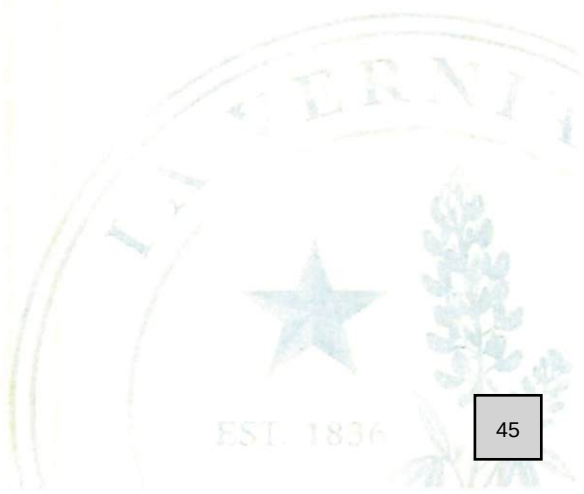
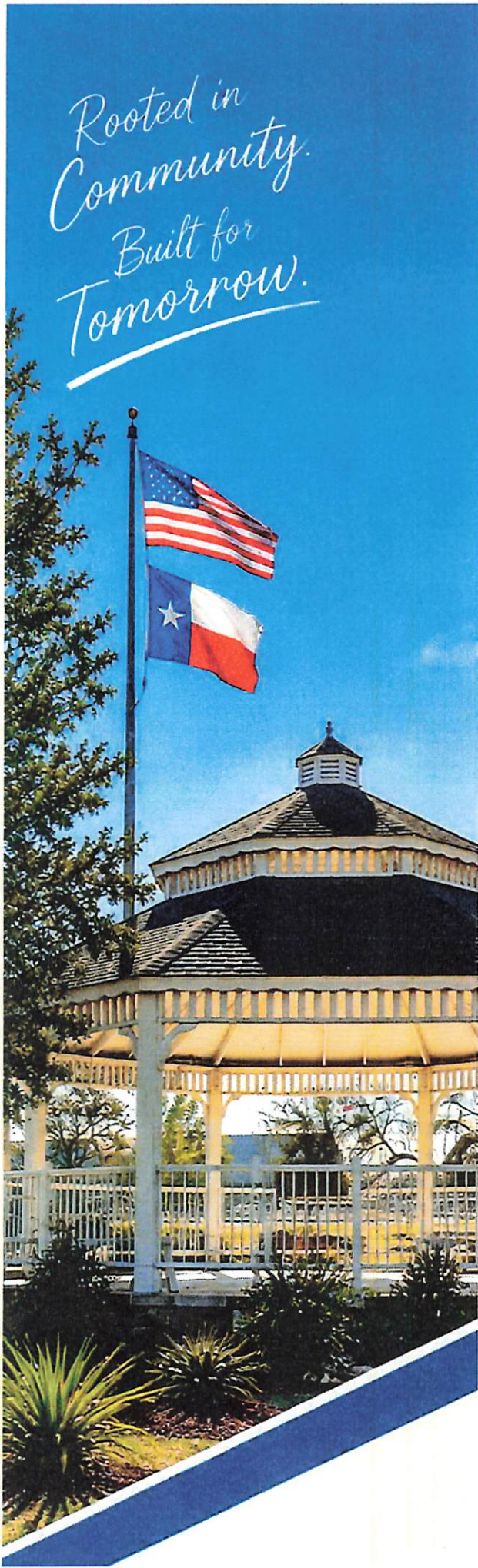
WELCOME HOME

FISCAL YEAR 2026 - 2027

MUNICIPAL DEVELOPMENT DISTRICT FUND



CITY OF LA VERNIA, TEXAS



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FISCAL YEAR 2026 - 2027

ALL OTHER RESTRICTED FUNDS



CITY OF LA VERNIA, TEXAS



Account Number	Description	10/2023 Thru 09/2024		10/2024 Thru 09/2025		10/2025 Thru 09/2026		New Plan	Notes
		Budget	Actual	Budget	Actual	Budget	Actual		
Revenues All Minor Funds 2024 Series Bond									
11-400-010	2024 SERIES COO PROCEEDS	0.00	1,250,000.00	0.00	0.00	500,000.00	0.00	0.00	
11-400-015	BOND ADDITIONAL FEES	0.00	5,324.80	0.00	0.00	0.00	0.00	0.00	
11-400-080	INTEREST INCOME	0.00	33,494.56	0.00	43,494.99	1,000.00	6,709.21	1,000.00	
11-900-100	TRANSFER IN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
									1,000.00
Expenses									
11-500-100	DRAINAGE PROJECT	0.00	48,400.00	783,474.00	48,501.30	500,000.00	45,620.68	500,000.00	
11-510-100	ENGINEERING FEE	0.00	988.75	0.00	0.00	50,000.00	0.00	50,000.00	
11-510-470	BANK SERVICE CHARGES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
									550,000.00
									(549,000.00) Use of 2024 Series Bond Proceeds
Revenues 2026 Series Bond									
13-400-010	2026 SERIES COO PROCEEDS							2,500,000.00	
	INTEREST INCOME							125,000.00	
									2,625,000.00
Expenses									
13-500-200	ENGINEERING EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	1,455,021.36	
	Transfer out							500,000.00	
									1,955,021.36
									669,978.64 Balance of proceeds from 2026 Series Bond
Revenues									
14-400-010	STREET MAINTENANCE TAX	275,000.00	319,332.23	327,555.00	340,577.38	285,000.00	255,777.68	293,550.00	
14-400-080	INTEREST INCOME	6,600.00	15,840.36	6,600.00	13,840.90	1,000.00	11,357.21	1,000.00	
									294,550.00
Expenses									
14-500-100	STREET REPAIR	266,600.00	585,519.36	319,155.00	185,962.50	320,000.00	130,180.00	153,678.64	
14-500-410	PROFESSIONAL - ENGINEERING	15,000.00	22,346.05	0.00	0.00	15,000.00	0.00	15,000.00	
14-500-920	MISCELLANEOUS EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
14-800-100	CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
									168,678.64
									125,871.36 Use of Street Maintenance Tax
Revenues									
15-400-080	INTEREST INCOME	900.00	1,882.09	900.00	1,164.16	750.00	7,857.85	750.00	
15-400-100	HOTEL TAX REVENUE	70,000.00	66,366.81	70,000.00	64,781.20	57,962.00	49,579.66	57,962.00	
									58,712.00
Expenses									
15-500-201	TRANSFER TO MDD	0.00	0.00	60,000.00	0.00	0.00	0.00	150,000.00	
15-510-470	BANK SERVICE CHARGES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
									150,000.00
									(91,288.00)
Revenues									
16-400-010	FORFEITURES	0.00	1,471.67	0.00	0.00	0.00	0.00	0.00	
16-400-080	INTEREST	0.00	25.98	0.00	8.99	85,000.00	53.22	100.00	
									100.00
Expenses									
16-800-100	CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
									100.00
Revenues									
19-400-100	287G REVENUE	0.00	0.00	0.00	0.00	0.00	235,093.00	262,500.00	PD's 287 (g) program (\$7,500 per officer) +75,000 in new stipens
									262,500.00
Expenses									
19-500-015	287G OVERTIME	0.00	0.00	0.00	0.00	0.00	932.15	0.00	
19-500-100	287G EXPENSES- MISC	0.00	0.00	0.00	0.00	0.00	21,924.29	0.00	
19-900-200	TRANSFER OUT	0.00	0.00	0.00	0.00	0.00	30,000.00	322,500.00	
									322,500.00
									(60,000.00) Use of program funds received in FY 2026
Revenues									
20-100-101	AD VALOREM TAX	0.00	0.00	433,650.00	0.00	0.00	0.00	0.00	
20-100-102	TRANSFER FROM OTHER FUNDS	0.00	0.00	8,231.00	0.00	0.00	0.00	0.00	
20-100-103	INTEREST	0.00	0.00	100.00	0.00	0.00	0.00	0.00	
20-200-310	DEFERRED REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
20-400-010	AD VALORUM TAXES - CURRENT	0.00	0.00	0.00	111,909.35	100,000.00	334,202.36	340,000.00	
20-400-025	AD VALORUM TAXES - PEN & INT	0.00	0.00	0.00	349.81	300.00	1,190.68	300.00	
20-400-080	INTEREST INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
20-400-285	Misc Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
20-900-100	TRANSFER IN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
									532,570.00 currently using the 0.27 current rate
Expenses									
20-100-106	SARA LOAN PRINCIPAL	0.00	0.00	38,642.00	0.00	0.00	0.00	0.00	

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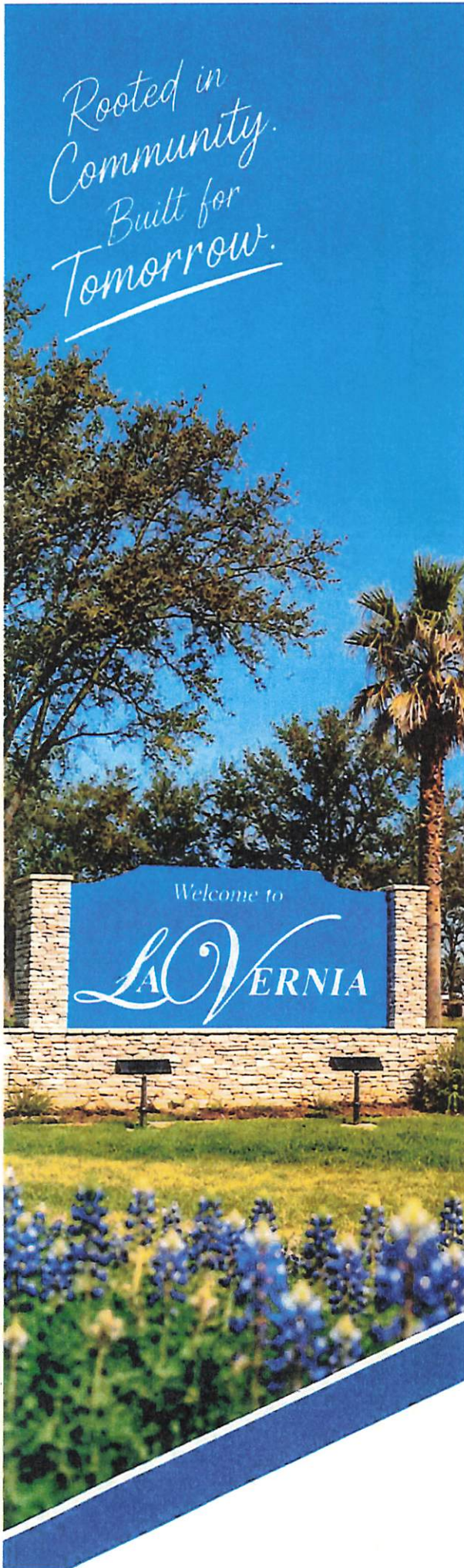
WELCOME HOME

FISCAL YEAR 2026 - 2027

CHARTS AND GRAPHS

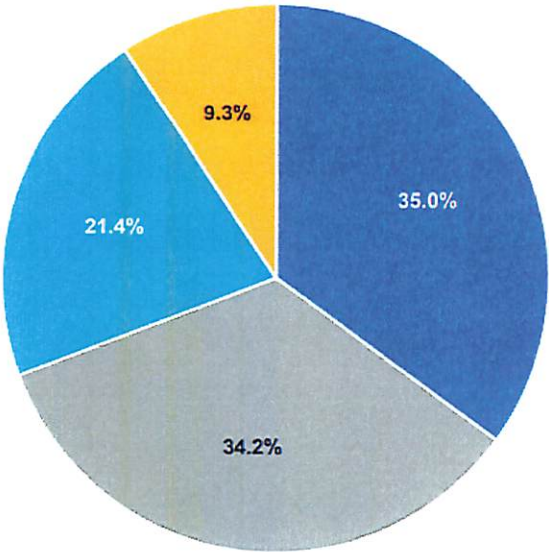


CITY OF LA VERNIA, TEXAS



FY 2026-27 Expense Breakdown by Fund

Proposed expenditures across all funds | Total: \$10,755,207.57



Proposed Expenditures

Distribution of the FY 2026-27 budget by fund.

General Fund	\$3,769,189.19	35.0%
All Other Combined Restricted Funds	\$3,678,970.00	34.2%
Enterprise Fund	\$2,302,402.54	21.4%
MDD	\$1,004,645.84	9.3%

The General Fund represents the largest individual fund at 35.0% of proposed expenditures. Restricted funds shown here are combined for a high-level view of total City expenditures.

General Fund Revenue Summary

FY 2026-27 Proposed Budget | Total General Fund Revenues: \$3,769,189.19

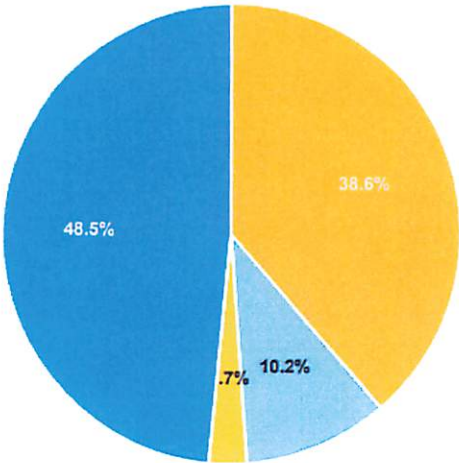
FY 2026-27 Revenue Overview

The General Fund anticipates total revenues of \$3,769,189.19.

Sales Tax is projected at \$1,456,000, representing approximately 39% of General Fund revenues.

Property Tax is projected at \$385,000, or approximately 10%, while Permit revenues account for approximately 3%.

The remaining 48% consists of other General Fund revenues, including contracted services provided by the City, Municipal Court proceeds, park rentals, and other smaller revenue sources.



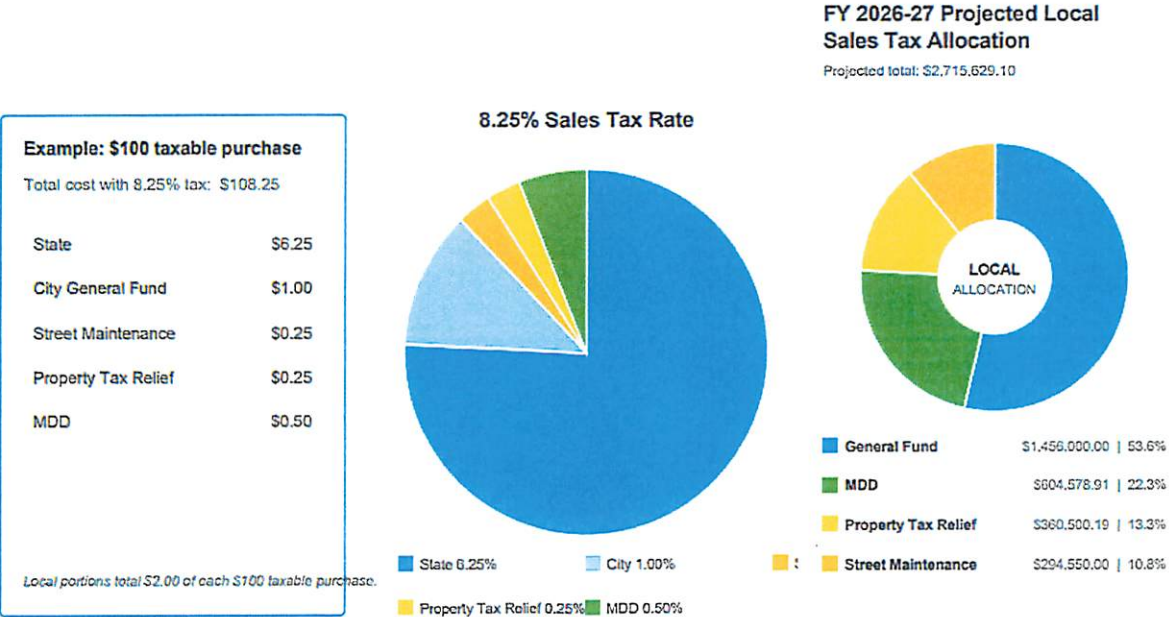
Proposed Revenue

- Sales Tax**
\$1,456,000.00 | 38.6%
- Property Tax**
\$385,000.00 | 10.2%
- Permits**
\$100,000.00 | 2.7%
- Other General Fund**
\$1,828,189.19 | 48.5%

Note: 'Other General Fund Revenues' combines contracted-service revenues, Municipal Court proceeds, park rentals, and other smaller sources.

Sales Tax Breakdown and History

Texas imposes a 6.25% state sales and use tax on taxable retail sales, leases, rentals, and taxable services. Local taxing entities may impose additional local sales taxes, subject to the statewide combined maximum of 8.25%. La Vernia's 8.25% combined rate is allocated as shown below.



The rate graphic explains the statutory 8.25% sales tax allocation; the FY 2026-27 chart shows the City's projected local sales tax revenues by purpose.

2026 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Section 6, Item A.

City of La Vernia

Taxing Unit Name

(830) 779-4541

Phone (area code and number)

PO BOX 225, LA VERNIA, 78121-0225

Taxing Unit's Address, City, State, ZIP Code

<http://www.lavernia-tx.gov>

Taxing Unit's Website Address

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

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

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

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

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.¹ Source materials must contain data for all worksheets used, including supplemental worksheets.

Insert hyperlink:

SECTION 1: No-New-Revenue Tax Rate

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

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

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

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	Prior year total taxable value. Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ²	\$ 274,993,412
2.	Prior year tax ceilings. Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step. ³	\$ 0
3.	Preliminary prior year adjusted taxable value. Subtract Line 2 from Line 1.	\$ 274,993,412
4.	Prior year total adopted tax rate.	\$ 0.272538 /\$100
5.	Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value. A. Original prior year ARB values:..... \$ 0 B. Prior year values resulting from final court decisions:..... -\$ 0 C. Prior year value loss. Subtract B from A.⁴ \$ 0	

¹ Tex. Tax Code §55.07(g)(4) and 26.04(d-1)

² Tex. Tax Code §26.012(14)

³ Tex. Tax Code §26.012(14)

⁴ Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	
6.	Prior year taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. Prior year ARB certified value:	\$ 0
	B. Prior year disputed value:	- \$ 0
	C. Prior year undisputed value. Subtract B from A. ⁵	\$ 0
7.	Prior year Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 0
8.	Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 274,993,412
9.	Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1 of the prior year. Enter the prior year value of property in deannexed territory. ⁶	\$ 0
10.	Prior year taxable value lost because property first qualified for an exemption in the current year. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value.	
	A. Absolute exemptions. Use prior year market value:	\$ 1,766,430
	B. Partial exemptions. Current year exemption amount or current year percentage exemption times prior year value:	+ \$ 9,313,277
	C. Value loss. Add A and B. ⁷	\$ 11,079,707
11.	Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in the current year. Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year.	
	A. Prior year market value:	\$ 0
	B. Current year productivity or special appraised value:	- \$ 0
	C. Value loss. Subtract B from A. ⁸	\$ 0
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 11,079,707
13.	Prior year captured value of property in a TIF. Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. ⁹ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 0
14.	Prior year total value. Subtract Line 12 and Line 13 from Line 8.	\$ 263,913,705
15.	Adjusted prior year total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$ 719,265
16.	Taxes refunded for years preceding the prior tax year. Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. ¹⁰	\$ 3,243
17.	Adjusted prior year levy with refunds. Add Lines 15 and 16. ¹¹	\$ 722,508

⁵ Tex. Tax Code §26.012(13)⁶ Tex. Tax Code §26.012(15)⁷ Tex. Tax Code §26.012(15)⁸ Tex. Tax Code §26.012(15)⁹ Tex. Tax Code §26.03(c)¹⁰ Tex. Tax Code §26.012(13)¹¹ Tex. Tax Code §26.012(13) and (15)

Line	No-New-Revenue Tax Rate Worksheet	
18.	Total current year taxable value on the current year certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹²	
A.	Certified values:	\$ 277,339,205
B.	Counties: Include railroad rolling stock values certified by the Comptroller's office:	+ \$ 0
C.	Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:	- \$ 0
D.	Tax increment financing: Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment reinvestment zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 24 below. ¹³ Adjustments to the taxable value must be calculated separately for each reinvestment zone using Form 50-110. ¹⁴ Enter the total from Form 50-110.	- \$ 0
E.	Total current year value. Add A and B, then subtract C and D.	\$ 277,339,205
19.	Total value of properties under protest or not included on certified appraisal roll. ¹⁵	
A.	Current year taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁶	\$ 2,383,768
B.	Current year value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁷	+ \$ 0
C.	Total value under protest or not certified. Add A and B.	\$ 2,383,768
20.	Current year tax ceilings. Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step. ¹⁸	\$ 0
21.	Anticipated contested value. Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. ¹⁹ An affected taxing unit is wholly or partly located in a county that has a population of less than 500,000 and is located on the Gulf of Mexico. ²⁰ If completing this line, the taxing unit must include supporting documentation in Section 9. ²¹ Taxing units that are not affected, enter 0.	\$ 0
22.	Current year total taxable value. Add Lines 18E and 19C, then subtract Lines 20 and 21. ²²	\$ 279,722,973
23.	Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year. Include both real and personal property. Enter the current year value of property in territory annexed. ²³	\$ 4,379,990
24.	Total current year taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for the current year. ²⁴	\$ 0

¹² Tex. Tax Code §526.012(6) and 26.04(c-2)¹³ Tex. Tax Code §26.03(c)¹⁴ Tex. Tax Code §26.03(e)¹⁵ Tex. Tax Code §26.01(d) and (d)¹⁶ Tex. Tax Code §26.01(c)¹⁷ Tex. Tax Code §26.01(d)¹⁸ Tex. Tax Code §26.012(6)(B)¹⁹ Tex. Tax Code §526.012(6)(C) and 26.012(1-b)²⁰ Tex. Tax Code §26.012(1-a)²¹ Tex. Tax Code §26.04(d-3)²² Tex. Tax Code §26.012(6)²³ Tex. Tax Code §26.012(17)²⁴ Tex. Tax Code §26.012(17)

Line	No-New-Revenue Tax Rate Worksheet	
25.	Total adjustments to the current year taxable value. Add Lines 23 and 24.	\$ 4,379,990
26.	Adjusted current year taxable value. Subtract Line 25 from Line 22.	\$ 275,342,983
27.	Current year NNR tax rate. Divide Line 17 by Line 26 and multiply by \$100. ²⁵	\$ 0.262402 /\$100
28.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. ²⁶	\$ 0.000000 /\$100

Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the tax rate. The type of taxing unit will determine the rate components that apply to a taxing unit's overall voter-approval tax rate.

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

SECTION 2: Maintenance and Operations (M&O) and Debt Tax Rate Worksheet

This section calculates two components of the voter-approval tax rate:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the minimum dollar amount required to be paid toward debt service for the current year.²⁷ This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
29.	Prior year M&O tax rate. Enter the prior year M&O tax rate.	\$ 0.144658 /\$100
30.	Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 274,993,412
31.	Total prior year M&O levy. Multiply Line 29 by Line 30 and divide by \$100.	\$ 397,799
32.	Adjusted prior year levy for calculating NNR M&O rate. M&O taxes refunded for years preceding the prior tax year. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2025. This line applies only to tax years preceding the prior tax year..... Prior year taxes in TIF. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0..... Prior year transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. Prior year M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function..... Add Line 31 to 32D.	+ \$ 2,880 - \$ 0 +/- \$ 0 \$ 2,880 \$ 400,679
33.	Adjusted current year taxable value. Enter the amount in Line 26 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 275,342,983
34.	Current year NNR M&O rate (unadjusted). Divide Line 32E by Line 33 and multiply by \$100.	\$ 0.145519 /\$100

²⁵ Tex. Tax Code §26.04(c)

²⁶ Tex. Tax Code §26.04(d)

²⁷ Tex. Tax Code §26.012(3)

Line	M&O and Debt Tax Rate Worksheet	
35.	Rate adjustment for state criminal justice mandate. ²⁸	
A.	Current year state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	\$ 0
B.	Prior year state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.	-\$ 0
C.	Subtract B from A and divide by Line 33 and multiply by \$100.	\$ 0.000000 / \$100
D.	Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.000000 / \$100
36.	Rate adjustment for indigent health care expenditures. ²⁹	
A.	Current year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose.	\$ 0
B.	Prior year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2024 and ending on June 30, 2025, less any state assistance received for the same purpose.	-\$ 0
C.	Subtract B from A and divide by Line 33 and multiply by \$100.	\$ 0.000000 / \$100
D.	Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.000000 / \$100
37.	Rate adjustment for county indigent defense compensation. ³⁰	
A.	Current year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state grants received by the county for the same purpose.	\$ 0
B.	Prior year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2024 and ending on June 30, 2025, less any state grants received by the county for the same purpose.	\$ 0
C.	Subtract B from A and divide by Line 33 and multiply by \$100.	\$ 0.000000 / \$100
D.	Multiply B by 0.05 and divide by Line 33 and multiply by \$100.	\$ 0.000000 / \$100
E.	Enter the lesser of C and D. If not applicable, enter 0.	\$ 0.000000 / \$100
38.	Rate adjustment for county hospital expenditures. ³¹	
A.	Current year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year.	\$ 0
B.	Prior year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2024 and ending on June 30, 2025.	\$ 0
C.	Subtract B from A and divide by Line 33 and multiply by \$100.	\$ 0.000000 / \$100
D.	Multiply B by 0.08 and divide by Line 33 and multiply by \$100.	\$ 0.000000 / \$100
E.	Enter the lesser of C and D, if applicable. If not applicable, enter 0.	\$ 0.000000 / \$100

²⁸ Tex. Tax Code §26.044²⁹ Tex. Tax Code §26.0441³⁰ Tex. Tax Code §26.0442³¹ Tex. Tax Code §26.0443

Line	M&O and Debt Tax Rate Worksheet	
39.	Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.	
	A. Amount appropriated for public safety in the prior year. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year. \$ <u>0</u>	
	B. Expenditures for public safety in the prior year. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year \$ <u>0</u>	
	C. Subtract B from A and divide by Line 33 and multiply by \$100 \$ <u>0.000000</u> / \$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	\$ <u>0.000000</u> / \$100
40.	Adjusted current year NNR M&O rate. Add Lines 34, 35D, 36D, 37E, and 38E. Subtract Line 39D.	\$ <u>0.145519</u> / \$100
41.	Adjustment for prior year sales tax specifically to reduce property taxes. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero.	
	A. Enter the amount of additional sales tax collected and spent on M&O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent \$ <u>340,577</u>	
	B. Divide Line 41A by Line 33 and multiply by \$100 \$ <u>0.123691</u> / \$100	
	C. Add Line 41B to Line 40.	\$ <u>0.269210</u> / \$100
42.	Current year voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below. Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 41C by 1.08. - or - Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 41C by 1.035.	\$ <u>0.278632</u> / \$100
D42.	Disaster Line 42 (D42): Current year voter-approval M&O rate for taxing unit affected by disaster declaration. ³² If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate a rate equal to the lesser of:	
	A. The voter-approval tax rate calculated in the manner provided for a special taxing unit. Multiply line 41C by 1.08 ³³ \$ <u>0.290746</u> / \$100	
	- or -	
	B. The voter-approval M&O tax rate calculated in the manner provided for a taxing unit other than a special taxing unit plus the disaster relief rate. ³⁴ Complete Section 5 through Line 68 to complete D42(B).	
	a. Enter the disaster relief cost \$ _____	
	b. Disaster relief rate. Divide Line D42(B)(a) by Line 26 and multiply by 100 \$ _____ / \$100	
	c. Add Line D42(B)(b) to Line 42 \$ _____ / \$100	
	d. Enter the current year unused increment rate from Line 68 \$ _____ / \$100	
	e. Add Line D42(c) to Line D42(d) \$ _____ / \$100	
	The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of:	
	1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or	
	2) the third tax year after the tax year in which the disaster occurred.	
	C. Enter Line D42(A) if less than Line D42(B)(e). If Line D42(B)(e) is less than line D42(A), enter Line D42(B)(c). ³⁵	\$ _____ / \$100
	If the taxing unit does not qualify, do not complete Disaster Line 42 (Line D42).	

³² Tex. Tax Code §26.042³³ Tex. Tax Code §26.042(a-2)(1)³⁴ Tex. Tax Code §26.042(a-1) and 26.042(a-2)(2)³⁵ Tex. Tax Code §26.042(a-2)

Line	M&O and Debt Tax Rate Worksheet	
43.	Total current year debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes; (2) are secured by property taxes; (3) are scheduled for payment over a period longer than one year; and (4) are not classified in the taxing unit's budget as M&O expenses. A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.³⁶ Enter debt amount \$ 552,000 B. Subtract unencumbered fund amount used to reduce total debt. - \$ 0 C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) - \$ 0 D. Subtract amount paid from other resources - \$ 0 E. Adjusted debt. Subtract B, C and D from A. \$ 552,000	
44.	Certified prior year excess debt collections. Enter the amount certified by the collector. ³⁷	\$ 0
45.	Adjusted current year debt. Subtract Line 44 from Line 43E.	\$ 552,000
46.	Current year anticipated collection rate. A. Enter the current year anticipated collection rate certified by the collector.³⁸ 95.00 % B. Enter the prior year actual collection rate..... 96.00 % C. Enter the 2024 actual collection rate. 97.00 % D. Enter the 2023 actual collection rate. 97.00 % E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.³⁹ 96.00 %	
47.	Current year debt adjusted for collections. Divide Line 45 by Line 46E.	\$ 575,000
48.	Current year total taxable value. Enter the amount on Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 279,722,973
49.	Current year debt rate. Divide Line 47 by Line 48 and multiply by \$100.	\$ 0.205560 /\$100
50.	Current year voter-approval M&O rate plus current year debt rate. Add Lines 42 and 49.	\$ 0.484192 /\$100
D50.	Disaster Line 50 (D50): Current year voter-approval M&O and debt tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval M&O tax rate in the manner provided by Line D42. Add Line D42(C) and 49.	\$ _____ /\$100
51.	COUNTIES ONLY. Add together the voter-approval M&O and debt tax rates for each type of tax the county levies. The total is the current year county voter-approval M&O and debt tax rate.	\$ 0.000000 /\$100

³⁶ Tex. Tax Code §26.012(7)³⁷ Tex. Tax Code §526.012(10) and 26.04(b)³⁸ Tex. Tax Code §26.04(b)³⁹ Tex. Tax Code §26.04(h), (h-1) and (h-2)

SECTION 3: Adjustments for Additional Sales Tax to Reduce Property Taxes

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

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

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
52.	Taxable Sales. For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters. ⁴⁰ Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.	\$ 0
53.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ⁴¹ Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year. Multiply the amount on Line 52 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ⁴² - or - Taxing units that adopted the sales tax before November of the prior year. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ 620,247
54.	Current year total taxable value. Enter the amount from Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 279,722,973
55.	Sales tax adjustment rate. Divide Line 53 by Line 54 and multiply by \$100.	\$ 0.221736 /\$100
56.	Current year NNR tax rate, unadjusted for sales tax. ⁴³ Enter the rate from Line 27 or 28, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.262402 /\$100
57.	Current year NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year. Subtract Line 55 from Line 56. Skip to Line 58 if you adopted the additional sales tax before November of the prior tax year.	\$ /\$100
58.	Current year voter-approval tax rate, unadjusted for sales tax. ⁴⁴ Enter the rate from Line 50, Line D50 (disaster) or Line 51 (counties) as applicable, of the <i>M&O and Debt Tax Rate Worksheet</i> .	\$ 0.484192 /\$100
59.	Current year voter-approval tax rate, adjusted for sales tax. Subtract Line 55 from Line 58.	\$ 0.262456 /\$100

SECTION 4: Adjustment for Pollution Control

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

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

Line	Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
60.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ⁴⁵ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ⁴⁶	\$
61.	Current year total taxable value. Enter the amount from Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$
62.	Additional rate for pollution control. Divide Line 60 by Line 61 and multiply by \$100.	\$ /\$100
63.	Current year voter-approval tax rate, adjusted for pollution control. Add Line 62 to one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties) or Line 59 (taxing units with the additional sales tax).	\$ /\$100

⁴⁰ Tex. Tax Code §26.041(d)⁴¹ Tex. Tax Code §26.041(i)⁴² Tex. Tax Code §26.041(d)⁴³ Tex. Tax Code §26.04(c)⁴⁴ Tex. Tax Code §26.04(c)⁴⁵ Tex. Tax Code §26.045(d)⁴⁶ Tex. Tax Code §26.045(i)

SECTION 5: Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value.⁴⁷ The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value.⁴⁸

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

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042;⁴⁹
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁵⁰ or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁵¹

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁵²

Line	Unused Increment Rate Worksheet	Amount/Rate
64.	Year 3 Foregone Revenue Amount. Subtract the 2025 unused increment rate and 2025 actual tax rate from the 2025 voter-approval tax rate. Multiply the result by the 2025 current total value	
	A. Voter-approval tax rate (Line 69)	\$ 0.272538 /\$100
	B. Unused increment rate (Line 68)	\$ 0.000000 /\$100
	C. Subtract B from A	\$ 0.272538 /\$100
	D. Adopted Tax Rate	\$ 0.272538 /\$100
	E. Subtract D from C	\$ 0.000000 /\$100
	F. 2025 Total Taxable Value (Line 61)	\$ 279,722,973
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero	\$ 0
65.	Year 2 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value	
	A. Voter-approval tax rate (Line 68)	\$ 0.293091 /\$100
	B. Unused increment rate (Line 67)	\$ 0.114998 /\$100
	C. Subtract B from A	\$ 0.178093 /\$100
	D. Adopted Tax Rate	\$ 0.178093 /\$100
	E. Subtract D from C	\$ 0.000000 /\$100
	F. 2024 Total Taxable Value (Line 60)	\$ 265,782,893
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero	\$ 0
66.	Year 1 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value	
	A. Voter-approval tax rate (Line 67)	\$ 0.141454 /\$100
	B. Unused increment rate (Line 66)	\$ 0.010634 /\$100
	C. Subtract B from A	\$ 0.130820 /\$100
	D. Adopted Tax Rate	\$ 0.130800 /\$100
	E. Subtract D from C	\$ 0.000020 /\$100
	F. 2023 Total Taxable Value (Line 60)	\$ 230,687,221
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero	\$ 46
67.	Total Foregone Revenue Amount. Add Lines 64G, 65G and 66G	\$ 46.000000
68.	2026 Unused Increment Rate. Divide Line 67 by Line 22 of the No-New-Revenue Rate Worksheet. Multiply the result by 100	\$ 0.000016 /\$100
69.	Total 2026 voter-approval tax rate. Add Line 68 to one of the following lines (as applicable): Line 50, Line D50 (only if Line D42(B) was used), Line 51 (counties), Line 59 (taxing units with additional sales tax) or Line 63 (taxing units with pollution)	\$ 0.262472 /\$100

⁴⁷ Tex. Tax Code §26.013(b)

⁴⁸ Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)

⁴⁹ Tex. Tax Code §26.04(c)(2)(A) and 26.042(a)

⁵⁰ Tex. Tax Code §26.0501(a) and (c)

⁵¹ Tex. Local Gov't Code §120.007(d)

⁵² Tex. Local Gov't Code §26.04(c)(2)(B)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁵³ This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁵⁴

Line	De Minimis Rate Worksheet	Amount/Rate
70.	Adjusted current year NNR M&O tax rate. Enter the rate from Line 40 of the <i>M&O and Debt Tax Rate Worksheet</i> .	\$ 0.145519 /\$100
71.	Current year total taxable value. Enter the amount on Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 279,722,973
72.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 71 and multiply by \$100.	\$ 0.178748 /\$100
73.	Current year debt rate. Enter the rate from Line 49 of the <i>M&O and Debt Tax Rate Worksheet</i> .	\$ 0.205560 /\$100
74.	De minimis rate. Add Lines 70, 72 and 73.	\$ 0.529827 /\$100

SECTION 7: Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁵⁵

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

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

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

Line	Emergency Revenue Rate Worksheet	Amount/Rate
75.	2025 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ _____ /\$100
76.	Adjusted 2025 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. ⁵⁶ If a disaster occurred in 2025 and the taxing unit calculated its 2025 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) of the 2025 worksheet due to a disaster, complete the applicable sections or lines of Form 50-856-a, <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> . - or - If a disaster occurred prior to 2025 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) in 2025, complete form 50-856-a, <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2025 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. ⁵⁷ Enter the final adjusted 2025 voter-approval tax rate from the worksheet.	\$ _____ /\$100
77.	Increase in 2025 tax rate due to disaster. Subtract Line 76 from Line 75.	\$ _____ /\$100
78.	Adjusted 2025 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ _____
79.	Emergency revenue. Multiply Line 77 by Line 78 and divide by \$100.	\$ _____
80.	Adjusted current year taxable value. Enter the amount in Line 26 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ _____
81.	Emergency revenue rate. Divide Line 79 by Line 80 and multiply by \$100. ⁵⁸	\$ _____ /\$100
82.	Current year voter-approval tax rate, adjusted for emergency revenue. Subtract Line 81 from one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (taxing units with the additional sales tax), Line 63 (taxing units with pollution control) or Line 69 (taxing units with the unused increment rate).	\$ _____ /\$100

⁵³ Tex. Tax Code §26.012(B-a)⁵⁴ Tex. Tax Code §26.063(a)(1)⁵⁵ Tex. Tax Code §26.042(b)⁵⁶ Tex. Tax Code §26.042(c)⁵⁷ Tex. Tax Code §26.042(b)⁵⁸ Tex. Tax Code §26.042(b)

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. \$ 0.262402 /\$100

As applicable, enter the current year NNR tax rate from: Line 27, Line 28 (counties), or Line 57 (adjusted for sales tax).

Indicate the line number used: 27

Voter-approval tax rate. \$ 0.262472 /\$100

As applicable, enter the current year voter-approval tax rate from: Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (adjusted for sales tax), Line 63 (adjusted for pollution control), Line 69 (adjusted for unused increment), or Line 82 (adjusted for emergency revenue).

Indicate the line number used: 69

De minimis rate. \$ 0.529827 /\$100

If applicable, enter the current year de minimis rate from Line 74.

SECTION 9: Addendum

An affected taxing unit that enters an amount described by Tax Code Section 26.012(6)(C) in line 21 must include the following as an addendum:

1. Documentation that supports the exclusion of value under Tax Code Section 26.012(6)(C); and
2. Each statement submitted to the designated officer or employee by the property owner or entity as required by Tax Code Section 41.48(c)(2) for that tax year.

Insert hyperlinks to supporting documentation:

SECTION 10: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.⁵⁹print
here

Dawn Polasek Barnett

Printed Name of Taxing Unit Representative

sign
here

Taxing Unit Representative

07/29/2026

Date

⁵⁹ Tex. Tax Code §26.04(c-2) and (d-2)

ORDINANCE NO. 091026-02

AN ORDINANCE LEVYING A TAX RATE
FOR THE CITY OF LA VERNIA FOR TAX YEAR 2026

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

THE CITY COUNCIL OF LA VERNIA, TEXAS DOES HEREBY ADOPT THE FOLLOWING TAX RATE PER \$100 VALUATION FOR THE TAX YEAR 2026 AS FOLLOWS:

0.144658

FOR THE PURPOSE OF MAINTENANCE AND OPERATION

0.127880

FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON DEBT

0.272538

TOTAL TAX RATE

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE WILSON COUNTY APPRAISAL DISTRICT IS HEREBY AUTHORIZED TO ASSESS AND COLLECT THIS TAX FOR THE CITY OF LA VERNIA ON THIS 10th DAY OF SEPTEMBER 2026.

PASSED, AND APPROVED this 10th day of September 2026 and recorded as follows:

MAINTENANCE AND OPERATION:

Rate -

	FOR	AGAINST	ABSTAIN
Mayor Gary Gilbert			
Councilmember Dianell Recker			
Councilmember Justin Oates			
Councilmember Katie Evans			
Councilmember Chelsey Ingle			
Councilmember Garrett Rabel			

PRINCIPAL AND INTEREST ON DEBT:

Rate -

	FOR	AGAINST	ABSTAIN
Mayor Gary Gilbert			
Councilmember Dianell Recker			
Councilmember Justin Oates			
Councilmember Katie Evans			
Councilmember Chelsey Ingle			
Councilmember Garrett Rabel			

TOTAL TAX:

Rate - _____

	FOR	AGAINST	ABSTAIN
Mayor Gary Gilbert			
Councilmember Dianell Recker			
Councilmember Justin Oates			
Councilmember Katie Evans			
Councilmember Chelsey Ingle			
Councilmember Garrett Rabel			

Gary Gilbert
Mayor, City of La Vernia

ATTEST:

Madison Farrow
City Secretary

Fiscal year

*2026-2027
Holidays*

Monday, October 12th - Columbus Day

Wednesday, November 11th - Veterans Day

Thursday, November 26th - Thanksgiving

Friday, November 27th - Black Friday

Wednesday, December 23rd - Christmas Bonus Day

Thursday, December 24th - Christmas Eve

Friday, December 25th - Christmas

Thursday, December 31st (½ day) - New Years Eve

Friday, January 1st - New Year's Day

Monday, January 18th - Martin Luther King, Jr. Day

Monday, February 15th - Presidents Day

Friday, March 26th - Good Friday

Monday, May 31st - Memorial Day

Monday, July 5th -(for the 4th of July)

Monday, September 6th - Labor Day

*Week of Christmas- closing City Hall, giving employees the option to work or use PTO

Job Title	Grade	New Min Annual	New Mid Annual	New Max Annual			
Intern	1	\$32,136.00	\$33,742.80	\$35,429.94			
Patrol Basic	2	\$52,073.71	\$54,677.40	\$57,411.26			
Patrol Intermediate	2	\$54,176.97	\$56,885.82	\$59,730.11			
Patrol Advanced	2	\$56,365.72	\$59,184.01	\$62,143.21			
Patrol Master	2	\$58,643.05	\$61,575.20	\$64,653.97			
Police Detective	3	\$61,060.46	\$64,113.48	\$67,319.16			
Police Corporal	3	\$63,477.87	\$66,651.76	\$69,984.35			
Police Sgt	4	\$66,041.54	\$69,343.62	\$72,810.80			
Police Lt	5	\$71,486.12	\$75,060.43	\$78,813.45			
Police Chief	6	\$82,649.40	\$86,781.87	\$91,120.96			
Court Clerk – No Certs	7	\$39,465.02	\$41,438.27	\$43,510.18			
Court Clerk Level 1	7	\$41,059.15	\$43,112.10	\$45,267.71			
Court Clerk Level 2	7	\$42,718.17	\$44,854.08	\$47,096.78			
Code Enforcement Attendant	8	\$39,465.02	\$41,438.27	\$43,510.18			
Public Works Entry Level	9	\$37,932.53	\$39,829.16	\$41,820.62			
Utility Worker – Water D	9	\$41,881.09	\$43,975.14	\$46,173.90			
Utility Worker – Water C	9	\$48,108.36	\$50,513.79	\$53,039.47			
Utility Worker – Water B	9	\$53,560.00	\$56,238.00	\$59,049.90			
Water Foreman	10	\$55,261.41	\$58,024.47	\$60,925.69			
Waste Water D	—	\$0.00	\$0.00	\$0.00	\$3,500 in addition to Utility worker yearly pay		
Waste Water C	—	\$0.00	\$0.00	\$0.00	\$5,000 in addition to Utility worker yearly pay		
Waste Water B	—	\$0.00	\$0.00	\$0.00	\$6,500 in addition to Utility worker yearly pay		
City Engineer	—	\$97,850.00	\$102,742.50	\$107,879.63			
Director of Public Works/Utilities	11	\$70,084.29	\$73,588.50	\$77,267.93			
City Secretary – No Certs	12	\$52,073.71	\$54,677.40	\$57,411.26			
City Secretary Level 1	12	\$53,115.04	\$55,770.79	\$58,559.33			
City Secretary Level 2	12	\$54,176.97	\$56,885.82	\$59,730.11			
City Secretary Level 3	12	\$55,260.53	\$58,023.56	\$60,924.74			
City Secretary Level 4	12	\$56,365.72	\$59,184.01	\$62,143.21			
MDD Admin Assistant	13	\$38,691.74	\$40,626.33	\$42,657.65			
Utilities Admin Assistant	13	\$38,691.74	\$40,626.33	\$42,657.65			
Police Admin Assistant	13	\$38,691.74	\$40,626.33	\$42,657.65			
Park Employee	14	\$34,356.68	\$36,074.51	\$37,878.24			
Parks Foreman	15	\$37,080.00	\$38,934.00	\$40,880.70			
Finance Administrator	16	\$56,645.06	\$59,477.31	\$62,451.18			
Front Desk Admin Assistant	17	\$38,691.74	\$40,626.33	\$42,657.65			
MDD Executive Director	18	\$65,000.00	\$68,250.00	\$71,662.50			
City Administrator	19	\$105,040.00	\$110,292.00	\$115,806.60			

Job Title	Department	Pay Grade	Pay Grade Min Annual	Pay Grade Mid Annual	Pay Grade Max Annual
Intern	Various	1	\$31,200.00	\$32,760.00	\$34,398.00
Patrol Basic	Police	2	\$50,557.00	\$53,084.85	\$55,739.09
Patrol Intermediate	police	2	\$52,599.00	\$55,228.95	\$57,990.40
Patrol Advanced	Police	2	\$54,724.00	\$57,460.20	\$60,333.21
Partrol Master	Police	2	\$56,935.00	\$59,781.75	\$62,770.84
Police Corporal	Police	3	\$61,629.00	\$64,710.45	\$67,945.97
Police Sgt	Police	4	\$64,118.00	\$67,323.90	\$70,690.10
Police Lt	Police	5	\$69,404.00	\$72,874.20	\$76,517.91
Police Chief	Police	6	\$75,253.00	\$79,015.65	\$82,966.43
Court Clerk- No Certs	Court	7	\$38,315.55	\$40,231.33	\$42,242.89
Court Clerk Level 1	Court	7	\$39,863.25	\$41,856.41	\$43,949.23
Court Clerk Level 2	Court	7	\$41,473.95	\$43,547.65	\$45,725.03
Code Enforcement Attendent	Code Enforcement	8	\$38,315.55	\$40,231.33	\$42,242.89
Public Works Entry Level	Public Works	9	\$36,827.70	\$38,669.09	\$40,602.54
Utility worker- Water D	Utility	9	\$40,661.25	\$42,694.31	\$44,829.03
Utility worker- Water C	Utility	9	\$46,707.15	\$49,042.51	\$51,494.63
Utility worker- Water B	Utility	9	\$52,000.00	\$54,600.00	\$57,330.00
Water Foreman	Utility	10	\$53,651.85	\$56,334.44	\$59,151.16
Waste Water D	Utility		\$0.00	\$0.00	\$0.00
Waste Water C	Utility		\$0.00	\$0.00	\$0.00
Waste Water B	Utility		\$0.00	\$0.00	\$0.00
City Engineer	Utility		\$95,000.00	\$99,750.00	\$104,737.50
Director of Public Works/ Utilities	Public Works- Utilities	11	\$68,043.00	\$71,445.15	\$75,017.41
City Secretary- No Certs	City Secretary	12	\$50,557.00	\$53,084.85	\$55,739.09
City Secretary Level 1	City Secretary	12	\$51,568.00	\$54,146.40	\$56,853.72
City Secretary Level 2	City Secretary	12	\$52,599.00	\$55,228.95	\$57,990.40
City Secretary Level 3	City Secretary	12	\$53,651.00	\$56,333.55	\$59,150.23
City Secretary Level 4	City Secretary	12	\$54,724.00	\$57,460.20	\$60,333.21
MDD Admin Assistant	MDD	13	\$37,564.80	\$39,443.04	\$41,415.19
Utilities Admin Assistant	Utilities	13	\$37,564.80	\$39,443.04	\$41,415.19
Police Admin Assistant	Police	13	\$37,564.80	\$39,443.04	\$41,415.19
Park employee	Parks	14	\$33,356.00	\$35,023.80	\$36,774.99
Parks Foreman	Parks	15	\$36,000.00	\$37,800.00	\$39,690.00
Finance Administrator	Finance	16	\$54,995.20	\$57,744.96	\$60,632.21
Front Desk Admin Assistant	Admin	17	\$39,998.40	\$41,998.32	\$44,098.24
MDD Executive Director	MDD	18	\$50,003.20	\$52,503.36	\$55,128.53
City Administrator	Admin	19	\$75,000.00	\$78,750.00	\$82,687.50



Budget Policy

PURPOSE

The following policies outline the City of La Vernia's (the "City") guidelines for budgetary decision-making and set standards for sound budgetary practices and fiscal performance. Adhering to these budget policies will assist the City in achieving its current and future goals in a fiscally responsible and sustainable manner.

SCOPE

This policy encompasses budgeting for operating and capital projects, revenue management, forecasting, internal controls, and reporting.

OBJECTIVES

These policies serve to guide the development of the City's budget and establish standards for revenue generation and the execution of operating expenditures, as recommended by the Government Finance Officers Association (GFOA). The budget policies are designed to manage financial pressures in response to growing demands on City resources while ensuring long-term fiscal stability.

BUDGET PROCESS

The purpose of the budget process is to help decision-makers make prudent choices regarding the provision of services and capital assets and to encourage stakeholder participation. The following summarizes the policies that will guide this process:

1. At the beginning of each budget cycle, the City Administrator and City Council will set parameters and priorities.
2. The City Administrator and Finance Administrator will annually publish a Budget Preparation Manual to guide departments in developing their budgets.
3. The budget process will include a five-year financial forecast to assess the long-term financial implications of current and proposed policies, programs, and assumptions and develop appropriate strategies to achieve the City Council's goals.

4. After departmental requests are submitted, the City Administrator will review and evaluate all baseline budget requests to ensure they meet City Council goals and objectives, improve management effectiveness, and enhance service delivery.
5. The City Administrator will submit a Proposed Budget to the City Council for approval. This submission will include the City Administrator's Budget Message, a concise summary of the budget, which shall include:
 - A summary of significant changes in priorities or service levels from the current year and the factors leading to those changes.
 - The priorities and critical issues for the new budget period.
 - Identification and summary of major financial factors and trends affecting the budget, such as economic factors, long-range outlook, significant changes in revenue collections, tax rates, current and future debt obligations, and significant use or increase in unreserved fund balance.
 - Financial summary data on revenues, other resources, and expenditures for at least a five-year period, including prior year actuals, current year budget and/or estimated current year actuals, and the proposed budget.

BALANCED BUDGET

The general fund, which is the primary operating fund of the City, is required to have a balanced budget annually. The City's goal is to balance the operating budget with current revenues, meaning that current revenues should match and fund ongoing expenditures and expenses. The budget is considered balanced when total spending and costs are equal to total revenues. Additionally, the budget is considered balanced when total spending and costs are less than total revenues, resulting in a surplus. There may be instances where the City plans to use excess fund balances accumulated from previous years (while maintaining established reserves) for one-time or non-routine expenditures. The budget is deemed balanced in this case as long as the funding from previous years is available and a plan is in place to ensure that ongoing expenditures are not funded from this type of funding. This type of balanced budget is especially relevant when capital projects are funded through bond issuance.

BUDGET ADOPTION

The budget shall be adopted by resolution no later than the day before the first day of the City's fiscal and budget year. If the budget is not adopted by this deadline, the appropriation for personnel and essential operating supplies made in the previous year shall be extended until the new budget is adopted.

BUDGET CONTROLS AND ACCOUNTABILITY

Each department director, appointed by the City Administrator, will be responsible for the strategic plan and goals adopted by the City Council as part of the budget and for monitoring their individual departmental budget to ensure compliance with spending limitations.

The Finance Administrator, at the direction of the City Administrator, may transfer funds within the line items of a departmental budget category. All other transfers of appropriation or budget amendments that alter the originally adopted budgets at the fund level require approval from the City Administrator and City Council, as outlined in the following section.

AMENDMENTS TO THE BUDGET

Before Adoption:

After the public hearing, the City Council may adopt the budget with or without amendments. In amending the proposed budget, the City Council may add or increase programs or amounts and may delete or decrease any programs or amounts, except for expenditures required by law or for debt service. However, no amendment to the proposed budget shall increase spending to an amount greater than the estimated income (including the use of available Fund Balance).

After Adoption:

- a. Department Heads are authorized to request budget transfers.
- b. A budget transfer of personal services appropriations or affecting revenue accounts requires the approval of the City Administrator or his/her designee.
- c. A budget transfer must be approved prior to the occurrence of the expenditure, except for emergency expenditures, which must be approved by the City Administrator or his/her designee and ratified by the City Council.
- d. The City Administrator shall have the authority to establish the budget for any capital projects that the City Council approves.
- e. Budget amendments submitted to the City Council shall be accompanied by an explanation from the department and a recommendation from the City Administrator or his/her designee. The department's reason must be sufficiently clear and detailed to allow City Council members to determine the necessity of the amendments.
- f. The City Administrator or his/her designee is authorized to establish budgets and staffing changes for grants and similar awards when the City Council and City Administrator have previously approved the applications for such grants and awards.

[Approved September 05, 2024, by the La Vernia City Council, Resolution #_____]



Fund Balance Policy (per GASB 54)

PURPOSE

The purpose of this policy is to establish a key element of the financial stability of the City of La Vernia (the City), setting guidelines for fund balance. Unassigned fund balance is an important measure of economic stability. It is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The intent of this policy is to ensure the City maintains adequate fund balances in the City's various operating funds with respect to the following:

1. Providing sufficient cash flow liquidity for the City's general governmental operations,
2. Securing and maintaining investment grade bond ratings,
3. Offsetting significant economic downturns or revenue shortfalls, and
4. Providing funds for unforeseen expenditures related to emergencies.

DEFINITIONS

Fund Equity – A fund's equity is generally the difference between its assets and liabilities.

Fund Balance – An accounting distinction is made between the portions of fund equity that are spendable and non-spendable. These included the following categories:

1. Non-spendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact. Examples include inventory and prepaid expenses.
2. Spendable Fund Balance:
 - A. Restricted – includes amounts that are constrained for specific purposes that are externally imposed by providers, such as creditors, grantors, or contributors, or amounts constrained due to regulations of other governments. Examples include grant awards and bond proceeds.
 - B. Committed – Includes amounts that are limited to specific purposes that are *internally imposed* by the City through formal action of the City Council. Commitments may be changed or removed only by formal action of the City Council. This includes balances formally approved by the City Council during the budget adoption and amendment process. The formal action must be

approved by the City Council prior to the end of the fiscal year in which the commitment will be reflected on the financial statements.

- C. Assigned – includes amounts that are intended for specific purposes that are considered neither restricted nor committed. Intent can be expressed by the City Council or by an official to which the City Council delegates the authority. Assignments of fund balance are less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the General Fund, the assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- D. Unassigned – the residual classification of amounts in the General Fund, which includes all amounts not classified in other fund balance categories. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

POLICY/PRACTICES

1. Minimum fund balance or fund balance reserve for City funds shall be as listed below. The reserve will be considered assigned fund balance, and other assignments and restrictions cannot be included as part of the reserve calculation:
 - a. General Fund – 35% of on-going expenditures
 - b. All other funds – 25% of on-going expenditures
2. The General Fund shall have a maximum fund balance of 60%, excluding non-reserve assignments and commitments. When the amount is exceeded, the City shall identify one-time expenditures for which to use the funds, consider tax rate changes, and/or review non-tax revenue rates to ensure no unnecessary over-collection of revenues.
3. For enterprise funds, the fund balance will be defined as working capital and shall represent current assets minus current liabilities without future bond payments.
4. The City Council may appropriate unassigned fund balance for emergency purposes, as deemed necessary, even if such use decreases the fund balance below the established minimum.
5. When multiple categories of fund balance are available for expenditure, such as a capital project being funded by a combination of grant funds, funds set aside by the City Council, and unassigned fund balance, the City will spend project funds from the most restricted category first (e.g., grant funds). When the most restricted fund balance has been spent on the project, then funds will be spent from the next most restrictive category (e.g., committed or assigned fund balance), continuing this pattern until all project funds have been expended.
6. The city shall minimize the use of committed fund balances in major operating funds when possible. Methods of reducing the commitments include transferring project funds to capital projects, creating and maintaining equipment replacement and long-term maintenance funds, and creating and maintaining operating project funds for non-capital projects.

7. The Finance Administrator shall be responsible for monitoring and reporting the City's various reserve balances. The City Administrator is directed to make recommendations to the Council regarding the use of reserve funds as an element of the annual operating budget submission or as necessary throughout the fiscal year, as circumstances may arise.
8. Compliance with the provisions of this policy shall be reviewed as a part of the annual operating budget adoption and subsequent review will be included in the annual audit and financial statement preparation procedures.

[Approved September 05, 2024, by the La Vernia City Council, Resolution #_____]



Investment policy

Edits as of: 01-02-25

Introduction

It is the policy of the City of La Vernia to invest public funds in a manner that obtains the optimal balance of safety, liquidity, yield, and diversification, meets the city's daily cash flow demands, and conforms to the statutes governing the investment of public funds. This policy addresses the methods, procedures, and practices needed to ensure effective fiscal management of the City's funds.

These procedures satisfy the statutory requirements of defining and adopting a formal investment policy and comply with the provisions of the Public Funds Investment Act (PFIA) of the Texas Government Code, Chapter 2256.

1. Scope

This investment policy applies to all of the city's financial assets. These funds are reported in the City's comprehensive Annual Financial Report (CAFR) and include:

- General Fund
- Special Revenue Funds
- Debt Service and Debt Reserve Funds
- Capital Projects Funds
- Enterprise Funds

All funds will be pooled for investment purposes with the exception of the following, which are managed as separately invested assets:

- Bond Funds
- Bond Reserve Funds

This policy does not govern funds managed under separate investment programs in accordance with Section 2256.004 of the PFIA. Such funds currently include:

- State Funds
- Retirement/Pension Fund
- Deferred Compensation Fund

2. Objectives

The City shall maintain a proactive cash management program. Cash management is the process of managing monies in order to ensure maximum cash availability and reasonable yield on short-term investments. Cash management includes timely collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of assets.

All investments shall be managed in a manner responsive to the public trust and consistent with state and local law. The City shall manage and invest its cash and assets with four major objectives: safety, liquidity, diversification, and yield. [2256.005(d)]

2.1 Safety: The investment policy's primary objective is the principal's safety. The City will invest in a manner that assures the preservation of capital for the overall portfolio. The City's portfolio shall be diversified by market sector and maturity to avoid market risk and ensure safety.

2.2 Liquidity: The City's investment portfolio shall be structured to meet all operational obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow liabilities and maintaining additional liquidity for unexpected liabilities.

2.3 Diversification: To avoid market risk, the city's portfolio shall be diversified by market sector and maturity.

2.4 Yield: The City's investment portfolio shall be designed to attain a market rate of return commensurate with the City's investment risk constraints and cash flow needs. The benchmark for the City's portfolio is the six-month U.S. Treasury Bill; it serves as a threshold measurement. The investment program may seek to augment returns above this threshold consistent with risk limitations identified in the Policy.

3. Delegations of Authority

3.1 City Council

- A. Retains responsibility and control over all investments of City funds.
- B. Shall appoint one or more Investment Officers responsible for the investment of City funds by resolution.
- C. Shall delegate daily operations and investment oversight to the City Administrator and Finance Administrator according to PFIA and this investment policy.
- D. Shall adopt a written investment policy.
- E. Shall review the policy and its strategies not less than annually. The council shall state by resolution that it has reviewed the policy and strategy and recorded any changes made.
- F. Approves and provides training for investment officers, finance administrators, and city administrators according to the requirements of PFIA.
- G. may retain the services of an Investment Advisor to assist in reviewing cash flow requirements, formulating investment strategies, and executing security purchases, sales, and deliveries.
- H. At least annually, the Council shall review, revise, and adopt a list of qualified brokers/dealers authorized to engage in securities transactions with the City.
- I. At least every five years, the Council shall select a City Depository in accordance with Texas Government Code 105.017.

Finance Administrator

The finance administrator is responsible for the city's cash management activities under the direction and control of the City Administrator. Investment Officers, in collaboration with the City Administrator, are responsible for the City's investments.

3.2 City Administrator

- A. Serves as the City's Primary Investment Officer.
- B. Shall develop and maintain internal controls in accordance with section 7 of this Policy.
- C. The City Administrator, in collaboration with the finance administrator, shall develop and maintain a comprehensive cash flow analysis for all of the City's fund types. The purpose of this analysis will be to determine liquidity needs and the available funds for investing. **The summarized cash flow analysis report will be provided to the City Council quarterly.**
- D. The City Administrator shall routinely monitor the investment portfolio's contents, available markets, and the relative values of competing instruments and shall adjust the portfolio accordingly, keeping in mind the overall objectives of the investments.

3.3 Investment Officers

- A. Written procedures for operating the investment program shall be established consistent with the Investment Policy.
- B. **Not less than quarterly and in a timely manner, the Investment Officers shall prepare, sign, and submit to the Council a written report of investment transactions for all funds. Reports shall be written according to PFIA 2256.023.**
- C. Are solely authorized to invest City funds. No person may engage in an investment transaction except as provided under the terms of this Policy.

4. Prudence

The standard of prudence to be applied to all City investments shall be the "prudent person" rule, which states:

"Investments shall be made with judgment and care, under prevailing circumstances, which persons of prudence, discretion and intelligence exercise in the management of their affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds under the City's control, over which the officer has responsibility rather than a consideration as to the prudence of a single investment.

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

5. Conflicts of Interest

Investment Officers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program or impair their ability to make impartial investment decisions.

Investment Officers must file a disclosure statement with the Texas Ethics Commission and City Council if:

- A. The Investment Officer has a personal relationship with a business organization offering to engage in an investment transaction with the City.
- B. The Officer is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the City.

6. Training

The City Administrator, Finance Administrator, Investment Officer(s), and any other as designated by the Council shall attend an investment training session not less than once in a two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date. Trainees shall receive not less than (10) hours of instruction relating to investment responsibilities from an independent source approved by the Council.

7. Internal Controls

The Finance Director is responsible for developing and maintaining internal controls to protect all assets from loss, theft, or misuse. The internal controls shall address the following points at a minimum:

- Control of collusion – segregation of duties
- Separation of transaction authority from accounting and record-keeping
- Custodial safekeeping
- Clear delegation of authority
- Written confirmation for all transactions
- Review, monitoring, and maintenance of security procedures

The external auditor shall provide an annual independent review to assure compliance with state law, policies and procedures.

8. Financial Counter-Parties

8.1 Documents

All financial institutions and brokers/dealers who desire to transact business with the City must supply the following minimal documents:

- A. Financial Industry Regulatory (FINRA) registration and CRDN
- B. Proof of Texas State Securities Registration

8.2 Acknowledgement

A written copy of this Investment Policy shall be presented to any counterparties offering to engage in investment transactions with the City. Investments shall only be made with those business organizations that have provided the City with a written acknowledgment that the business has:

- A. Received and reviewed the City's Investment Policy
- B. Implemented reasonable procedures and controls to preclude unauthorized investments

8.3 Broker/Dealer List

At least annually, the Council shall review, revise, and adopt a list of qualified brokers/dealers authorized to engage in securities transactions with the City. No broker may be used without the approved broker/dealer list.

9. Competitive Bidding

It is the intent of the City to require competitive bidding for all individual security purchases and sales except for:

- A. Transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates)
- B. Treasury and agency securities purchased at issue through an approved broker/dealer or financial institution
- C. Automatic overnight sweep transactions with the City Depository
- D. Fully insured certificates of deposit placed in accordance with the conditions of the PFIA

The Investment Officer(s) shall solicit at least three bids for all other transactions involving individual securities.

10. Investment Strategy

The city maintains one commingled portfolio for investment purposes, which incorporates the specific investment strategy considerations and the unique characteristics of the fund groups represented in the portfolio.

The City intends to match investments with the anticipated cash flow requirements of the City. In no case will the average maturity of the portfolio exceed 12 months. The weighted average of any single investment shall not exceed two years. This dollar-weighted average maturity will be calculated using each security's stated final maturity dates.

The City shall pursue a conservative portfolio management strategy emphasizing low credit risk, diversification, and liquidity. The City intends to concentrate its investments in shorter-term securities to limit risk from interest rate changes. The city may only invest in the authorized investments in Section 11 of this Policy.

The City's policy is to hold securities to maturity. However, securities may be sold:

- A. To minimize the potential loss of principal on a security whose credit quality has declined
- B. To reposition the portfolio to improve the quality, yield, or target duration
- C. To meet unanticipated liquidity needs of the portfolio

The City calls for using investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but in excess of the amount maintained at the depository bank are available for deposit in investment pools.

Proceeds from the sale of general obligation bonds or certificates of obligation will be segregated from the other investments of the City. The basic intent is to match the funds' availability to the capital projects' cash requirements.

11. Authorized Investments

11.1 The City may only invest in the following instruments:

- A. Obligations of the United States Government, its agencies, and instrumentalities with a remaining stated maximum maturity of (2) years, to exclude mortgage-backed securities.
- B. Obligations of any state or political subdivisions of a state rated A or better by a nationally recognized rating agency, not to exceed one year.
- C. A certificate of deposit, or share certificate, issued by a depository institution that has its main office or a branch office in Texas. Certificates must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund.
- D. A brokered certificate of deposit from a depository institution with its main office or branch office in the state of Texas is selected from a list adopted by the Council. The FDIC must fully insure the full amount of each certificate. Maturity shall not exceed one year.
- E. Fully collateralized repurchase agreements that have a defined termination

- date and are secured by obligations of the United States or its agencies and instrumentalities. The securities purchased by the City must be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City's custodial bank. Repurchase agreements can only be placed through primary government securities dealers or financial institutions doing business in Texas. The maximum term for repurchase agreements is (90) days from the date the reverse security repurchase agreement is delivered. Securities held as collateral must not mature later than the agreement's expiration date.
- F. A no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940. The fund must include in its investment objectives the maintenance of a stable net asset value of \$1 for each share and have a dollar-weighted average stated maturity of (90) days or fewer.
 - G. Local Government Investment Pools that are AAA-rated and maintain a constant-dollar value. Pool(s) must be authorized by the Council and meet the requirements of the PFIA section 2256.016.
 - H. Commercial papers, only if all investment officers agree to do so in writing and subject to annual review.

11.2 The City shall not invest in:

- A. Structured notes, investments with inverse-floaters, collateralized mortgage obligations, or any other form of derivatives;
- B. Any investment not authorized by this Policy or the PFIA;
- C. Any instrument for which there would not be a ready market for immediate resale;
- D. Any investment pool in which the City would own more than 10% of the pool;
- E. Highly sophisticated investments not freely conducted in the marketplace e.g., derivatives; and
- F. Any one mutual fund in which the City would own more than 10% of the fund.

11.3 Investment Officers may restrict or prohibit the purchase of specific issues due to current market conditions. An investment that requires a minimum rating under this section does not qualify as an authorized investment during the period the investment does not have the minimum rating. The City shall take all prudent measures consistent with PFIA to liquidate an investment that does not have the minimum required rating. Ratings shall be monitored using nationally recognized financial information sources.

12. Diversification

The city recognizes that investment risk can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. The City's investment pool

will be diversified to limit investment risk by observing the maximum limitations at the time of purchase as listed below:

<u>Investment Type</u>	<u>Portfolio Maximum</u>
US Obligations	100%
US Agencies/Instrumentalities	75%
From any one issuer	25%
Certificates of Deposit	25%
From any on bank	10%
Repurchase Agreements	20%
Flex in CIP Funds	100%
Local Government Investment Pools	100%
Percent ownership	10%
Money Market Funds	25%
Percent ownership	10%
Brokered CD Securities	25%
From any one bank	\$250,000

Maturity schedules shall be timed according to anticipated liquidity needs. Investments, from time to time, may be liquidated before maturity for cash-flow purposes. To meet these disbursement schedules, market gains or losses may be required. Any losses for early maturity liquidation should be minimized and reported to the Council in a timely manner. Actual risk of default shall be minimized by adequate collateralization. Market risk shall be minimized by diversification of investment type and maturity.

13. Collateralization

All City time and demand deposits shall be secured above full coverage by pledged collateral in accordance with Chapter 2257, Government Code (Public Funds Collateral Act) and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). To anticipate market changes and provide a level of security for all funds, collateral will be maintained and held by the depository at 102% of the market value of principal and accrued interest on the deposits.

The City Administrator, through collaboration with the finance administrator, must approve the collateral before it is pledged; they reserve the right to reject any form of collateral. Financial institutions serving as City depositories will be required to sign a Depository Agreement with the City, which details securities that can serve as eligible collateral, collateralization ratios, standards for collateral custody and control, collateral valuation, rights of substitution, and conditions for agreement termination. **It is the responsibility of the bank to monitor collateral margins on a daily basis.**

The City shall accept only the following securities as collateral for time and demand deposits or repurchase agreements:

- A. Cash
- B. Surety Bonds
- C. FDIC insurance coverage
- D. Letters of Credit issued by Federal Home Loan Banks (FHLB)
- E. Obligations of the United States, its agencies, or instrumentalities, including mortgage-backed securities and Collateralized Mortgage Obligations (CMO), which pass the bank test.
- F. Obligations are the principal and interest on which, are guaranteed or insured by the State of Texas or other US states rated A or better by a national credit agency.
- G. Obligations of other states or a county, city or other political subdivision of a state having been rated as investment grade by a national credit agency.

14. Safekeeping and Custody

Collateral pledged to secure deposits shall be held by an independent third-party institution in accordance with a safekeeping agreement signed by authorized representatives of the City, the Depository, and the custodian (with the exception of the Federal Reserve as Custodian). All collateral shall be subject to audit and inspection by the City and the City's auditor.

All securities transactions, except local government investment pool and money market mutual fund transactions, shall be conducted on a delivery versus payment (DVP) basis. Investment and collateral securities will be held by a third-party custodian designated by the City and pledged to the City, as evidenced by safekeeping receipts of the institution where the securities are deposited.

15. Reporting

The Investment Officers shall submit a joint investment report to Council no less than quarterly and on a timely basis. Market prices for calculating market value will be obtained from nationally recognized sources such as The Wall Street Journal or Bloomberg. The report shall be prepared in accordance with the requirements of the PFIA, 2256.023.

If the City invests in other than money market mutual funds, investment pools, or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to Council by that auditor.

ORDINANCE NO. 100826-01

AN ORDINANCE OF THE CITY OF LA VERNIA, TEXAS AMENDING LA VERNIA CODE OF ORDINANCES CHAPTER 38 ZONING; MAKING REVISIONS TO Sec. 38-403. - LANDSCAPING STANDARDS, ADDING SECTION I LANDSCAPE IRRIGATION REQUIREMENTS; CREATING CHAPTER 38 ZONING SEC. 38-404. – TREE PRESERVATION AND PROTECTION STANDARDS; PROVIDING FOR SEVERABILITY; AND AN EFFECTIVE DATE.

WHEREAS, Chapter 211 of the Vernon's Local Government Code empowers a city to enact zoning regulations and provide for their administration, enforcement, and amendment; and

WHEREAS, the City has previously deemed it necessary and desirable to adopt zoning regulations to provide for the orderly development of property within the City to promote the public health, safety, morals, and general welfare of the residents of the City, and

WHEREAS, the City of La Vernia Code of Ordinances Chapter 38, which constitutes the City's Zoning Ordinance, requires a property to be zoned in accordance with proper designations as defined by this ordinance; and

WHEREAS, the City Council and Planning and Zoning Commission of the City of La Vernia have met and discussed amending the above-mentioned sections of the Zoning code; and

WHEREAS, the Planning and Zoning Commission of the City of La Vernia has recommended approval of the amendments to the Zoning Regulations discussed in this ordinance, and the proposed amendments are uniform and conform to the plan and design of the City of La Vernia's Zoning Ordinance; and

WHEREAS, the City Council of the City of La Vernia believes the amendments will comply with the standards and purpose of the Zoning Ordinance and are in the best interests of the public safety and the general welfare of the residents of the City of La Vernia;

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

Section 1. Zoning Regulations Amended.

1. **CHAPTER 38 ZONING, Sec. 38-403. - LANDSCAPING STANDARDS ADDING SECTION I LANDSCAPE** of the City of La Vernia's Code of Ordinances is hereby amended as reflected in the attached document as **Attachment "A."**
2. **Chapter 38 Zoning Sec. 38-404. – Tree Preservation and Protection Standards** of the City of La Vernia's Code of Ordinances is hereby created as reflected in the attached document as **Attachment "B."**

Section 2. Severability

If any section, subsection, paragraph, sentence, clause, phrase, or word in this Ordinance, or the application thereof, to any person or circumstance, is held invalid, such holding shall not affect the validity of the remaining portions of the same and the City Council hereby declares it would have passed such remaining portions despite such invalidity.

Section 3 Cumulative

This ordinance is cumulative of all other laws addressing land use regulations and any prohibitions and sanctions that may be imposed under other laws relating to the subjects covered hereunder.

Section 4. Effective Date

This ordinance shall take effect immediately after its passage and publication, as may be required by governing law.

PASSED, APPROVED, AND ADOPTED THIS 08TH DAY OF October 2026.

Gary Gilbert, Mayor
City of La Vernia

ATTEST:

Madison Farrow, City Secretary
City of La Vernia

ATTACHMENT A

Sec. 38-403. - Landscaping standards.

(e)

Landscaping required.

(1)

Fifteen percent of the total land area in any proposed multifamily residential or nonresidential development or construction that occurs for any use after the effective date of the ordinance from which this chapter is derived shall be landscaped.

(2)

All landscaping shall be completed and installed in accordance with the approved landscape plan within 90 days of a certificate of occupancy being granted. A one-time extension, not to exceed 90 days, may be granted upon approval of the administrative official.

(3)

Where the development is to be a multiphase development, only the area being developed in the current phase need to be subject to the landscape regulations; however, each phase will be required to meet the landscaping requirements as they are being developed.

(4)

The use of native and adapted, drought tolerant plants is encouraged to meet requirements of this section.

(5)

Artificial plants or turf are expressly prohibited.

(6)

~~An irrigation system must be provided or a hose bib connection be available within 100 feet of all landscape areas with all landscape plans for nonresidential developments.~~

An irrigation system or hose bib connection shall be provided within 100 feet of all landscape areas shown on landscape plans for nonresidential developments. Any

irrigation system provided pursuant to this section shall comply with the landscape irrigation requirements of subsection (i).

(h)

Multifamily and nonresidential landscaping requirements.

(1)

Requirement standards. The following standards shall apply to all multifamily and nonresidential properties. Standards that are set forth in this section for the provision of trees may be met by saving existing, on-site trees of six inches minimum caliper, measured 4.5 feet above grade, or by planting new trees.

(2)

Nonresidential and multifamily buffering and screening requirements.

a.

In addition to any screening requirements, when a nonresidential or multifamily use is established on a lot located adjacent to a residentially zoned property, the nonresidential or multifamily use shall provide a minimum ten-foot landscape buffer strip adjacent to the property line of the residentially zoned property. A minimum of one tree shall be planted for each 50 linear feet of landscape buffer. A minimum of ten shrubs shall be planted for each 50 linear feet of landscape buffer. All other areas within the landscape buffer shall be covered with grass or another solid vegetative cover approved at the time of site plan approval.

b.

When a nonresidential or multifamily use is established on a lot adjacent to a residentially zoned property, the nonresidential or multifamily use shall construct a solid screening fence constructed of wood, masonry or other material to a minimum of six feet in height, approved by the planning and zoning commission taking into consideration aesthetic value, light, air, or open space factors and accessibility and safety concerns at the time of site plan approval. The screen shall be located no closer to the street than the property line. Such screening fence shall be maintained in good condition.

(3)

Parking area landscaping and buffering requirements.

a.

Perimeter landscaping and screening.

1.

Any parking lot or portion thereof that fronts upon or is adjacent to a public or private street right-of-way and contains ten or more parking spaces shall provide a minimum ten-foot landscape buffer adjacent to the street right-of-way. A minimum of one tree shall be planted for each 50 linear feet of landscape buffer. A minimum of ten shrubs shall be planted for each 50 linear feet of landscape buffer. All other areas within the landscape buffer shall be covered with grass or another solid vegetative cover approved at the time of site plan approval.

2.

A landscaped berm or combination of berm and shrubs may be provided in lieu of required shrubs. The berm must be an average height of three feet, but in no case less than 18 inches, above the average grade of the street and parking lot curbs. A variation in height of the berm is encouraged. Shrubs may be grouped to provide variety in design.

b.

Interior landscaping.

1.

All parking areas shall provide a minimum of ten percent of the gross parking area devoted to landscaping. Interior landscape areas shall be protected from vehicular encroachment of overhang through appropriate wheel curbs, tire stops/parking blocks or similar barriers. A minimum of one tree shall be planted for each 400 square feet of required interior landscape area.

2.

Interior areas of parking lots shall contain planting islands, peninsulas, or medians located so as to best relieve the expanse of paving. Planter islands must be located no further apart than every 12 parking spaces and at the terminus of all rows of parking. Such islands shall be a minimum of 200 square feet. Planter islands shall contain a combination of trees, shrubs, lawn, ground cover and other appropriate materials provided such landscaping does not cause visual interference within the parking area.

c.

Distribution of landscaped areas. Required landscaped areas for parking lots shall be evenly distributed throughout the parking lot. Adjustments may be approved by the planning and zoning commission and city council at the time of site plan approval when the shape or size of the parking lot, the location of existing trees or other natural constraints reasonably prevent such distribution.

(4)

Dumpster screening and buffering requirements. All dumpsters or other solid waste collection facilities located on a nonresidential or multifamily property shall be located away from residential properties or uses and shall be enclosed on three sides by a minimum six-foot-tall masonry or other noncombustible material screening wall. Temporary dumpsters are exempt from this screening requirement. Temporary dumpsters must be removed upon completion of the event, construction, or demolition.

(i), “Landscape Irrigation Requirements,”

- (1) Applicability.** All new landscape irrigation systems installed in connection with development subject to this section shall comply with the requirements of this subsection and all applicable federal, state, and local laws, regulations, and requirements.
- (2) Separate irrigation meter.** All new landscape irrigation systems connected to the City's potable water supply shall be served through a separate irrigation water meter dedicated solely to landscape irrigation. The irrigation system shall not be connected to or supplied through a meter serving domestic, commercial, or other non-irrigation water uses.
- (3) Drip irrigation required.** All new landscape irrigation systems shall utilize drip irrigation as the primary and required method of irrigation. Traditional spray irrigation systems, including pop-up spray heads, fixed spray heads, and conventional sprinkler heads, shall not be permitted for landscape areas required under this section.
- (4) Irrigation zones.** Irrigation systems shall be designed with separate zones based upon plant material type, water requirements, sun and shade conditions, soil conditions, and other relevant site conditions to promote efficient water use.
- (5) Prevention of overspray and runoff.** Irrigation systems shall be designed and installed to prevent water from spraying, flowing, or otherwise being discharged onto buildings, sidewalks, driveways, parking areas, streets, alleys, or other impervious surfaces.

- (6) Irrigation plan.** The landscape plan required by subsection (d) shall identify the location of the irrigation meter, point of connection, irrigation lines, valves, irrigation zones, and type of irrigation equipment proposed. The plan shall demonstrate compliance with the irrigation requirements of this subsection.
- (7) Compliance with state requirements.** All landscape irrigation systems shall be designed, installed, operated, and maintained in accordance with applicable requirements of Texas Commission on Environmental Quality (TCEQ) regulations, including 30 Texas Administrative Code Chapter 344, as amended. Where the requirements of this section are more restrictive than applicable state requirements, the requirements of this section shall apply to the extent permitted by law.
- (8) Maintenance.** Irrigation systems shall be maintained in good working order and operated in a manner that prevents water waste, excessive runoff, overspray, or other inefficient use of water.

ATTACHMENT B

Sec. 38-404. – Tree Preservation and Protection Standards.

(a) Purpose and intent.

The purpose of this section is to encourage the preservation of mature and desirable trees, protect existing trees during development and construction, regulate the unnecessary removal of protected and heritage trees, and provide for replacement or mitigation when removal is necessary.

It is the intent of this section to:

- (1) Discourage the indiscriminate clearing of property;
- (2) Preserve and enhance the natural character and aesthetic appearance of the city;
- (3) Protect healthy and desirable trees and encourage preservation of mature tree canopy;
- (4) Protect and enhance the value of residential, commercial, and other developed property;
- (5) Reduce heat, glare, erosion, stormwater runoff, and other adverse environmental effects associated with development and impervious surfaces;
- (6) Encourage site design that incorporates existing trees and natural features whenever reasonably practicable; and
- (7) Establish reasonable standards for the protection, removal, and replacement of protected and heritage trees during development.

(b) Applicability.

Except as otherwise provided in this section, these requirements shall apply to new commercial, industrial, multifamily, residential subdivision, and other development within the corporate limits of the city for which an application establishing development rights has not been filed or approved prior to the effective date of this section, subject to applicable state law.

(c) Exemptions.

The following shall be exempt from the tree preservation and replacement requirements of this section:

- (1) Property lawfully devoted to bona fide agricultural use and actively being used for agricultural purposes;
- (2) An existing owner-occupied single-family residence located on an individual lot of two acres or less, except where tree removal is associated with subdivision, redevelopment, or new construction requiring approval by the city;
- (3) Removal of a tree that is dead, diseased, damaged beyond reasonable recovery, in imminent danger of falling, or determined by the city administrator or designee to constitute an immediate threat to public health or safety;
- (4) Removal or trimming reasonably necessary to restore interrupted public utility service following a storm, flood, accident, or other emergency;
- (5) Trees grown by a licensed nursery specifically for commercial sale; and
- (6) Other activities expressly exempted by state law.

(d) Definitions.

For purposes of this section:

DBH (diameter at breast height) means the diameter of a tree trunk measured in inches at a point 4.5 feet above the surrounding natural grade.

For a multi-trunk tree, DBH shall be calculated in accordance with an approved method established by the administrative official.

Drip line means an imaginary vertical line extending from the outermost portion of a tree's canopy to the ground.

Heritage tree means a tree having a DBH of 24 inches or greater and which is not identified by the city as a prohibited or non-credit species.

Protected tree means a tree having a DBH of six inches or greater and which is not identified by the city as a prohibited or non-credit species.

Root protection zone (RPZ) means the area surrounding a tree intended to protect the tree's root system during construction, generally consisting of the area beneath and extending to the drip line of the tree unless otherwise approved by the administrative official.

Tree mitigation means the replacement of removed protected or heritage tree diameter through the planting of approved replacement trees, preservation of additional qualifying trees, payment into an authorized tree mitigation fund if established by the city, or another method expressly approved by the city and permitted by state law.

Tree preservation plan means a plan identifying protected and heritage trees located on a development site and demonstrating the trees proposed for preservation, removal, protection, and mitigation.

(e) Tree preservation plan or affidavit required.

(1) An applicant for a preliminary plat, final plat, site plan, or building permit associated with development subject to this section shall submit either:

a. A tree affidavit affirming that no protected or heritage trees subject to this section are located on the property or will be removed or materially damaged by the proposed development; or

b. A tree preservation plan identifying protected and heritage trees located on the property.

(2) When a tree preservation plan identifies the proposed removal of a protected or heritage tree, the applicant shall also provide the information necessary for the city to determine compliance with the preservation and mitigation requirements of this section.

(3) Approval of a tree preservation plan shall be required prior to clearing, grading, excavation, or other site disturbance affecting protected or heritage trees.

(f) Minimum contents of tree preservation plan.

A tree preservation plan shall include, at a minimum:

(1) Property boundaries;

(2) Existing and proposed structures;

(3) Existing and proposed streets, driveways, parking areas, sidewalks, easements, utilities, drainage facilities, and rights-of-way;

(4) Existing and proposed topography when required by the administrative official;

(5) The location, species, and DBH of each protected and heritage tree;

(6) Identification of each protected and heritage tree proposed to remain and each proposed for removal;

(7) The root protection zone of trees proposed to remain;

(8) A summary of total qualifying DBH proposed for preservation and removal;

(9) Proposed tree-protection measures; and

(10) Proposed mitigation or replacement trees, where required.

The tree preservation information may be incorporated into the landscape plan required by section 38-403 rather than submitted as a separate drawing, provided all information required by this section is clearly shown.

(g) Protection of trees during construction.

Tree protection measures shall be installed before commencement of clearing, grading, excavation, or construction and shall remain in place for the duration of construction.

Within the root protection zone of a protected or heritage tree designated for preservation:

- (1) Construction fencing shall be installed and maintained;
- (2) Vehicles, equipment, spoil, construction materials, debris, or other materials shall not be stored;
- (3) Concrete washout, paint, oil, solvents, chemicals, asphalt, mortar, or other potentially harmful materials shall not be deposited;
- (4) No sign, wire, nail, fixture, or other attachment shall be affixed to the tree except an approved protective device;
- (5) Existing grade shall not be raised or lowered by more than six inches unless an alternative tree-protection method is approved by the administrative official;
- (6) Damage to roots, trunks, limbs, or crowns shall be minimized and promptly corrected using accepted arboricultural practices; and
- (7) The area shall remain pervious except for improvements expressly approved as part of the development plan.

(h) Preservation standards.

Unless a variance or alternative compliance method is approved pursuant to this section:

- (1) Commercial, multifamily, industrial, and other nonresidential development shall preserve not less than 25 percent of the total qualifying DBH located on the development site.
- (2) New single-family residential subdivisions shall preserve not less than 50 percent of the total qualifying DBH located within the subdivision, calculated prior to development.

(3) Removal of a heritage tree shall require specific approval regardless of whether the minimum overall preservation percentage has otherwise been achieved.

The city may approve reasonable adjustments where compliance is prevented by street alignment, drainage facilities, utility infrastructure, required fire access, building placement, unusual topography, or other physical characteristics of the property, provided the purposes of this section are substantially achieved.

(i) Mitigation and replacement.

(1) Removal of a protected tree requiring mitigation shall be mitigated at a ratio of one inch of replacement DBH for each one inch of DBH removed.

(2) Removal of a heritage tree shall be mitigated at a ratio of three inches of replacement DBH for each one inch of DBH removed.

(3) Replacement trees shall:

- a. Be an approved species;
- b. Have a minimum caliper of 2.5 inches measured 4.5 feet above grade at the time of planting; and
- c. Be planted and maintained in accordance with section 38-403.

(4) Existing qualifying trees preserved above the minimum preservation requirement may be credited toward mitigation when approved by the administrative official.

(5) Any fee-in-lieu or tree mitigation fee established by the city shall be administered in accordance with applicable state law, including all required planting credits.

(j) Relationship to landscape requirements.

Trees preserved or planted pursuant to this section may also be counted toward satisfaction of the landscaping requirements of section 38-403 when the tree otherwise satisfies the size, species, location, and other requirements of that section.

Nothing in this section shall reduce the minimum landscaping requirements established by section 38-403 unless expressly approved through an alternative compliance or variance procedure authorized by this code.

(k) Authorized Tree Species and Planting Standards

(1) General requirements.

Trees planted to satisfy the landscaping, tree preservation, or tree mitigation requirements of this chapter shall be selected from the authorized species identified in this subsection.

The City Administrator or designee may approve an alternative species not specifically identified herein when the applicant demonstrates that the proposed species:

- a. Is non-invasive;
- b. Is suitable for the soils and climatic conditions of the La Vernia area;
- c. Is reasonably drought tolerant once established;
- d. Is appropriate for the proposed planting location and available growing space;
- e. Will not create an unreasonable conflict with utilities, streets, sidewalks, drainage facilities, buildings, or other public infrastructure; and
- f. Provides substantially equivalent landscaping, canopy, screening, environmental, or aesthetic value to an otherwise authorized species.

Preference shall be given to native and adapted species suitable for South Central Texas.

(2) Authorized Large and Medium Canopy Trees.

The following species are authorized canopy trees and may be used to satisfy required tree planting, preservation, and mitigation requirements:

Common Name	Scientific Name
Live Oak	<i>Quercus fusiformis</i> / <i>Quercus virginiana</i>
Monterrey Oak / Mexican White Oak	<i>Quercus polymorpha</i>
Lacey Oak	<i>Quercus laceyi</i>
Chinkapin Oak	<i>Quercus muehlenbergii</i>
Bur Oak	<i>Quercus macrocarpa</i>
Shumard Red Oak	<i>Quercus shumardii</i>
Cedar Elm	<i>Ulmus crassifolia</i>
Pecan	<i>Carya illinoensis</i>
Mexican Sycamore	<i>Platanus mexicana</i>
Bald Cypress	<i>Taxodium distichum</i>
Western Soapberry	<i>Sapindus saponaria</i> var. <i>drummondii</i>

Unless otherwise approved by the City Administrator or designee because of site constraints, **not less than 50 percent of trees required for a commercial, industrial,**

multifamily, or residential subdivision development shall consist of species listed as authorized large or medium canopy trees.

(3) Authorized Small and Ornamental Trees.

The following species may be used to satisfy tree planting requirements where their mature size is appropriate for the proposed location:

Common Name	Scientific Name
Texas Redbud	<i>Cercis canadensis var. texensis</i>
Mexican Plum	<i>Prunus mexicana</i>
Texas Mountain Laurel	<i>Dermatophyllum secundiflorum</i>
Eve's Necklace	<i>Styphnolobium affine</i>
Anacacho Orchid Tree	<i>Bauhinia lunarioides</i>
Desert Willow	<i>Chilopsis linearis</i>
Possumhaw Holly	<i>Ilex decidua</i>
Yaupon Holly	<i>Ilex vomitoria</i>
Mexican Buckeye	<i>Ungnadia speciosa</i>
Flameleaf Sumac	<i>Rhus lanceolata</i>
Texas Persimmon	<i>Diospyros texana</i>

Small and ornamental trees may be particularly appropriate beneath or near overhead utilities, within constrained landscape areas, within parking areas, or in other locations where the mature size of a canopy tree would create a foreseeable conflict.

Small and ornamental trees shall not constitute more than 50 percent of the total number of trees required for a commercial, industrial, multifamily, or residential subdivision development unless otherwise approved by the City Administrator or designee.

(4) Existing Native Trees Eligible for Conditional Preservation Credit.

The following existing native species may be preserved and may receive preservation or mitigation credit when determined by the City Administrator or designee to be healthy, desirable, appropriately located, and of sufficient size and quality to warrant preservation:

Common Name	Scientific Name
Honey Mesquite	<i>Prosopis glandulosa</i>
Huisache	<i>Vachellia farnesiana</i>
Ashe Juniper / Mountain Cedar	<i>Juniperus ashei</i>
Sugar Hackberry	<i>Celtis laevigata</i>

Common Name	Scientific Name
Netleaf Hackberry	<i>Celtis reticulata</i>
Texas Persimmon	<i>Diospyros texana</i>

The preservation of a species listed in this subsection shall not automatically entitle the applicant to preservation or mitigation credit. Credit shall be based upon the condition, location, size, ecological value, and suitability of the individual tree.

Trees within this category may be allowed to remain regardless of whether preservation credit is awarded.

(5) Non-Credit and Prohibited Replacement Species.

The following species shall not be planted to satisfy any landscaping, tree replacement, preservation mitigation, or other required-tree obligation under this chapter:

Common Name	Scientific Name
Chinese Tallow	<i>Triadica sebifera</i>
Chinaberry	<i>Melia azedarach</i>
Tree-of-Heaven	<i>Ailanthus altissima</i>
Bradford/Callery Pear	<i>Pyrus calleryana</i>
Mimosa / Silk Tree	<i>Albizia julibrissin</i>
Chinese Privet	<i>Ligustrum sinense</i>
Glossy Privet	<i>Ligustrum lucidum</i>
Japanese Privet	<i>Ligustrum japonicum</i>
Paper Mulberry	<i>Broussonetia papyrifera</i>
Salt Cedar / Tamarisk	<i>Tamarix</i> spp.
Chinese Pistache	<i>Pistacia chinensis</i>

The City Administrator or designee may designate additional invasive or unsuitable species as ineligible for required planting or mitigation credit based upon recommendations or classifications of the Texas A&M Forest Service, Texas Department of Agriculture, Texas Parks and Wildlife Department, Texas Invasive Plant and Pest Council, or other recognized governmental or scientific authority.

Existing trees of a species listed in this subsection shall not be required to be removed solely because of their inclusion on this list unless otherwise required by law or determined to constitute a public health or safety hazard. However, such trees shall not count toward required preservation, landscaping, or mitigation calculations.

(6) Minimum Size of Required Trees.

Unless otherwise expressly provided by this chapter, a tree planted to satisfy a landscaping or mitigation requirement shall have a minimum caliper of **2.5 inches measured 4.5 feet above grade at the time of planting**, consistent with section 38-403.

Replacement and mitigation trees shall be healthy nursery stock, properly planted and maintained, and shall be replaced if they die or become substantially damaged within two years of initial planting.

(7) Species Diversity.

To reduce the potential for widespread loss of tree canopy resulting from disease, insects, drought, or other environmental conditions, developments requiring ten or more new trees shall provide reasonable species diversity.

Unless otherwise approved by the City Administrator or designee:

- a. Developments requiring ten to 19 trees shall contain at least two different authorized tree species;
- b. Developments requiring 20 to 39 trees shall contain at least three different authorized tree species; and
- c. Developments requiring 40 or more trees shall contain at least four different authorized tree species.

No single species shall constitute more than 50 percent of the total required trees on a development requiring 20 or more trees unless the City Administrator or designee determines that site conditions or the purposes of the approved landscape plan warrant an alternative distribution.

(8) Appropriate Location and Maintenance.

Required trees shall be located so that their anticipated mature size is appropriate for the planting location.

Trees shall not be planted in a location that, at maturity, is reasonably anticipated to:

- a. Obstruct required sight visibility;
- b. Interfere with overhead or underground utilities;
- c. Damage public streets, sidewalks, drainage improvements, or other infrastructure;
- d. Unreasonably interfere with required fire access; or

e. Otherwise create a foreseeable public safety hazard.

Trees planted beneath or immediately adjacent to overhead utility lines should generally be selected from the authorized small and ornamental tree category.

All trees required by this chapter shall be maintained in a healthy living condition in accordance with section 38-403.

RESOLUTION NO. R091026-01**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LA VERNIA, TEXAS ENTERING INTO A PROFESSIONAL SERVICES AGREEMENT WITH KING FISH DEVELOPMENT, LLC, AND AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH KING FISH DEVELOPMENT, LLC.**

WHEREAS, the City of La Vernia, Texas City Council has given authority to the Mayor/ and or City Administrator to make and be responsible for administrative decisions; and

WHEREAS, the City of La Vernia will benefit from the agreement with King Fish Development, LLC, as described in **Attachment A**; and

WHEREAS, the City Council of La Vernia, Texas finds it to be in the best interest of the City to have this agreement with King Fish Development, LLC, regarding professional services;

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

SECTION 1. City Council of La Vernia authorizes the City Administrator to sign an agreement with King Fish Development, LLC, regarding professional services.

SECTION 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 3. All 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 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this 10th day of Sept 2026.

CITY OF LA VERNIA, TEXAS

Gary Gilbert, Mayor

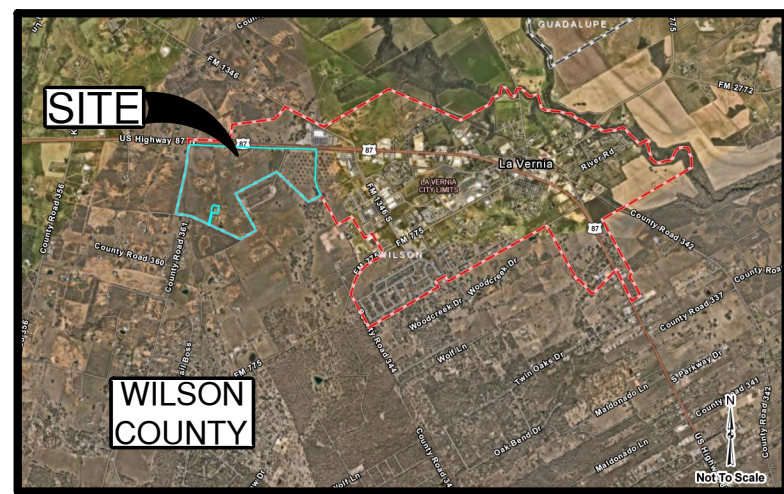
ATTEST:

Madison Farrow, City Secretary

APPROVED AS TO FORM:

City Attorney

Attachment A

LOCATION MAP
NOT-TO-SCALE

PROPERTY LEGAL DESCRIPTION

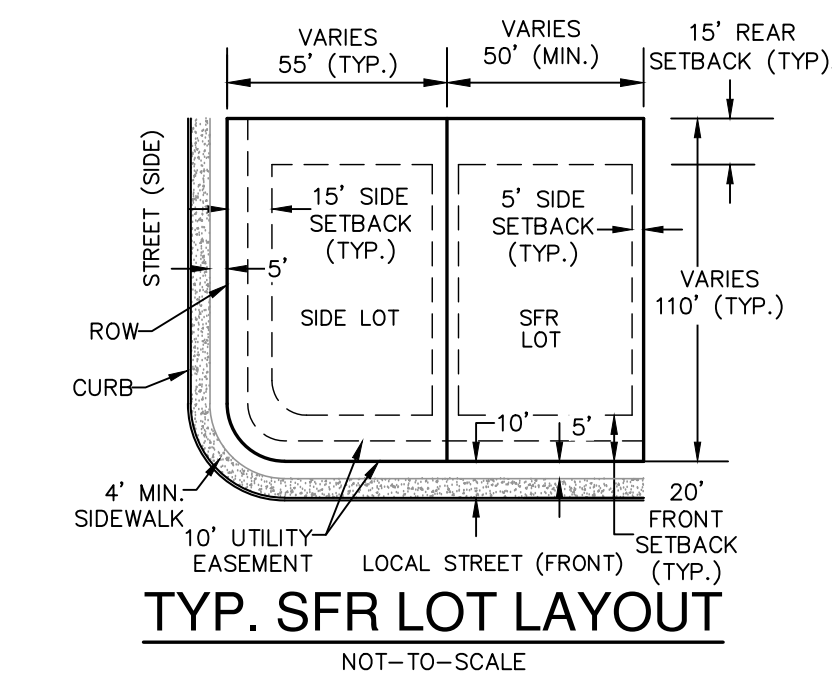
BEING A 205.38-ACRE TRACT OF LAND SITUATED IN WILSON COUNTY, TEXAS, OUT OF AND PART OF THE F. HERRERA SURVEY, ABSTRACT NO. 15, TRACTS 38, 38A, 39, AND 39A (ALSO REFERENCED AS ABSTRACT NO. 290, TRACT 4, AND ABSTRACT NO. 33, TRACT 6, LABEL TEX0525105), AND THE J. H. SAN MIGUEL SURVEY, ABSTRACT NO. 290, TRACT 4A.

UTILITY PURVEYORS

SANITARY SEWER: CITY OF LA VERNIA & S S WATER SUPPLY CO
WATER DISTRIBUTION: CITY OF LA VERNIA & S S WATER SUPPLY CO
GAS & ELECTRIC: GVEC
FIBER/TELE/CABLE TV: GVEC, SPECTRUM, FRONTIER

ZONING

EXISTING: (R-A) SINGLE FAMILY AGRICULTURE & OCL
PROPOSED: (PDD) PLANNED DEVELOPMENT DISTRICT



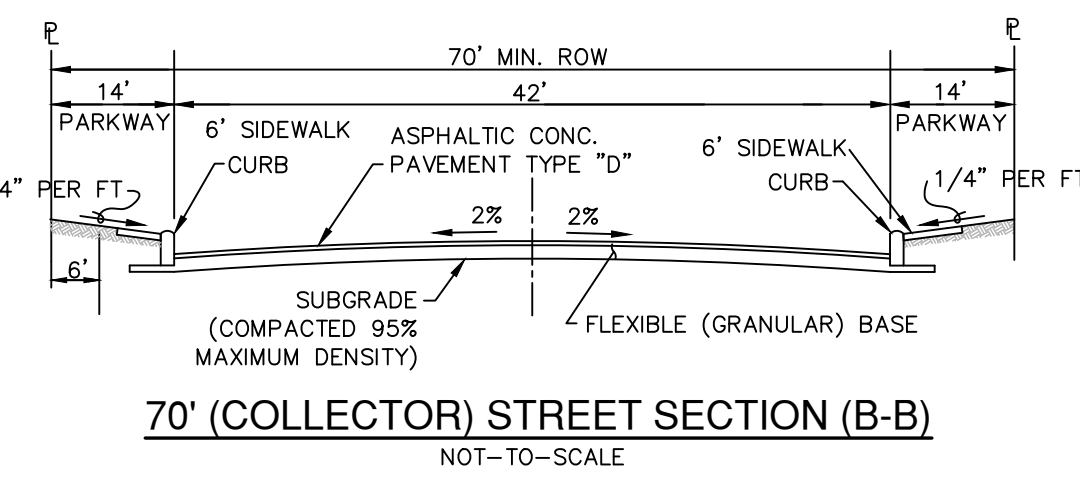
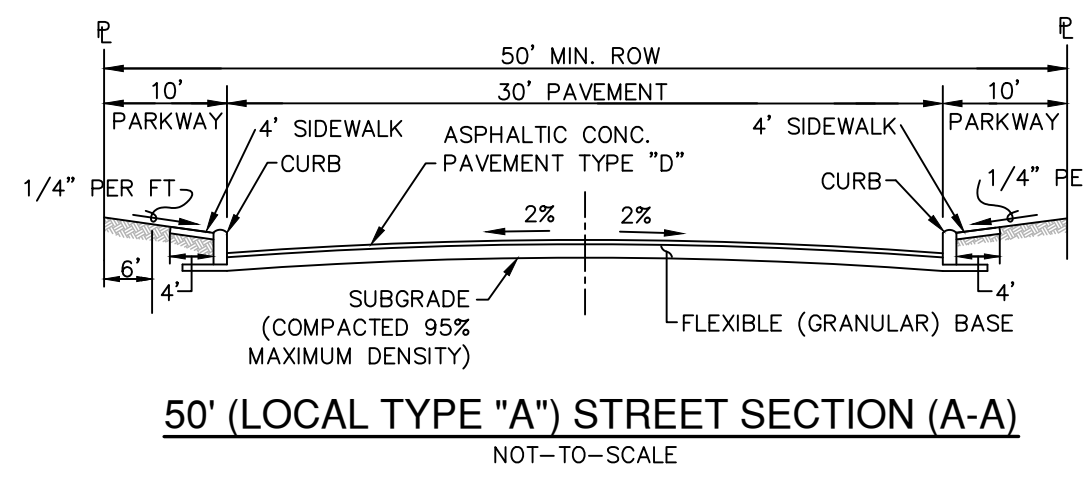
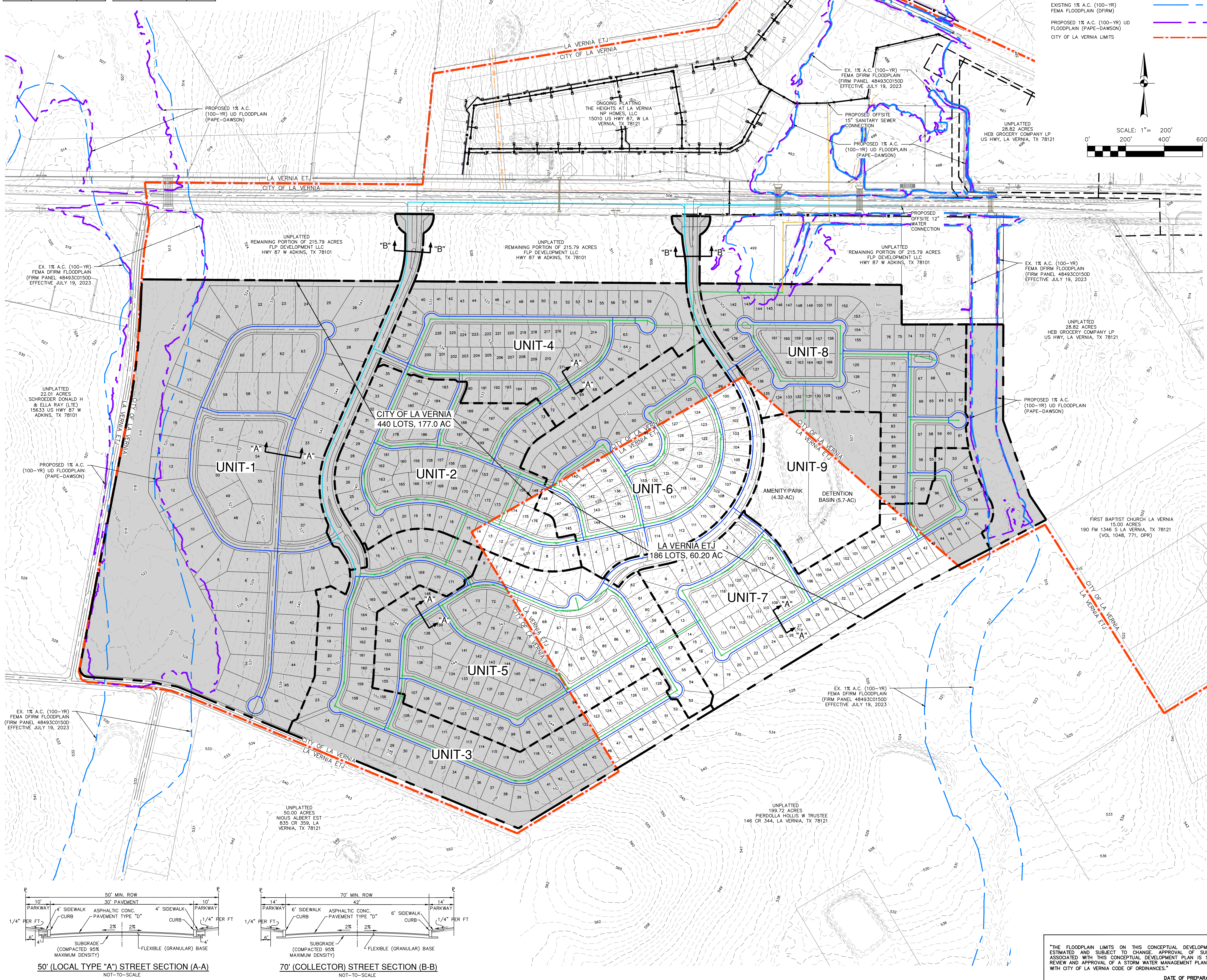
GENERAL NOTES:

- THIS CONCEPTUAL DEVELOPMENT PLAN (CDP) IS LOCATED WITHIN THE CITY OF LA VERNIA & LA VERNIA ETJ, WILSON COUNTY, TEXAS.
- THIS CDP IS LOCATED WITHIN THE LA VERNIA INDEPENDENT SCHOOL DISTRICT.
- THE PROPOSED ZONING FOR THIS CDP IS PDD (PLANNED DEVELOPMENT DISTRICT).
- THIS CDP IS CONCEPTUAL IN NATURE AND IS SUBJECT TO CHANGE BASED ON FINAL ENGINEERING/SURVEYING.
- ZONE A FEMA FLOODPLAIN LIES WITHIN THE LIMITS OF PROJECT BASED ON FIRM PANEL 48493C01500 EFFECTIVE JULY 19, 2023.
- THIS CDP IS NOT OVER OR WITHIN THE EDWARDS AQUIFER RECHARGE ZONE.
- DRAINAGE AND DETENTION FACILITIES WILL BE DESIGNED IN ACCORDANCE WITH THE CITY OF LA VERNIA DRAINAGE CRITERIA AND APPLICABLE WILSON COUNTY REQUIREMENTS.
- A FLOODPLAIN DEVELOPMENT PERMIT WILL BE REQUESTED FROM THE CITY OF LA VERNIA FOR ANY DEVELOPMENT ACTIVITY WITHIN THE FIRM ZONE A FLOODPLAIN LIMITS SHOWN ON THIS CDP.
- THE SURVEY BEARINGS & DISTANCES WERE NOT PROVIDED, THE SITE PLAN IS BASED ON WILSON COUNTY CAD, NOT ACTUAL SURVEYS CONDUCTED BY PAPE-DAWSON ENGINEERS.
- ALL PROPOSED STREETS & SIDEWALKS WITHIN THIS CDP ARE SUBJECT TO THE TYPICAL STREET CROSS SECTION STANDARDS PER THE CITY OF LA VERNIA CODE.
- THE ROW DEDICATION IN THIS CDP WILL COMPLY WITH THE LA VERNIA MAJOR THOROUGHFARE PLAN.
- THIS CDP COMPLIES WITH THE CONNECTIVITY RATIO STANDARDS PER THE CITY OF LA VERNIA.
- ALL STREET INTERSECTIONS WITHIN THIS CDP WILL COMPLY WITH CLEAR VISION REQUIREMENTS.
- ALL STREET BLOCK LENGTHS WITHIN THIS CDP WILL COMPLY WITH CITY OF LA VERNIA.
- ALL INTERNAL STREETS WILL MEET THE INTERSECTION & MAX STREET LENGTH REQUIREMENTS PER THE CITY OF LA VERNIA.
- THE DEVELOPMENTS WILL NOT EXCEED 30 DWELLING UNITS WITHOUT PROVIDING SECONDARY ACCESS.
- TRAFFIC SIGNAGE AND PAVEMENT MARKINGS WITHIN THIS CDP WILL COMPLY WITH THE TEXAS MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES (TMUD).
- A TXDOT PERMIT WILL BE REQUIRED FOR ANY PROPOSED INFRASTRUCTURE IMPROVEMENTS WITHIN TXDOT ROW.
- THE TYPICAL SINGLE FAMILY RESIDENTIAL LOT SIZES WITHIN THIS CDP ARE 0.5 ACRE, 50-FT, 60-FT & 70-FT WIDE.
- ALL UNITS ARE CONSIDERED SINGLE FAMILY RESIDENTIAL UNLESS OTHERWISE NOTED.
- WATER SERVICE WITHIN THE CITY LIMITS WILL BE PROVIDED BY THE CITY OF LA VERNIA. AREAS WITHIN THE ETJ MAY BE SERVED BY SS WATER SUPPLY CORPORATION.
- SEWER SERVICE WILL BE PROVIDED BY THE CITY OF LA VERNIA.
- ELECTRIC SERVICE WILL BE PROVIDED BY GVEC.
- TELEPHONE, INTERNET & CABLE TV SERVICE WILL BE PROVIDED BY GVEC, SPECTRUM AND/OR FRONTIER.
- ALL UTILITY EASEMENTS WILL BE DEDICATED IN ACCORDANCE WITH THE REQUIREMENTS OF THE RESPECTIVE UTILITY PROVIDER.
- PARKLAND DEDICATION, IF REQUIRED, WILL COMPLY WITH THE CITY OF LA VERNIA.
- THIS CDP WILL BE SUBJECT TO DEVELOPMENT AGREEMENT WITH THE CITY OF LA VERNIA AND THE OWNER/DEVELOPER.
- TOTAL GROSS ACREAGE AND LOT COUNT ARE APPROXIMATE AND SUBJECT TO CHANGE PENDING FINAL ENGINEERING AND PLATING.
- PROPOSED STREET NAMES WILL BE SUBJECT TO APPROVAL BY THE CITY OF LA VERNIA, WILSON COUNTY 911 ADDRESSING, AND/OR USPS PRIOR TO PLAT RECORDATION.

CONCEPTUAL DEVELOPMENT PLAN SUMMARY TABLE								
PHASE	UNITS	AREA (ACRES)	DWELLINGS (SFR LOTS)	AMENITY/PARK (ACRES)	DETENTION BASIN (ACRES)	PROPOSED LAND USE	ESTIMATED CIVIL CONSTRUCTION START	ESTIMATED FINISHED LOT DELIVERY
1	1, 3, 4, 8 & 9	147.23	293	4.32	5.70	SFR	JULY 2027	JULY 2028
2	5, 6 & 7	70.24	253	0.00	0.00	SFR	JANUARY 2030	JANUARY 2031
3	2	19.73	80	0.00	0.00	SFR	JULY 2032	JULY 2033
TOTAL		237.20	626	4.32	5.70			

LOT DENSITY		
SFR LOTS	SFR ACRES	RATIO
626	237.20	2.64

CONNECTIVITY RATIO		
LINKS	NODES	RATIO
81	66	1.23



LEGEND

- CDP BOUNDARY
UNIT BOUNDARY
EXISTING CONTOURS
PROPOSED 8" SANITARY SEWER LINE
PROPOSED 15" SANITARY SEWER LINE
PROPOSED 8" WATER LINE
PROPOSED 12" WATER LINE
EXISTING 1% A.C. (100-YR) FEMA FLOODPLAIN (DFIRM)
PROPOSED 1% A.C. (100-YR) UD FLOODPLAIN (PAPE-DAWSON)
CITY OF LA VERNIA LIMITS

SCALE: 1"= 200'
0' 200' 400' 600'

PAPE-DAWSON
2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000
TEXAS ENGINEERING FIRM #470 | TEXAS SURVEYING FIRM #10028800

PIERDOLLA TRACT
CITY OF LA VERNIA, TEXAS

CONCEPTUAL DEVELOPMENT PLAN

PLAT NO. -
JOB NO. 13596-03
DATE AUGUST 2026
DESIGNER CR
CHECKED JA, DRAWN CR
SHEET 1 OF 1

"THE FLOODPLAIN LIMITS ON THIS CONCEPTUAL DEVELOPMENT PLAN ARE ESTIMATED AND SUBJECT TO CHANGE. APPROVAL OF SUBDIVISION PLATS ASSOCIATED WITH THIS CONCEPTUAL DEVELOPMENT PLAN IS SUBJECT TO THE REVIEW AND APPROVAL OF A STORMWATER MANAGEMENT PLAN IN ACCORDANCE WITH CITY OF LA VERNIA CODE OF ORDINANCES."

DATE OF PREPARATION: 08/21/26

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (the “Agreement”) dated the 10th of September 2026, (the “Effective Date”), is entered into by, between, among and for the benefit of the City of La Vernia, Texas, a municipal corporation, acting by and through its governing body, the City Council of the City of La Vernia (the “City”), and King Fish Development, LLC, a Texas limited liability company (the “Developer”) (collectively, the “Parties”).

WHEREAS, the Developer desires that City enter into negotiations related to a new residential development (the “Project”) on approximately 205 acres, generally located near the intersection of Us Highway 87 and FM 361, more particularly described in **Exhibit A** attached hereto (the “Property”); and

WHEREAS, a portion of the Property (approximately 28 acres) is currently located outside of the corporate limits of the City but within the extraterritorial jurisdiction (“ETJ”) of the City; and

WHEREAS, due to the Property’s location outside the corporate limits, the City’s authority to regulate the development of the Project is limited under the Texas Local Government Code and other provisions of state law;

WHEREAS, a portion of the Property (approximately 177 acres) is located inside the corporate limits of the City and the Developer is seeking a Planned Development District zoning change; and

WHEREAS, the Developer desires that a Public Improvement District (“PID”) be created on the Property (including both portions inside the city limits and portion outside the city limits) to help finance certain public improvements necessary to provide water, wastewater and drainage facilities, streets and other statutorily allowed items for the Property; and

WHEREAS, a petition to create a PID on the Property pursuant to Chapter 372 of the Texas Local Government Code shall be submitted to the City; and

WHEREAS, the City and the Developer desire to negotiate a development agreement to provide for terms and conditions related to the Project (the “Development Agreement”) pursuant to Chapter 212 of the Texas Local Government, which allows the City to enter into a contract with

an owner of property in the City’s ETJ providing for annexation, permitted land uses and development regulations; and

WHEREAS, the City and the Developer recognize and agree that the City will incur fees and associated expenses and costs for professional services for work to negotiate, develop, draft, and consider various concepts and documents in connection with its consideration of the PID and Development Agreement, including, but not limited to the following: appraisal, legal publications, notice, public hearing expenses, attorney’s fees, assessment administrator fees and special consultant fees (collectively, the “Professional Services”); and

WHEREAS, the City and the Developer recognize and agree that the fees anticipated to be incurred by the City for Professional Services related to the Project cannot be recouped by the City through standard administrative or permit fees; and

WHEREAS, the City’s engagement of professionals to perform the Professional Services and its participation in the undertakings described above are voluntary and of value to the Developer and the Developer desires to reimburse the City’s fees and expenses related to the Professional Services.

NOW THEREFORE, in consideration of the mutual promises set forth in this Agreement, the City and the Developer agree as follows:

1. **Recitals**. The representations, covenants and recitations set forth in the foregoing recitals and in this Agreement are material to this Agreement and are hereby incorporated into and make a part of this Agreement as though they were fully set forth in this paragraph.
2. **Developer Payment**.
 - a. **Delivery**. Developer shall deliver, or shall have delivered, to the City the sum of seven thousand five hundred dollars (\$7,500.00) upon execution of this Agreement to pay for the Professional Services and the related expenses incurred by the City (“Developer Payment”).
 - b. **Invoices**. Fees for all Professional Services to be covered by the Developer Payment(s) shall be evidenced by monthly invoices that describe the work

performed by date and time entries (copies of which invoices shall be provided to Developer at least 10 days before they are paid).

- c. **Segregation of Funds.** The Development Payments shall be deposited in a segregated account and not commingled with any other City funds.
- d. **Replenishment of Funds.** If the cost of Professional Services exceeds the Developer Payment, the City shall notify the Developer in writing and the Developer may elect to: i) make one or more additional payment(s) of two thousand five hundred dollars (\$2,500.00) each within thirty (30) days of such written request and such additional payment will be deposited by the City and utilized in the same manner described above, or (ii) negotiate in good faith to amend this Agreement to provide for a reasonable amount of additional payment by Developer.
- e. **Non-contingent.** The payment(s) made by the Developer under this Agreement are not contingent upon any negotiations between the City and the Developer.

3. **Termination.**

- a. **Means.** This Agreement may be terminated by either party with or without cause upon delivering to the other party written notice of termination. Unless earlier terminated by Developer or City, this Agreement shall automatically terminate when the City has created the PID and the initial series of PID Bonds have been issued by the entity designated to issue such bonds.
- b. **Stop Work.** Upon termination of this Agreement for any reason, the City shall take all reasonable steps necessary to terminate the accrual of costs to the Developer.
- c. **Refund.** Upon termination of this Agreement for any reason, any balance of the Developer Payments and any balance of any additional payment(s) made by Developer under this Agreement that exceed the City's fees, costs and expenses incurred as of termination shall be returned to Developer.

- 4. **Relationship.** Nothing in this Agreement creates a relationship between Developer and the City's Professional Services providers. Furthermore, this Agreement does not grant the Developer access to any privileged or confidential data provided to the City by the City's Professional Services providers.

- 5. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties regarding Professional Services.

- 6. Notices.** All notices, demands or other communications given in connection with or required under this Agreement must be in writing and delivered to the person whom it is directed and may be given by: a) overnight delivery using a nationally recognized overnight courier, b) sent by electronic mail (e-mail) with a PDF attachment with an original copy thereof transmitted to the recipient by one of the means described in the clauses a), c), or d), c) personal delivery, or d) United States certified mail, return receipt requested, postage prepaid, addressed to the addressee. All notices, demands and other communications shall be given to the Parties at the addresses set forth below, or at any other addresses that they have theretofore specified by written notice delivered in accordance herewith:

If to the City, to:

City of La Vernia
Attn: City Administrator
102 E. Chihuahua
La Vernia, Texas 78121
lboyd@lavernia-tx.gov

With a copy to the City Attorney:

T. Daniel Santee
Denton Navarro Rodriguez Bernal Santee & Zech
2517 N. Main Avenue
San Antonio, Texas 78212
tdsantee@rampagelaw.com

If to the Developer, to:

Shad Schmid
Jeff Czar
King Fish Development, LLC
2722 West Bitters Road, Suite 106
San Antonio, Texas 78248
shad@kingfishtx.com
jeff@kingfishtx.com

With a copy to:

Melissa Killen
Killen, Griffin & Farrimond, PLLC
10101 Reunion Place, Suite 250

San Antonio, Texas 78216
melissa@kgftx.com

7. **Captions.** All captions used herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to the Agreement between Parties hereto.
8. **Unintended Omission.** If any punctuation, word, clause, sentence, or provisions necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision of this Agreement is omitted, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.

EXECUTED in multiple counterparts, each of which shall constitute an original.

CITY OF LA VERNIA, TEXAS

By: _____
 Gary Gilbert, Mayor

KING FISH DEVELOPMENT, LLC

By: _____
 Shad Schmid, Manager

Exhibit A

RESOLUTION NO. 091026-02

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LA VERNIA, TEXAS, SETTING THE RATES AND FEES FOR SERVICES PROVIDED BY THE CITY OF LA VERNIA ALSO KNOWN AS THE "FEE SCHEDULE, " FINDING THAT THE MEETING AT WHICH THIS RESOLUTION WAS PASSED WAS CONDUCTED IN STRICT COMPLIANCE WITH THE TEXAS OPEN MEETINGS ACT; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of La Vernia is authorized under The Texas Constitution Article 11. Municipal Corporations, Sec. 4. Cities And Towns With Population Of 5,000 Or Less: Chartered By General Law; Taxes; Fines, Forfeitures, And Penalties to levy and collect all taxes in current money, as well as all licenses and occupation taxes levied, and all fines, forfeitures and penalties which shall be collectible only in current money as well; and

WHEREAS, the City Council has determined that setting fees and charges for services provided by City personnel to citizens by resolution will save money and staff time by eliminating the need for continual updates to the Code of Ordinances to reflect changes in such fees and charges; and

WHEREAS, the City Council desires to adopt fees and charges that accurately compensate the City for its costs in providing the facilities, services, and materials; and

WHEREAS, the Council is responsible for ensuring the City delivers reliable and consistent services and operations at a fee that meets the needs of providing said services.

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

SECTION 1. The City Council of La Vernia authorizes the adoption of the proposed fee schedule as described in **Attachment A**.

SECTION 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 3. All 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 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND APPROVED, this 10th day of September 2026.

Gary Gilbert, Mayor

ATTEST:

Madison Farrow, City Secretary

APPROVED AS TO FORM:

City Attorney, City of La Vernia

Attachment A

CITY OF LA VERNIA

COST FOR SERVICES FEE SCHEDULE

October 1st, 2026 through September 30th, 2027

DESCRIPTION	OLD FEES	REVISION	CURRENT FEES
ADMINISTRATIVE FEES			
Monthly Utility Billing Statement Mail Fee		NEW	\$3.00
Convenience fee			
Credit Card Payment over Phone	3.25%	CHANGE	3.50%
In Person	3.25%	CHANGE	3.50%
Online	3.25%	CHANGE	3.50%
Notary Fees			
Notary(City Resident)	No Fee	N/C	No Fee
Notary(Non City Resident)	\$6.00	N/C	\$6.00
Solicitor/Peddler Permit	\$125.00	N/C	\$125.00
Records Request			
Certified Copy- Each	\$5.00	N/C	\$5.00
Compact Disc	\$5.00	N/C	\$5.00
Maps	Actual	N/C	Actual
Miscellaneous Supplies	Actual	N/C	Actual
Nonstandard- size Copy	Actual	N/C	Actual
Other Electronic Media	\$10.00	N/C	\$10.00
Oversize Paper Copy (11x17)	\$0.50	N/C	\$0.50
Postage & Shipping Charge	Actual	N/C	Actual
Standard Paper Copy	\$0.10	N/C	\$0.10
No sales tax shall be applied to copies of public information		N/C	
Return Check Fee	\$35.00	N/C	\$35.00
BUILDING DEPARTMENT			
Administrative, Plan review and Inspections are built into building permit Commercial Residential			
Certificate of Occupancy			
Residential	\$50.00	N/C	\$50.00
Commercial	\$75.00	N/C	\$75.00
(Failure to obtain will result in double fee)			
Civil plan review			
Commercial Site Plan Review			
Less than 1 Acre	\$300	N/C	\$300
1.01-5 Acres	\$500.00	N/C	\$500
5-20 Acres	\$750.00	N/C	\$750
Over 20 Acres	\$1,000.00	N/C	\$1,000
Review fee includes first 3 reviews , additional reviews will be charged at:	50% of above fee	N/C	50% of above fee

Subdivisions (calculated based on the number of lots in the phase submitted)

1-10 lots		\$500	N/C		\$500
11-50 lots		\$800	N/C		\$800
51-199 lots		\$1,500	N/C		\$1,500
200+ lots		\$3,000	N/C		\$3,000

Review fee includes first 3 reviews, additional reviews will be charged at:

50% of above fee

N/C

50% of above fee

Civil Site Inspection Fee

\$100 per inspection

N/C

\$100 per inspection

Construction- Commercial

*Outside Engineer Cost if required

Actual

N/C

Actual

Flatwork/Deck

based on valuation

N/C

based on valuation

Accessory Building

based on valuation

N/C

based on valuation

Patio/Patio Cover

based on valuation

N/C

based on valuation

Roof Replacement

\$15.00

N/C

\$15.00

Foundation Repair

based on valuation

N/C

based on valuation

Fence (Replacing)

\$0.00

CHANGE

\$15.00

Fence (New)

\$30.00

N/C

\$30.00

Siding (all exterior finishes)

based on valuation

N/C

based on valuation

Temporary Building or Structure

based on valuation

N/C

based on valuation

Generator Install

NEW

(BV fee \$200) +10%

Solar Pannels

NEW

(BV fee \$160)+10%

Construction- Residential

*Outside Engineer Cost if required

Actual

N/C

Actual

Single Family Dwelling

\$0.58

CHANGE

0.65 (min of \$850)

Flatwork/Deck

0 to 25

N/C

0 to 25

Accessory Building

\$0.58

CHANGE

0.65 (min of \$850)

Patio/Patio Cover- Change to "Deck"

.25 to 25

N/C

.25 to 25

Roof Replacement

\$25.00

N/C

\$25.00

Foundation Repair

\$0.78

N/C

\$0.78

Fence- New

\$30.00

N/C

\$30.00

Fence (Replacing)

\$0.00

CHANGE

\$15.00

Fence with Inspection

\$100.00

N/C

\$100.00

Swimming Pool (in ground)

\$0.58

CHANGE

BV Fee (based on valuation) +10%

<50,000

\$450.00

CHANGE

50,001~80,000

\$550.00

CHANGE

>80,001

\$650.00

CHANGE

Commercial Pool

BV Fee + \$100.00

CHANGE

BV Fee (based on valuation) +10%

Swimming Pool (above ground)

\$100.00

CHANGE

BV Fee (based on valuation) +10%

Additions/ Remodels

NEW

\$400.00 +10%

Generator Install

NEW

(BV fee \$200) +10%

Solar Pannels

NEW

(BV fee \$160)+10%

Manufactured Homes

NEW

(BV fee \$400)+10%

Contractor Registration

All (Non- state registered) Contractors (annual)

\$100.00

N/C

\$100.00

Plumbers/Electrical- Change to All State License Holder

No charge

N/C

No charge

Demolition Fee

Residential	\$100.00	N/C	\$100.00
Commercial	\$150.00	N/C	\$150.00

Electrical/ Plumbing/ Mechanical Permit

Residential	Based on sq. ft.	CHANGE	Based on Valuation
Commercial	Based on Valuation	N/C	Based on Valuation

Fire Protection**For new Construction and Substantial Renovations**

Substantial renovation is greater than 50% or the building being remodeled or \$50,000 in cost.

Fire Code Plan Review – Commercial and Multi-Family

Valuation

Less than \$250,000	\$600	N/C	\$600
\$250,001 to \$500,000	\$800	N/C	\$800
\$500,001 to \$1,000,000	\$1,100	N/C	\$1,100
\$1,000,001 to \$3,000,000	\$1,600	N/C	\$1,600
\$3,000,001 to \$6,000,000	\$2,400	N/C	\$2,400
\$6,000,001 and up	\$2400 plus \$.20 each additional \$1000	N/C	\$2400 plus \$.20 each additional \$1000

Fire Code Inspections – Commercial and Multi-Family

Valuation

Less than \$250,000	\$850.00	N/C	\$850.00
\$250,001 to \$500,000	\$1,150.00	N/C	\$1,150.00
\$500,001 to \$1,000,000	\$1,350.00	N/C	\$1,350.00
\$1,000,001 to \$3,000,000	\$1,900.00	N/C	\$1,900.00
\$3,000,001 to \$6,000,000	\$2,850.00	N/C	\$2,850.00
\$6,000,001 and up	\$2850.00 plus \$0.20 each additional \$1000.00	N/C	\$2850.00 plus \$0.20 each additional \$1000.00

Fire Inspection Fees (Other)

Initial Inspection (pre construction)	No Charge	N/C	No Charge
Annual Inspection	\$25.00	N/C	\$25.00
Annual Inspection (space over 2,000 square feet)	\$50.00	N/C	\$50.00
Re-Inspection Fee (If failed)	\$75.00	N/C	\$75.00
Rescheduling Fee (If not called in 24 hours in advance)	\$75.00	N/C	\$75.00
Alternative Fire Protection System	\$250.00	N/C	\$250.00
Fire / Smoke Damper	\$2.00 each	N/C	\$2.00 each
Fire Alarm System	\$200+\$0.50/ Initiating or Signaling device	N/C	\$200+\$0.50/ Initiating or Signaling device
Fire Sprinkler System	\$200+\$0.50/Sprinkler head	N/C	\$200+\$0.50/Sprinkler head
Fire Suppression System Installation	\$100.00	N/C	\$100.00
Flammable or Combustible Liquid Tanks	\$150.00 each review	N/C	\$150.00 each review
Smoke Control System	\$175.00	N/C	\$175.00
Spray Booth System	\$250.00	N/C	\$250.00
System Retesting Fee	\$75.00	N/C	\$75.00
Underground Fire System Plan Review	\$200.00	N/C	\$200.00
Underground Inspection	\$125.00	N/C	\$125.00
Vent/Hood Suppression System	\$75.00	N/C	\$75.00
After Hour Fee (beyond the hours of 8AM-5PM)	\$60 per hour	N/C	\$60 per hour

Irrigation Permit

N/C

Residential w/ backflow	\$250.00	N/C	\$250.00
Commercial w/ backflow	\$300.00	N/C	\$300.00
		N/C	
Mechanical Permit			
Residential		CHANGE	
Duct-Change-Out		CHANGE	
New Furnace		CHANGE	
New Coil/Condenser/Heat Pump		CHANGE	
New Construction	Based on sq. ft.	CHANGE	
Commercial		CHANGE	
Mechanical Repair/ Replacement		CHANGE	
New Construction	Based on Valuation	CHANGE	
		CHANGE	
		CHANGE	
Plumbing Permit			
Residential		CHANGE	
Water Heater	\$125.00	CHANGE	
Water Softener	\$125.00	CHANGE	
Commercial		CHANGE	
Plumbing Repair/ Replacement	Based on Valuation	CHANGE	
New Construction	Based on Valuation	CHANGE	
Re-Inspection/ Additional Fees			
<u>Residential/Commercial- each failure per trade</u>		N/C	
1st Failure	\$75.00 to \$0.00	N/C	\$75.00 to \$0.00
*\$100.00 under slab		N/C	
2nd Failure	\$100.00 to \$50.00	N/C	\$100.00 to \$50.00
*\$150.00 under slab		N/C	
Each additional	\$200.00 to \$100.00	N/C	\$200.00 to \$100.00
Proceeding without the proper Inspection	\$150.00 + Failure fee	N/C	\$150.00 + Failure fee
Refunds:			
Building and Trade Permit Refunds	Minus Plan Review Fee	CHANGE	
(no refund if work began or if permit expired)		CHANGE	
Signs			
		N/C	
Wall	\$100.00	N/C	\$100.00
Roof	\$100.00	N/C	\$100.00
Pole/Pylon	\$100.00	N/C	\$100.00
Monument	\$100.00	N/C	\$100.00
Banner	\$50.00	N/C	\$50.00
Electronic	\$100.00	N/C	\$100.00
Billboard(Annual Renewal)	\$100.00	N/C	\$100.00
Changeable Copy	\$50.00	N/C	\$50.00
Poster Enclosure	\$100.00	N/C	\$100.00
Repairs with like size/Content	No Change	N/C	No Change
Temporary Sail, Teardrop, Feather, Bow Banner, Etc.	\$50.00	N/C	\$50.00
Temporary Subdivision Sign	\$50.00	N/C	\$50.00
Temporary Business New/Relocated	\$50.00	N/C	\$50.00
MISC. FEES			
Business & Vendors			
Coin Operated Machines, per Machines	\$15.00	N/C	\$15.00

Effective Dates: January 1 - December 31

Home Occupation Permit

January 1 - December 31

Application	\$35.00	N/C	\$35.00
Annual Permit	\$75.00	N/C	\$75.00
Event Permit	\$0	N/C	\$0

Right of way permit

ROW permit

Penalty fee

NEW	
NEW	\$125
NEW	\$250

Security Requests

General Security	\$40.00 per hour	N/C	\$40.00 per hour
Police Bicycle Certified Officer	\$55.00 per hour	N/C	\$55.00 per hour
Long-term Contracts requests (received less than 48 business hours)	\$40.00 per hour	N/C	\$40.00 per hour
Emergency situations (requests received less than 48 business hours)	\$50.00 per hour	N/C	\$50.00 per hour
Supervisors when required (determined by complexity of request)	\$60.00 per hour	N/C	\$60.00 per hour
Holiday or Plain-clothed Officers or Specially Trained Officers	\$65.00 per hour	N/C	\$65.00 per hour
4 hour minimum on all security requests			

COURT CHARGES

Speeding (Court Costs and Fines)

10 miles	\$230.00	N/C	\$230.00
11 miles	\$240.00	N/C	\$240.00
12 miles	\$250.00	N/C	\$250.00
13 miles	\$260.00	N/C	\$260.00
14 miles	\$270.00	N/C	\$270.00
15 miles	\$280.00	N/C	\$280.00
16 miles	\$290.00	N/C	\$290.00
17 miles	\$300.00	N/C	\$300.00
18 miles	\$310.00	N/C	\$310.00
19 miles	\$320.00	N/C	\$320.00
20 miles	\$330.00	N/C	\$330.00
*Add \$7.00 for every mile thereafter			
*Add \$25.00 for School Zone citations			

Disregard Stop Sign	\$275.00	N/C	\$275.00
Ran Red Light	\$275.00	N/C	\$275.00
No Drivers License	\$231.00	N/C	\$231.00
Expired Drivers License	\$231.00	N/C	\$231.00
Expired Registration	\$231.00	N/C	\$231.00
Driving while License Invalid/Suspended	\$331.00	N/C	\$331.00
No Insurance- 1st/2nd	\$400.00/\$500.00	N/C	\$400.00/\$500.00
No Seat Belt	\$184.00	N/C	\$184.00
Disregarding Official Traffic Control Device	\$275.00	N/C	\$275.00
Use of Portable Communication Device with Driving	\$284.00	N/C	\$284.00
Use of Wireless Communication Device in School Zone	\$334.00	N/C	\$334.00
Passing a School Bus w/ Red Lights	\$834.00	N/C	\$834.00

Defensive Driving Course Request	Court Cost + \$10.00	N/C	Court Cost + \$10.00
Deferred Jedication	Ticket Cost + \$50.00	N/C	Ticket Cost + \$50.00
Warrant of Arrest	\$50.00	N/C	\$50.00
Violate Promise to Appear	\$331.00	N/C	\$331.00

*Add \$25.00 for School Zone Citationa

Disregard Stop Sign		\$275.00	N/C	\$275.00
Ran Red Light		\$275.00	N/C	\$275.00
No Drivers License		\$231.00	N/C	\$231.00
Expired Drivers License		\$231.00	N/C	\$231.00
Expired Registration		\$231.00	N/C	\$231.00
Driving while License Invalid/Suspended		\$331.00	N/C	\$331.00
No Insurance- 1st/2nd	\$400.00/\$500.00		N/C	\$400.00/\$500.00
No Seat Belt		\$184.00	N/C	\$184.00
Disregarding Official Traffic Control Device		\$275.00	N/C	\$275.00
Use of Portable Communication Device with Driving		\$284.00	N/C	\$284.00
Use of Wireless Communication Device in School Zone		\$334.00	N/C	\$334.00
Passing a School Bus w/ Red Lights		\$834.00	N/C	\$834.00

Defensive Driving Course Request	Court Cost + \$10.00		N/C	Court Cost + \$10.00
Deferred Jedication	Ticket Cost + \$50.00		N/C	Ticket Cost + \$50.00
Warrant of Arrest		\$50.00	N/C	\$50.00
Violate Promise to Appear		\$331.00	N/C	\$331.00
Drug Paraphernalia			NEW	\$250.00

Health Services

Non-Profit Organizations (Churches)		\$100.00	N/C	\$100.00
Annual Food License/Renewal		\$250.00	CHANGE	\$300.00
Late Fee (Not Paid by Jan 31st)		\$50.00	N/C	\$50.00
Food Event License (one time event)		\$75.00	CHANGE	\$100.00

Park Rentals

<u>Pavilion (Deposit \$100.00)</u>				
Resident large/small	\$50.00/\$30.00		N/C	\$50.00/\$30.00
Non-Resident large/small	\$75.00/\$55.00		N/C	\$75.00/\$55.00
<u>Gazebo (Deposit \$100.00)</u>				
Resident		\$50.00	N/C	\$50.00
Non-Resident		\$75.00	N/C	\$75.00
<u>Volleyball (Non-Tournament)</u>				
Volleyball Court (Resident)	\$10.00 per hour		N/C	\$10.00 per hour
Volleyball Court (Non-Resident)	\$20.00 per hour		N/C	\$20.00 per hour
<u>Little League Player Fee</u>		\$4.00	N/C	\$4.00
<u>Baseball (Non-Tournament)</u>				
Baseball field (Resident) Field A	\$15.00 per hour		N/C	\$15.00 per hour
Baseball field (Non-Resident) Field A	\$20.00 per hour		N/C	\$20.00 per hour
Baseball field (Resident) Field B-G	\$10.00 per hour		N/C	\$10.00 per hour
Baseball field (Non-Resident) Field B-G	\$15.00 per hour		N/C	\$15.00 per hour
<u>Baseball Lights</u>				
Baseball Lights (Resident)	\$10 per hour		N/C	\$10 per hour
Baseball Lights (Non-Resident)	\$15 per hour		N/C	\$15 per hour

Tournament Rentals (Per day)

<u>Volleyball Court (all)</u>				
Resident		\$150.00	N/C	\$150.00
Non-Resident		\$200.00	N/C	\$200.00
Volleyball Tournament	\$15 per team		N/C	\$15 per team

Baseball/Softball

A field

Resident	\$125.00	N/C	\$125.00
Non-Resident	\$175.00	N/C	\$175.00
<u>B field</u>			
Resident	\$125.00	N/C	\$125.00
Non-Resident	\$175.00	N/C	\$175.00
<u>C field</u>			
Resident	\$125.00	N/C	\$125.00
Non-Resident	\$175.00	N/C	\$175.00
<u>D field</u>			
Resident	\$100.00	N/C	\$100.00
Non-Resident	\$150.00	N/C	\$150.00
<u>E field</u>			
Resident	\$100.00	N/C	\$100.00
Non-Resident	\$150.00	N/C	\$150.00
<u>F field</u>			
Resident	\$125.00	N/C	\$125.00
Non-Resident	\$150.00	N/C	\$150.00
<u>G field</u>			
Resident	\$75.00	N/C	\$75.00
Non-Resident	\$125.00	N/C	\$125.00
<u>All Fields</u>			
Resident	\$800.00	N/C	\$800.00
Non-Resident	\$1,000.00	N/C	\$1,000.00
<u>Lights</u>			
Resident	\$40.00	N/C	\$40.00
Non-Resident	\$60.00	N/C	\$60.00
<u>Table and Chair Rentals</u>	\$50.00 per 4 hour period (deposit \$150.00)	N/C	\$50.00 per 4 hour period (deposit \$150.00)
<u>Canopy Rentals</u>	\$15.00 per 4 hour period (deposit \$20.00)	N/C	\$15.00 per 4 hour period (deposit \$20.00)

*Little League teams have first rights to all baseball fields during their season

PLANNING&ZONING

Appeals and Requests for Amendments

*Subject to Engineering and Attorney Cost

\$100 / Actual Cost

\$125.00 N/C
N/C

\$100 / Actual Cost

\$125.00

Considered by City Council, Planning & Zoning

Commission or the Board of Adjustments

Amendment to city CCN

\$1,500 N/C

\$1,500

Plat/Replat Fees

\$250.00 N/C

\$250.00

Amended Plat- City Engineer

\$250 N/C

\$250.00

Specific Use Permit

\$250.00 N/C

\$250.00

Variance/ Waivers (Board of Adjustment)

Zoning Code: Commercial

\$250.00 N/C

\$250.00

Building Code: Commercial

\$250.00 N/C

\$250.00

Zoning Code: Residential

\$150.00 N/C

\$150.00

Building Code: Residential

\$150.00 N/C

\$150.00

Zoning Change

\$500.00 N/C

\$500.00

Zoning Verification Letter

0 N/C

0

Postponement of Public Hearing

\$200.00 N/C

\$200.00

Residential Services:

Garage/Yard Sale Permit (each)

Residential- Limit 3 events per year

Neighborhood Garage Sale

Churches, Charitable and Non-Profit- limit 3 per year

No Charge

N/C

No Charge

\$10.00

N/C

\$10.00

\$10.00

N/C

\$10.00

GARBAGE COLLECTION SERVICES (MONTHLY)

Residential Service Once Per Week

\$23.16

CHANGE

\$24.32

Senior Residential Service w/ recycling

\$19.64

CHANGE

\$20.62

Senior Residential Service wo/ recycling

\$15.13

CHANGE

\$15.89

Extra recycling tote

\$3.72

CHANGE

\$3.91

Extra garbage tote

\$8.82

CHANGE

\$9.26

Roll out - Residential Customer

Roll outs/ 2,3,4,5,6,8,10 cubic yard- Commercial Customer**Commerical**

One roll-out with 1 recycling

\$30.45

CHANGE

\$31.97

Two roll-out with 1 recycling

\$40.30

CHANGE

\$42.32

Three roll-out with 1 recycling

\$50.16

CHANGE

\$52.67

Extra recycling

\$8.00

CHANGE

\$8.40

2 Cubic yard

One collection per week

\$86.37

CHANGE

\$90.69

Two collection per week

\$172.71

CHANGE

\$181.35

Three collection per week

N/A

N/C

N/A

3 Cubic yard

One collection per week

\$105.08

CHANGE

\$110.33

Two collection per week

\$205.34

CHANGE

\$215.61

Three collection per week

N/A

N/C

N/A

4 Cubic yard

One collection per week

\$118.95

CHANGE

\$124.90

Two collection per week

\$214.19

CHANGE

\$224.90

Three collection per week

N/A

N/C

N/A

6 Cubic yard

One collection per week

\$137.69

CHANGE

\$144.57

Two collection per week

\$281.91

CHANGE

\$296.01

Three collection per week

\$408.11

CHANGE

\$428.52

8 Cubic yard

One collection per week

\$177.61

CHANGE

\$186.49

Two collection per week

\$330.80

CHANGE

\$347.34

Three collection per week

\$544.14

CHANGE

\$571.35

10 Cubic yard

One collection per week

\$211.83

CHANGE

\$222.42

Two collection per week

\$391.09

CHANGE

\$410.64

Three collection per week

\$680.18

CHANGE

\$714.19

Extra pick ups

Per extra pick up

\$114.08

CHANGE

\$119.78

Locking bar or casters

\$21.60

CHANGE

\$22.68

Roll off Services

Delivery fee: (per roll off)

\$213.94

CHANGE

\$224.64

Rental fee: (per roll off, per day)

\$0.00

CHANGE

\$0.00

Disposal fee: (per ton)	\$49.91	CHANGE	\$52.41
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Haul fees

20 yard roll off, per hall	\$734.52	CHANGE	\$771.25
30 yard roll off, per hall	\$777.29	CHANGE	\$816.15
40 yard roll off, per hall	\$820.09	CHANGE	\$861.09

Extra roll offs

Delivery/ exchange fee, per roll-off delivery or exchange	SEE HAUL FEE	N/C	SEE HAUL FEE
Two pick ups per week	SEE HAUL FEE	N/C	SEE HAUL FEE
Three pick ups per week	SEE HAUL FEE	N/C	SEE HAUL FEE
Extra pick- up	SEE HAUL FEE	N/C	SEE HAUL FEE

Haul fees

20 yard roll off. per haul	\$734.52	CHANGE	\$771.25
30 yard roll off, per hall	\$777.29	CHANGE	\$816.15
40 yard roll off, per hall	\$820.09	CHANGE	\$861.09

City dump permit (City residents/ contractors only)

Daily	NEW	
monthly	NEW	\$25.00
	NEW	\$500.00

MUNICIPAL WATER & WASTEWATER SERVICES

Water services (monthly)

Residential- 5/8" meter	\$28.52	N/C	\$28.52
Residential- 5/8" meter(outside city limits)	\$44.66	N/C	\$44.66
Residential- 1" meter	\$69.08	N/C	\$69.08
Residential- 1" meter(outside city limits)	\$108.19	N/C	\$108.19
Residential- 1-1/2" meter	\$148.41	N/C	\$148.41
Residential- 1-1/2" meter (outside city limits)	\$185.52	N/C	\$185.52

Commercial / Multi- family 5/8" meter	\$28.52	N/C	\$28.52
Commercial/ Multi- family 5/8 " meter (outside the city limits)	\$44.66	N/C	\$44.66
Commercial/ Multi- family 1" meter	\$69.08	N/C	\$69.08
Commercial/ Multi- family 1" meter (outside the city limits)	\$108.19	N/C	\$108.19
Commercial/Multi-family- 1-1/2"meter	\$148.41	N/C	\$148.41
Commercial/Multi-family- 1-1/2"meter (outside the city limits)	\$185.52	N/C	\$185.52
Commercial/Multi-family- 2"meter	\$219.38	N/C	\$219.38
Commercial/Multi-family- 2"meter (outside the city limits)	\$343.55	N/C	\$343.55
Commercial/Multi-family- 3"meter	\$329.08	N/C	\$329.08
Commercial/Multi-family- 3"meter (outside the city limits)	\$515.34	N/C	\$515.34

Bulk water rate (non-treated/non-potable)	\$0.12	CHANGE	\$0.20
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Water Consumption

Residential In District

0-10,000 Gallons	\$5.48	N/C	\$5.48
10,001-15,000 Gallons	\$6.01	N/C	\$6.01
15,001-20,000 Gallons	\$6.61	N/C	\$6.61
20,001-30,000 Gallons	\$7.29	N/C	\$7.29

30,001-40,000 Gallons	\$8.01	N/C	\$8.01
40,001-50,000 Gallons	\$8.81	N/C	\$8.81
50,001-65,000 Gallons	\$9.68	N/C	\$9.68
Over 65,000	\$10.67	N/C	\$10.67

Commercial In District

0-10,000 Gallons	\$5.48	N/C	\$5.48
10,001-15,000 Gallons	\$6.01	N/C	\$6.01
15,001-20,000 Gallons	\$6.61	N/C	\$6.61
20,001-30,000 Gallons	\$7.29	N/C	\$7.29
30,001-40,000 Gallons	\$8.01	N/C	\$8.01
40,001-50,000 Gallons	\$8.81	N/C	\$8.81
50,001-65,000 Gallons	\$9.68	N/C	\$9.68
Over 65,000	\$10.67	N/C	\$10.67

Residential Out of District

0-10,000 Gallons	\$7.58	N/C	\$7.58
10,001-15,000 Gallons	\$8.22	N/C	\$8.22
15,001-20,000 Gallons	\$8.99	N/C	\$8.99
20,001-30,000 Gallons	\$10.40	N/C	\$10.40
30,001-40,000 Gallons	\$11.66	N/C	\$11.66
40,001-50,000 Gallons	\$12.94	N/C	\$12.94
50,001-65,000 Gallons	\$14.20	N/C	\$14.20
Over 65,000	\$14.85	N/C	\$14.85

Commercial out of District

0-10,000 Gallons	\$7.58	N/C	\$7.58
10,001-15,000 Gallons	\$8.22	N/C	\$8.22
15,001-20,000 Gallons	\$8.99	N/C	\$8.99
20,001-30,000 Gallons	\$10.40	N/C	\$10.40
30,001-40,000 Gallons	\$11.66	N/C	\$11.66
40,001-50,000 Gallons	\$12.94	N/C	\$12.94
50,001-65,000 Gallons	\$14.20	N/C	\$14.20
Over 65,000	\$14.85	N/C	\$14.85

Waste Water Rates

Residential inside City- Base rate	\$29.43	N/C	\$29.43
Residential inside City- Base rate \$ xx.x per 1,000 gal	\$3.03	N/C	\$3.03
Residential outside City- Base rate	\$44.55	N/C	\$44.55
Residential outside City- Base rate \$ xx.x per 1,000 gal	\$3.34	N/C	\$3.34
Commercial inside City- Base rate	\$41.25	N/C	\$41.25
Commercial inside City- Base rate \$ xx.x per 1,000 gal	\$2.07	N/C	\$2.07
Commercial outside City- Base rate	\$549.40	N/C	\$549.40
Commercial outside City- Base rate \$ xx.x per 1,000 gal	\$3.72	N/C	\$3.72
Base rate is equal to minimum fee			

Fire hydrant (Non-Potable) Water service

Administrative Fee	\$25.00	N/C	\$25.00
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Meter Deposit		\$500.00	N/C		\$500.00
Consumption (Per unit)	Billed at 3 inch meter rate		N/C	Billed at 3 inch meter rate	

Connect/Disconnect Fee

Water service connect/transfer fee		\$25.00	N/C		\$25.00
Water service reconnection fee during normal business		\$50.00	N/C		\$50.00

Meter Tampering fee

1st Offense		\$75.00	N/C		\$75.00
2nd Offense		\$150.00	N/C		\$150.00
3rd Offense		\$200.00	N/C		\$200.00

*Customer/Plumber restoring services after disconnection due to non payment is considered tampering with meter

Meter box fee	Market rate		N/C	Market rate	
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Water service deposits W/ \$25 refundable admin fee

Residential residential/ Rental commercial	\$125.00/\$225.00		N/C	\$125.00/\$225.00	
Commercial/ Rental	\$275.00/\$275.00		N/C	\$275.00/\$275.00	

Utility billing penalties- Senior		10%	N/C		10%
Utility billing penalties- Residential		12%	N/C		12%
Utility billing penalties- Commercial		12%	N/C		12%

Water meter installation

New water meter installation with pre-existing tap & meter Bos

Labor 1hr @ \$27.00	\$27.00	CHANGE			
Pick-up 1hr @ \$30.00	\$30.00	CHANGE			
Labor burden @ 39%	\$16.38	CHANGE			
Meter (Current market rate)	Market rate		N/C	Market rate	
Total	\$73.38 plus meter	CHANGE		\$100.00 plus meter	

*if city staff can not complete will be billed at contractor rate

5/8 - 1 " water meter, short service

Supervision 4hr @ \$35.81	\$143.24	CHANGE			
Operator 6hr @ \$35.81	\$214.86	CHANGE			
Labor 6hr @ \$24.54 @ 3 people	\$441.72	CHANGE			
Labor burden @ 39%	\$137.28	CHANGE			
Backhoe 6hr @ \$100.00	\$600.00	CHANGE			
Spoil haul off x2 6hr @ \$30.00	\$360.00	CHANGE			
Tapping machine	\$50.00	CHANGE			
Saddle	\$82.50	CHANGE			
Corporation stop	\$87.50	CHANGE			
Angle stop	\$85.00	CHANGE			
Tubing	\$40.00	CHANGE			
Meter box	\$50.00	CHANGE			
Sand/ dirt per yrd \$60 @ 3 yds	\$180.00	CHANGE			
Meter (Current market rate) (\$370.68 for 5/8 and \$548.51 for 1 in)	Market rate		N/C	Market rate	
Total Labor	\$2,472.10 plus meter	CHANGE		\$2,500 plus meter	

*if city staff can not complete will be billed at contractor rate

5/8 - 1" water meter, long service

Supervision 6hr @ \$35.81	\$214.86	CHANGE	
Operator 8hr @ \$35.81	\$286.48	CHANGE	
Labor 8hr @ 3 people @ \$24.54	\$588.96	CHANGE	
Labor burden @ 39%	\$346.32	CHANGE	
Backhoe per hr \$100 if using 6 hrs	\$600.00	CHANGE	
Spoil haul off x2 6hr @ \$30.00	\$360.00	CHANGE	
Tapping machine	\$50.00	CHANGE	
Barricades & street plates if needed, inspect jobsite before billing	\$250.00	CHANGE	
Saddle	\$82.50	CHANGE	
Corporation stop	\$87.50	CHANGE	
Angle stop	\$85.00	CHANGE	
Tubing	\$100.00	CHANGE	
Casing	\$10 per foot	CHANGE	
Meter box	\$50.00	CHANGE	
Sand/ dirt per yrd \$60 @ 6 yds	\$360.00	CHANGE	
Asphalt Repair if needed, inspect jobsite before billing	\$960.00	CHANGE	
Meter (Current market rate) (\$370.68 for 5/8" and \$548.51 for 1")	Market rate	N/C	Market rate
Total Labor	\$4,431.62 Plus Meter	CHANGE	\$4,500 Plus Meter
*if city staff can not complete will be billed at contractor rate			

1 - 1/2 - 2" Water meter short service

Supervision 1hr @ \$35.81 6hr @ \$214.86	\$214.86	CHANGE	
Operator 1 hr @ \$35.81 6hr @ \$214.86	\$214.86	CHANGE	
Labor 6hr @ 3 people @ \$24.54	\$441.72	CHANGE	
Labor burden @ 39%	\$137.28	CHANGE	
Backhoe per hr \$100 if using 6 hrs	\$600.00	CHANGE	
Spoil haul off x2 6 hr @ \$30.00	\$360.00	CHANGE	
Tapping machine	\$75.00	CHANGE	
Saddle 1 1/2" - 2"	\$95.00	CHANGE	
Corporation stop	\$220.50	CHANGE	
Angle stop	\$347.50	CHANGE	
Polly tubing	\$15.00 per foot	CHANGE	
Meter box	\$72.50	CHANGE	
Sand/ dirt per yrd \$60 @ 6 yds	\$360.00	CHANGE	
Meter (Current market rate) (\$1,098.83 for 1 1/2" and \$1,221.26 for 2")	Market rate	N/C	Market rate
Total Labor	\$3,154.22 plus meter cost and polly	CHANGE	\$3,400 plus meter cost
*if city staff can not complete will be billed at contractor rate			

1 - 1/2 - 2" Water meter long service

Supervision 1hr @ \$35.81 8hr @ \$286.48	\$286.48	CHANGE	
Operator 1 hr @ \$35.81 8hr @ \$286.48	\$286.48	CHANGE	
Labor 8hr @ 3 people @ \$24.54	\$588.96	CHANGE	
Labor burden @ 39%	\$340.08	CHANGE	
Backhoe per hr \$100 if using 8 hrs	\$800.00	CHANGE	
Spoil haul off x4 6 hr @ \$30.00	\$720.00	CHANGE	
Tapping machine	\$75.00	CHANGE	
Barricades & street plates if needed, inspect jobsite before billing	\$250.00	CHANGE	
Saddle	\$95.00	CHANGE	
Corporation stop	\$220.50	CHANGE	
Angle stop	\$347.50	CHANGE	
Casting	\$10.00 per foot	CHANGE	
Meter box	\$75.00 for plastic	CHANGE	
Sand/ dirt per yrd \$60 @ 6 yds	\$360.00	CHANGE	

Asphalt Repair if needed, ~~inspect jobsite before billing~~
 Meter (Current market rate) (~~\$1,098.83 for 1 1/2" and \$1,221.26 for 2"~~)
 Tubing
 Total ~~Labor~~
 *if city staff can not complete will be billed at contractor rate

\$960.00	CHANGE	
Market rate	N/C	Market rate
\$360 FOR 1 1/2 INCH	CHANGE	
\$5,775 plus meter	CHANGE	\$6,000 plus meter

Sewer Tap

Supervision ~~35.81/hr @ 8hrs - \$286.98~~
 Operator ~~35.81/hr @ 8hrs - \$286.48~~
 Labor ~~- 8hrs @ 3 People @ 24.54/hr - \$588.96~~
 Labor burden ~~- @ 39.20% - \$453.15~~
 Backhoe ~~@ 100.00 per hour @ 8 hours - \$800.00~~
 Spoil haul off ~~X 3 @ 30 - \$90.00~~
 Sewer tap machine ~~- \$75.00~~
 Barracades, traffic controll, plates ~~- \$250.00~~
 Saddle ~~- \$60.00~~
 Total ~~Labor~~

\$286.98	CHANGE	
\$286.48	CHANGE	
\$588.96	CHANGE	
\$453.15	CHANGE	
\$800.00	CHANGE	
\$90.00	CHANGE	
\$75.00	CHANGE	
\$250.00	CHANGE	
\$60.00	CHANGE	
\$2,890.57	CHANGE	\$3,500.00

~~*We will bill at actual hours if less than 8 hours*~~
 *if city staff can not complete will be billed at contractor rate

RESOLUTION NO. R091026-03

**A RESOLUTION OF THE CITY OF LA VERNIA AMENDING AND
EXTENDING THE CONTRACT FROM WELLS FARGO BANK; FOR
BANKING SERVICES; AND AUTHORIZING THE CITY
ADMINISTRATOR TO ENTER INTO A CONTRACT FOR SAID
BANKING SERVICES**

WHEREAS, the City of La Vernia currently maintains a contract with Wells Fargo for banking services; and

WHEREAS, the City Council of La Vernia previously authorized the City Administrator to enter into said contract with Wells Fargo Bank for banking services; and

WHEREAS, the existing contract was established for a three-year term and was extended for one year and is now eligible for extension and amendment;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
LA VERNIA, TEXAS:**

SECTION 1. City Council hereby authorizes the City Administrator to execute all necessary documents to amend and extend the contract with Wells Fargo Bank for banking services, as outlined in the agreements attached hereto as **Exhibit A** and **Exhibit B**.

PASSED AND APPROVED, this 10th day of September 2026.

Gary Gilbert, Mayor

ATTEST:

Madison Farrow, City Secretary

APPROVED AS TO FORM:

City Attorney
City of La Vernia

Exhibit A

Exhibit B



Amendment to Master Agreement for Treasury Management Services

Treasury Management Services

Introduction

This Amendment supplements and modifies the Master Agreement for Treasury Management Services ("Master Agreement") for City of La Vernia. "You," "your" or "yours" refers to the customer identified in the immediately preceding sentence. The terms "we," "us," or "our" refer to the Bank. Capitalized terms used but not defined in this Amendment are defined in the Master Agreement. This Amendment constitutes part of the Service Documentation as defined in the Master Agreement. If there is a conflict between this Amendment and the Master Agreement or other Service Documentation, this Amendment will control. Except as expressly modified by this Amendment, all terms and provisions of Master Agreement and Service Documentation will continue to apply with full force and effect.

Amendment

We agree that the Master Agreement governing our relationship with you is amended as follows:

1. The following text is added at the end of Section 3 of the Master Agreement (titled "Changes to services"):

"Notwithstanding the immediately preceding paragraph, through the Initial Term End Date (as defined below) Bank will not change the fees for Services reflected on Attachment A, except:

- in order to reflect the impact of any change in Applicable Law;
- in the event your Service usage volume is materially lower than that reflected on Attachment A;
- for changes to Bank's pricing methodology for Services, including element IDs associated with a Service, so long as the change does not increase the total price of the Services to you (unless permitted under one of the two immediately preceding bullet points).

If you implement additional Services not described on Attachment A prior to the Initial Term End Date, the fees for such additional Services will be as disclosed to you in connection with the implementation of such additional Services."

2. The following text is added at the beginning of Section 4 (titled "Term and termination") as a new first sentence:

"Subject to the termination provisions below, the initial term of this Agreement will commence on December 1, 2022 and expire on November 30, 2025 ("Initial Term End Date"), and this Agreement may be extended for not more than two (2) additional one-year extension terms by your and our mutual consent."

3. The text of Section 12 (titled "Governing Law") is deleted in its entirety and replaced with the following:

"**Governing law.** The Service Documentation will be governed by: (a) U.S. federal law and (b) the law of Texas, without reference to its principles of conflicts of laws ("Governing Law")."

RESOLUTION NO. R111325-06

**A RESOLUTION OF THE CITY OF LA VERNIA AMENDING AND
EXTENDING THE CONTRACT FROM WELLS FARGO BANK; FOR
BANKING SERVICES; AND AUTHORIZING THE MAYOR TO ENTER
INTO A CONTRACT FOR SAID BANKING SERVICES**

WHEREAS, the City of La Vernia currently maintains a contract with Wells Fargo for banking services; and

WHEREAS, the City Council of La Vernia previously authorized the Mayor to enter into said contract with Wells Fargo Bank for banking services; and

WHEREAS, the existing contract was established for a three-year term and is now eligible for extension and amendment;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
LA VERNIA, TEXAS:**

SECTION 1. City Council hereby authorizes the Mayor to execute all necessary documents to amend and extend the contract with Wells Fargo Bank for banking services, as outlined in the agreements attached hereto as **Exhibit A** and **Exhibit B**.

PASSED AND APPROVED, this 13th day of November 2025.



Martin Poore, Mayor

ATTEST:



Madison Farrow, City Secretary

APPROVED AS TO FORM:

City Attorney
City of La Vernia

WELLS
FARGO

Reference is made to the Master Agreement for Treasury Management Services for City of La Vernia as amended by that certain Amendment executed on or about November 29, 2022 (together, the "Agreement"). Pursuant to Section 4 of the Agreement and subject to the termination provisions therein, the parties hereby mutually consent to extension of the Agreement for an additional one-year extension term commencing on December 1, 2025 and expiring on November 30, 2026.

WELLS FARGO BANK, N.A.

By: [Signature]
Name: CHRISTINE ISKANDOR
Title: SENIOR RELATIONSHIP MANAGER
Date: 11/21/2025

City of La Vernia

By: [Signature]
Name: Martin Poon
Title: Mayor
Date: 11-13-25

RESOLUTION NO. R111325-06

**A RESOLUTION OF THE CITY OF LA VERNIA AMENDING AND
EXTENDING THE CONTRACT FROM WELLS FARGO BANK; FOR
BANKING SERVICES; AND AUTHORIZING THE MAYOR TO ENTER
INTO A CONTRACT FOR SAID BANKING SERVICES**

WHEREAS, the City of La Vernia currently maintains a contract with Wells Fargo for banking services; and

WHEREAS, the City Council of La Vernia previously authorized the Mayor to enter into said contract with Wells Fargo Bank for banking services; and

WHEREAS, the existing contract was established for a three-year term and is now eligible for extension and amendment;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
LA VERNIA, TEXAS:**

SECTION 1. City Council hereby authorizes the Mayor to execute all necessary documents to amend and extend the contract with Wells Fargo Bank for banking services, as outlined in the agreements attached hereto as **Exhibit A** and **Exhibit B**.

PASSED AND APPROVED, this 13th day of November 2025.



Martin Poore, Mayor

ATTEST:



Madison Farrow, City Secretary

APPROVED AS TO FORM:

City Attorney
City of La Vernia

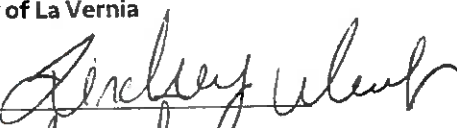


Reference is made to the Master Agreement for Treasury Management Services for City of La Vernia as amended by that certain Amendment executed on or about November 29, 2022 (together, the "Agreement"). Pursuant to Section 4 of the Agreement and subject to the termination provisions therein, the parties hereby mutually consent to extension of the Agreement for an additional one-year extension term commencing on December 1, 2026 and expiring on November 30, 2027.

WELLS FARGO BANK, N.A.

By: 
Name: CHRISTINE ISKANDER
Title: SENIOR Relationship Manager
Date: AUGUST 21st 2026

City of La Vernia

By: 
Name: Lindsey Wheeler
Title: City Administrator
Date: 8-20-2026

Attachment A
Pricing for Specified Treasury Management Services
See Attached

⁴ Amendment to Master Agreement for Treasury Management Services (September 14, 2021)
Approved for Use in Texas Local Government Banking Only



Master Agreement for Treasury Management Services

The Service Documentation contains the terms under which Wells Fargo Bank, N.A. and the banks, branches or subsidiaries listed in Appendix X (collectively, "Bank") provide you treasury management services (each, a "Service"). "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in a Service ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Master Agreement for Treasury Management Services ("Agreement") are defined in this document.

You and we agree:

1. Service documentation. The Service Documentation contains the terms governing each Service and includes:
 - a. The Service Description (which contains terms and conditions applicable to the specific Service),
 - b. The Acceptance (which indicates your acceptance of the Service Documentation),
 - c. This Agreement (which contains terms and conditions applicable to all Services),
 - d. The account agreement governing the account(s) (each, an "Account") you use in connection with the Service,
 - e. The Product Enrollment Form (which contains set-up information for each Service in which you are enrolling), and
 - f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Agreement and the Service Descriptions for Services you enroll in are posted at our Commercial Electronic Office® (CEO®) portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Agreement and all Service Documentation.

2. Services. You and we will agree upon the Services to be provided and the start date for each Service. Each Service is subject to the approval by our applicable branch or subsidiary. We will notify you when you have completed all requirements for enrolling in the Service and the Service is ready for you to use.
3. Changes to services. We may change (or add to) the terms and fees in the Service Documentation at any time. If a change to a Service requires a change to the Service Documentation, we will post the document(s) with the change on the CEO portal. When required by Applicable Law, we will notify you of the change. If you continue to use a Service after a change takes effect, you will be bound by the change. As used in this Agreement, the term "Applicable Law" means all applicable laws (including common or customary laws), statutes, constitutions, policies, decrees, judgments, treaties, regulations, directives, by-laws, rulings, orders or operating circulars governing our activities and/or any Transaction (see section 6-a) governed by this Agreement, including, but not limited to, the funds transfer system and clearing and settlement house rules.
4. Term and termination. Unless a Service is terminated in accordance with the Service Documentation, this Agreement and each Service will continue in effect until terminated by either party upon 30 days' prior written notice to the other party. When a Service is terminated for any reason, the Service Documentation governing the terminated Service is also terminated.

We may suspend or terminate any Service:

- a. After we notify you of a breach of any provision of the Service Documentation or any other agreement with us, and you fail to cure the breach (if it can be cured) within 15 days of the date of the notice; or
- b. Without prior notice to you if:
 - i. We reasonably suspect that an Account associated with a Service has been compromised or otherwise subject to irregular, unauthorized, fraudulent, or illegal activity,
 - ii. You become subject to any insolvency or bankruptcy proceeding, or any receivership, liquidation, reorganization, or other similar proceeding, or you enter into any agreement or proceeding for voluntary liquidation, dissolution, composition with or assignment for the benefit of creditors or other winding up,
 - iii. We determine in our sole discretion that continuing to provide a Service may place us at risk of financial loss or result in an unacceptable credit exposure,
 - iv. Any guaranty of your obligations to us ("Guaranty") is terminated, revoked, or its validity contested by the guarantor ("Guarantor"),
 - v. We determine in our sole discretion that a material adverse change has occurred in your ability to perform your obligations under the Service Documentation, or in the ability of a Guarantor to perform its obligations under a Guaranty, or
 - vi. The Account necessary to provide a Service is closed.

The termination of a Service will not affect your or our respective rights and obligations with respect to the Service(s) provided before the termination including without limitation Transactions. We will not be liable to you for any losses or damages you may incur as a result of any termination of any Service or termination or restriction of any CEO portal access rights under section 9(d) below.

5. **Service fees.** You will pay us the fees described in the Service Documentation and any taxes applicable to each Service, however designated, but excluding taxes based on our net income. We may debit your Account for any fees not covered by earnings credits and any taxes that are due, or we may send you an invoice for these amounts, which you will promptly pay. Our charges and fees are in the applicable fee schedule for Services used in connection with your Account.
6. **Security procedures.**
 - a. Unless otherwise agreed, you agree that "Security Procedure" is the applicable security procedure described in the Service Documentation for your Initiation Method for the Service, which we will use to verify the authenticity of a Transaction. The term "Initiation Method" refers to the method we offer in the product enrollment form ("Set-up Form") or other Service Documentation for delivering your Transaction instructions to us with respect to the applicable Service and includes any applicable transmission protocols. The term "Transaction" means (i) any funds transfer, payment order, or payment instruction (including any communication cancelling or amending an instruction), and (ii) any instruction, data or other information which we receive in your name with respect to a funds transfer. The purpose of the Security Procedure is to verify the authenticity of the Transaction. We will not use the Security Procedure to detect an erroneous or duplicate Transaction. You will be responsible for any erroneous or duplicate transaction we receive in your name. You agree to be bound by each Transaction, whether or not authorized by you, issued in your name and accepted by us in compliance with the Security Procedure for the Service.
 - b. You agree that each Security Procedure for the Initiation Method in the Set-up Form or other Service Documentation for each of the Services (a) best meets your requirements with regard to the size, type and frequency of your Transactions, and (b) is commercially reasonable.
7. **Confidential information.** Unless otherwise stated in the Service Documentation, "Confidential Information" means all (a) User Guides and Terms of Use, and (b) Security Procedures, passwords, codes, security devices and related instructions. You will not acquire any ownership interest in or rights to Confidential Information as a result of your use of any Service.

You will:

- a. Maintain the confidentiality of the Confidential Information,

- b. Not disclose (or permit your employees or agents to disclose), copy, transfer, sublicense, or otherwise make any of it available to any person or entity, other than your employees who have a need to use the Confidential Information in connection with the applicable Service, and
- c. Not decompile, reverse engineer, disassemble, modify, or create derivative works of any Confidential Information.

You will notify us immediately if you know of or suspect any unauthorized disclosure, possession, use, or knowledge (each, an "Unauthorized Use") of any Confidential Information. If you (or your employees or agents) are responsible for the Unauthorized Use, you will, at your expense, promptly take all actions, including initiating court proceedings to recover possession and prevent further Unauthorized Use of the Confidential Information. You will also compensate us for any injury caused to us as a result of the Unauthorized Use.

8. **Currency conversion.** When your instructions require us to convert the amount of a Transaction from the currency in which the Account is denominated ("Account Currency") to another currency ("Foreign Currency"), we will do so using the Applicable Exchange Rate in effect at the time we execute your Transaction. "Applicable Exchange Rate" means the exchange rate we set and use for you when we convert one currency to another currency and includes a markup. The markup factors include costs incurred, market risks and our desired return. The exchange rate we provide to you may be different from the exchange rates you see elsewhere. Foreign exchange rates are dynamic, and rates fluctuate over time based on market conditions, liquidity, and risks.

If a financial institution designated to receive the funds does not pay the beneficiary specified in the Transaction, and the funds are returned to us, we will not be liable to you for a sum greater than the amount of the Transaction after we have converted it from the Foreign Currency to the Account Currency using the Applicable Exchange Rate in effect at the time the funds are returned to us. You accept the risks of any change in the Applicable Exchange Rate between the time you request a Transaction and the time the Transaction is either completed or is unwound due to a cancellation, an amendment, a rejection, or a return.

9. **CEO portal.**
 - a. **Description of the CEO portal.** The CEO portal is our electronic banking portal that is accessed through the Internet. Your Authorized Agents (defined below) may use the CEO portal to access (i) Services in which you have separately enrolled and (ii) third-party sites we may make available through the CEO portal. We offer different channels through which you may access the CEO portal, including personal computers and mobile devices. We may add or eliminate channels at any time. A Service or third party site accessible through one channel may not be accessible through another channel.
 - b. **Access to the CEO portal.** When you enroll in the CEO portal, and as we may determine is necessary after enrollment, we will provide Log-On Credentials (defined below) to the persons who are authorized to access the CEO portal on your behalf (each, an "Authorized Agent"). Log-On Credentials mean one or more secure methods we provide to access the Services and may include user IDs, passwords, token IDs, and other methods that we adopt from time to time. We have no obligation to separately verify or authenticate any communication we receive in your name through the CEO portal, whether or not it was actually from an Authorized Agent. You assume the entire risk of (i) unauthorized use of your Log-On Credentials and (ii) unencrypted electronic transmissions.
 - c. **Administration of the CEO portal.** We offer two options for administering the CEO portal: (i) Administration and (ii) Bank administration.
 - i. **Administration.** If you enroll in the Administration option, there are three categories of Authorized Agents: Company Administrator, Administrator, or User. Unless you and we separately agree, we will provide Log-On Credentials only to your initial Company Administrator(s) who will (a) assign Log-On Credentials to other individuals and (b) designate those individuals as one of the following:
 - (1) A Company Administrator, who may perform all functions of your initial Company Administrator,
 - (2) An Administrator, who may perform all functions of an Administrator including designating other Administrator(s) and User(s), or
 - (3) A User, who may access the Services designated by a Company Administrator or an Administrator, as well as those Services in which we permit a User to self-enroll.

Each Company Administrator and Administrator has the authority to enroll you in additional Services. In addition to your use of Administration as described in this subsection, you may request that we assign Log-On Credentials to Users that you designate in writing to us. Your designation to us will specify the Services which the User is authorized to access in addition to those Services in which we permit a User to self-enroll.

- ii. Bank administration. For the Bank administration option, there is one category of Authorized Agent Users. We will assign Log-On Credentials to each User you designate.

You will promptly revoke the Log-On Credentials of any Authorized Agent or User when that individual is no longer authorized to access the CEO portal. If you notify us in writing to revoke the Log-On Credentials of an Authorized Agent or User, we will have a reasonable time after receiving your written notification to revoke the individual's access.

- d. Terminating access. We may terminate or restrict any Authorized Agent's access to any Service through the CEO portal if we determine such use:
 - i. Does not comply with any term applicable to the CEO portal,
 - ii. Is not permitted by Applicable Law,
 - iii. Is not authorized by you or any third party whose authorization we believe is necessary, or
 - iv. Should be denied for your or our protection (without us agreeing to or being required to make this determination in any circumstance).
- e. Financial information. Financial market data, quotes, news, research, and other financial information developed by third parties and transmitted to us ("Financial Information") may be available to you at the CEO portal. The posting of any Financial Information or any other information or data at the CEO portal is not a recommendation by us of any particular Service or action. We do not guarantee the accuracy or completeness of any Financial Information, nor are we responsible for (i) the actions or omissions of the third parties developing or transmitting Financial Information or (ii) any decision you make or action you take by relying on any Financial Information.
- f. Miscellaneous. For purposes of this section 9 only, "Service" includes each service and product we or any of our affiliates offer that you access through the CEO portal. This section 9 will survive the termination of any Service or this Agreement.

10. Alerts.

- a. Non-subscribed alerts. When you enroll in the CEO portal or other channels or Services, you consent to receiving by email or other delivery channels, servicing messages that we determine are important or urgent. You do not need to subscribe to receive such alerts and you do not pay additional service fees.
- b. Subscribed alerts. You may also enroll in fee-based alerts for applicable Services so that you can receive messages you subscribe to at the intervals and through delivery channels that you choose.

11. Liability and Indemnification.

- a. We are not obligated to honor, in whole or in part, any Transaction or other instruction that:
 - i. Exceeds the available balance in the Account, unless otherwise provided in the Service Documentation,
 - ii. Does not comply with the Service Documentation or our applicable policies, procedures, or practices made available to you,
 - iii. We have reason to believe may not have been duly authorized, should not be honored for our or your protection, or involves funds subject to a hold, dispute, restriction, or legal process, or
 - iv. Would possibly result in us not complying with Applicable Law.
- b. Neither we nor our software vendors make any express or implied representations or warranties with respect to the Services or any software used in connection with the Services, including any warranty as to the merchantability or fitness for a particular purpose, other than those expressly set forth in the Service Documentation.
- c. Any claim, action, or proceeding against us for losses or damages arising from a Service, must be brought within one year from the date of the act or omission, except as otherwise stated in the account agreement governing the Account.

- d. We will have no liability for our failure to perform or delay in performing a Service if the failure or delay is due to circumstances beyond our reasonable control. If we determine that any funds transfer or communications network, Internet service provider, or other system used to provide a Service is unavailable, inaccessible, or otherwise unsuitable for use by you or us, we may, upon notice to you, suspend or discontinue the affected Service.
- e. We will only be liable to you for actual damages incurred as a direct result of our failure to exercise reasonable care in providing the Services. Reasonable care requires only that we follow standards that do not vary unreasonably from the general standards followed by similarly situated banks. Our policies and procedures are general internal guidelines for our use and do not establish a higher standard of care for us than otherwise established under Applicable Law. A mere clerical error or an honest mistake will not be considered a failure by us to perform any of our obligations. Our liability to you will be limited to an amount not greater than 10 times our fees incurred in the calendar month immediately before the calendar month in which the loss or damages were incurred (or, if no fees were incurred in that month, our fees incurred in the month in which the losses or damages were incurred).
- f. Except in the case of our negligence or intentional misconduct, you will indemnify and hold us, our directors, officers, employees and agents ("Representatives") harmless from all losses or damages that arise out of:
 - i. The performance of a Service in compliance with the Service Documentation, including any warranty we are required to make to a third party in connection with a Service,
 - ii. An act or omission of any of your agents, couriers, or Authorized Agents, and
 - iii. If the Service includes a license or sublicense of any software, any use or distribution of the software by you or any person gaining access to the software through you that is inconsistent with the license or sublicense.

You will promptly provide us with written proof of loss, and notify us if you become aware of any third party claim related to a Service. You will cooperate fully (and at your own expense) with us in recovering a loss. If we reimburse you, we or our designee will be subrogated to all of your rights (i.e., we will be entitled to assert any legal rights you had relating to the claim).

- g. Except as expressly provided otherwise in the Service Documentation, neither party nor its Representatives will be liable to the other party for:
 - i. Any special, consequential, incidental (including court costs and attorneys' fees), indirect, or punitive losses or damages, or
 - ii. Business interruption, loss of profits, loss of business, loss of revenue, loss of goodwill, loss of opportunity, loss or injury to reputation, or loss of anticipated savings, whether any claim is based on contract or tort, or whether the likelihood of these losses or damages was known to the other party and regardless of the form of the claim or action.
 - h. When you send payments on behalf of your third party customers, you agree you are solely liable to your customers for any and all losses those customers may suffer. We exclude all and any liability of whatever nature (including those losses detailed in subsection g above) arising out of your relationship with your customer.
12. **Governing law.** The Service Documentation will be governed by: (a) U.S. federal law and (b) the law of (i) the U.S. state in which the office of Bank that maintains the Account is located or, if there is no such state or no account associated with such Service, (ii) the State of New York, without reference to its principles of conflicts of laws ("Governing Law").
13. **Arbitration agreement.** Upon demand by you or us, any dispute or claim arising out of or relating to this Agreement, or the breach thereof, must be submitted to arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and must be heard before three arbitrators if the amount in dispute is U.S. \$5,000,000 or more or its equivalent in any other currency, and before one arbitrator for amounts in dispute of less than U.S. \$5,000,000 or its equivalent in any other currency. Arbitration will proceed in a location selected by AAA in the state of the applicable Governing Law, and if there is no such state, the place of arbitration must be New York, NY. The language of the arbitration must be English. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. This arbitration requirement does not limit the right of you or us to: (a)

exercise self-help remedies including setoff or (b) obtain provisional or ancillary remedies such as injunctive relief or attachment, before, during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of you or us to submit any dispute to arbitration hereunder, including those arising from the exercise of the actions detailed in (a) and (b) of this section.

14. **Jurisdiction.** For any proceedings regarding this Agreement (not subject to arbitration as provided in this Agreement), you hereby irrevocably submit to the jurisdiction of the courts of the Borough of Manhattan, New York City, in the State of New York or the federal courts located there and irrevocably agree that all claims in relating to the proceeding may be heard or determined in those courts.

15. **Miscellaneous.**

- a. **Severability.** Any portion of the Service Documentation which is inconsistent with Applicable Law or Governing Law will be deemed modified and applied in a manner consistent therewith, and we will incur no liability to you as a result of the inconsistency or modification and application to any dispute regarding the Service Documentation. If any portion or provision of the Service Documentation is deemed unenforceable, it will not affect the enforceability or validity of the remaining Service Documentation nor the enforceability or validity of that portion or provision under the law of any other jurisdiction.
- b. **Entire agreement.** The Service Documentation (and any documents referred to therein):
 - i. Constitutes the entire agreement between you and us regarding the Services we provide for all Accounts opened with us, and
 - ii. Supersedes and extinguishes all prior agreements, understandings, representations and warranties of any nature (including requests for proposals and other sales material), whether oral or written, between you and us relating to any of our Services (including any other Master Agreement for Treasury Management Services, but excluding the current Commercial Account Agreement or Global Commercial Account Agreement, as applicable).
- c. **Electronic agreement.** To facilitate execution, the Service Documentation may be executed by a party in the form of an "Electronic Record" (as defined in the Electronic Signatures in Global and National Commerce Act at 15 U.S.C. §7001 et seq. ["ESIGN Act"]). The Service Documentation may be executed in as many counterparts as may be required to reflect all parties' approval, and all counterparts will collectively constitute a single agreement. An "Electronic Signature" (as defined in the ESIGN Act) that can be authenticated will constitute an original and binding signature of a party. The fact that a document is in the form of an Electronic Record or is signed using an Electronic Signature will not, in and of itself, be grounds for invalidating such document.
- d. **No waiver.** Neither our failure nor any delay by us in exercising any right or remedy will be deemed to be a waiver of the right or remedy. No course of dealing or waiver of any right on one occasion will constitute a modification of the Service Documentation or be a waiver of that right on a subsequent occasion.
- e. **Third party beneficiaries.** Except as otherwise provided in the Service Documentation, no person or entity other than the parties to this Agreement will be deemed to be a third party beneficiary under the Service Documentation.
- f. **Financial condition.** You will provide us promptly upon our request any existing financial statements or other information pertaining to your financial condition or any previously unprepared financial statements which we may require you to prepare and/or to be audited or reviewed by independent certified public accountants acceptable to us.
- g. **Your representations and warranties.** You represent and warrant that: (i) you will not use any Service in a manner that would violate any Applicable Law by you or us; (ii) if you employ an agent in connection with its use of any Service, you represent and warrant to us that: (1) your governing body has duly authorized the agent; (2) you will exercise appropriate controls to ensure each authorized agent does not exceed the authority granted to it; and (3) you will preserve the confidentiality of the Log-On Credentials and immediately notify us if you become aware or suspect that any Log-On Credential may have been compromised.
- h. **Use of names.** You and we will not use each other's name or refer to our relationship in any solicitation, marketing material, advertisement, news release, or other written, online or oral communication without specific prior written consent for each such use or release, except that we may use your name as a reference in service proposals if we obtain your prior written approval for such use.

- i. **Notices and communications.** Either party may provide notice to the other party by mail, personal delivery, or electronic transmission.
- i. You will notify us promptly in writing of any change in your name, Address, legal status, or any other changes relevant to the conduct of the Account or affecting your business relationship with us.
 - ii. The term "Address" as used in this Agreement refers to a mailing or electronic address.
 - iii. You will use the Address where your relationship manager or other manager is located and will address any notice to the attention of the manager.
 - iv. Each party will have a reasonable time after receipt of any notice to act on it.
 - v. Any communication or notice to us from your agent about your use of a Service will be deemed to be a communication from you, and you authorize us to communicate with your agent about any such communication or Service.
 - vi. We are entitled to rely on any communication or notice from you that we believe in good faith was authorized by your authorized representative or Authorized Agent and, we will have no obligation to verify or authenticate an identity of a sender or signature on any notice or communication, except as expressly provided in the Service Documentation.

16. **Survival.** Sections 7, 9, 11 - 15 will survive termination of the Services or this Agreement.

Appendix X

Applicable Branches or Subsidiaries of Bank

1. Wells Fargo Bank, N.A., London Branch
2. Wells Fargo Bank, N.A., Cayman Islands Branch
3. Wells Fargo Bank, N.A., Canadian Branch
4. Wells Fargo Bank, National Association, Shanghai Branch
5. Wells Fargo Bank, National Association, Hong Kong Branch

WELLS
FARGO

Treasury Management Pro Forma

City of La Verne

Pricing as of November 2022

ANALYSIS SUMMARY	
Average Positive Collected Balance	\$ 1,448,680.56
Reserve Requirement @ 0.00%	\$ 0.00
Investable Balance Available for Services	\$ 1,448,680.56
Monthly Analyzed Charges	\$ 894.26
ECR @ 1.45%	\$ 1,726.51
DDA Interest @ 0.50%	- 595.35
Net Earnings Allowance	= 1,131.16
Net Monthly Analyzed Charges	\$ 0.00
*Monthly Fee Based Charges	\$ 0.00
Total Monthly Analyzed Charges	\$ 0.00
*Charges not offset by balances	

SERVICE DETAILS					
WF Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
BALANCE & COMPENSATION INFORMATION					
IAMB	000230	RECOUPMENT MONTHLY IB	0.12750	1,450	184.88
BALANCE & COMPENSATION INFORMATION Subtotal					184.88
GENERAL ACCOUNT SERVICES					
22404	010010	ACCT MAINTENANCE CHEXSTOR-PLUS	20.00000	1	20.00
CK021	010100	DEBITS POSTED	0.30000	15	4.50
CK048	010310	DDA STATEMENT - PAPER	5.00000	1	5.00
CK030	010410	CLIENT ANALYSIS STATEMENT-PAPER	5.00000	1	5.00
46106	010102	CEO BASIC BANKING - TRANSFER	0.00000	1	0.00
16007	010101	DESKTOP DEPOSIT-DEPOSIT CREDITED	0.75000	17	12.75
GENERAL ACCOUNT SERVICES Subtotal					47.25
DEPOSITORY SERVICES					
CK181	100006	CASH DEPOSITED IN WF BRANCH	0.00300	4,904	14.71
CK197	100040	CASH ORDER FEE IN A WF BRANCH	9.00000	4	36.00
CK141	100040	CURRENCY FURNISHED BY WF BRANCH	0.00300	240	0.72
CK064	100418	CEO RETURN ITEM SERVICE MTHLY BASE	0.00000	1	0.00
08052	100006	BRANCH DEPOSIT	3.50000	12	42.00
706	100224	DESKTOP DEPOSIT-DEPOSITED ITEM	0.15000	189	28.35
DEPOSITORY SERVICES Subtotal					121.78
PAPER DISBURSEMENT SERVICES					
34336	150724	POSITIVE PAY EXCEPTION - CEO IMAGE	2.00000	1	2.00
12903	150310	POSITIVE PAY EXCEPTIONS - ITEM	8.00000	1	8.00
12682	150120	POSITIVE PAY ONLY - ITEM	0.08000	62	4.96
12681	150030	POSITIVE PAY ONLY MONTHLY BASE	20.00000	1	20.00

Pro Forma

1 of 3

WF Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
22202	150100	DDA CHECKS PAID	0.35000	50	17.50
		PAPER DISBURSEMENT SERVICES Subtotal			52.46
PAPER DISBURSEMENT RECON SERVICES					
34337	200201	CEO CHECK ISSUES-ITEM	0.30000	62	18.60
12687	209999	ARP AGED ISSUE RECORDS ON FILE-ITEM	0.02000	109	2.18
		PAPER DISBURSEMENT RECON SERVICES Subtotal			20.78
GENERAL ACH SERVICES					
CK018	250201	ELECTRONIC CREDITS POSTED	0.30000	95	28.50
34342	250400	ACH CEO RETURN SUBSCRIPTION - ITEM	0.20000	0	0.00
34340	250400	ACH CEO RETURN SUBSCRIPTION-ACCOUNT	10.00000	0	0.00
ES280	250000	ACH MONTHLY BASE	50.00000	1	50.00
ES211	250102	ACH FUTURE DATED ITEM	0.20000	174	34.80
ES216	250102	ACH SAME DAY	1.50000	0	0.00
ES349	250220	ACH RECEIVED ADDENDA	0.03000	27	0.81
ES344	250202	ACH RECEIVED ITEM	0.20000	90	18.00
ES602	250301	ACH TRANSMISSION SPECIAL	5.00000	3	15.00
ES237	250710	ACH FAX SERVICE	7.00000	2	14.00
34338	251050	ACH CEO FRAUD FILTER REVIEW MO BASE	10.00000	0	0.00
34336	251053	ACH CEO FRAUD FILTER REVIEW - ITEM	5.00000	0	0.00
06535	250302	ACH NOC - MANUAL	9.00000	1	9.00
		GENERAL ACH SERVICES Subtotal			170.11
WIRE & OTHER FUNDS TRANSFER SERVICE					
ES139	350100	WIRE OUT DOMESTIC CEO/API	13.00000	2	26.00
		WIRE & OTHER FUNDS TRANSFER SERVICE Subtotal			26.00
INFORMATION SERVICES					
34123	40022Z	CEO ALERTS SERVICE - EMAIL	0.50000	42	21.00
46100	40005Z	CEO BASIC BANKING - MONTHLY BASE	20.00000	1	20.00
46102	40005Z	CEO BASIC BANKING ADDL ACCT-MO BASE	10.00000	1	10.00
16017	400003	DESKTOP DEPOSIT MONTHLY BASE	20.00000	1	20.00
		INFORMATION SERVICES Subtotal			71.00
SETUP CHARGES					
06094	251001	ACH FRAUD FILTER - SET UP	0.00000	0	0.00
		GENERAL ACH SERVICES Subtotal			0.00

*Total Fee Based Charges

0.00

Total Service Charges

694.26

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF LA VERNIA, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SAID CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN OFFICIAL BID FORM; COMPLYING WITH THE REQUIREMENTS OF THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council (the *Governing Body*) of the City of La Vernia, Texas (the *City* or the *Issuer*) has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$_____ for the purpose of paying contractual obligations of the Issuer to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City’s waterworks and sewer utility system (the *System*), (2) purchasing real property, materials, supplies, equipment, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (3) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects (collectively, the *Projects*), and for paying all or a portion of the legal, financial and engineering fees in connection with the Projects and the costs of issuance related to such hereinafter defined Certificates; and

WHEREAS, the notice has been published on the City’s website and duly published in a newspaper hereby found and determined to be of general circulation in the Issuer, once a week for two (2) consecutive weeks, the date of the first publication of such notice being not less than forty-six (46) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates of obligation, and the notice was also posted on the City’s website continuously for at least forty-five (45) days before the date set forth the passage of this Ordinance; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in this notice, signed by at least 5% of the qualified electors of the City, has been presented to or filed with the City Secretary prior to the date tentatively set in such notice for the passage of this Ordinance; and

WHEREAS, the Governing Body hereby finds and determines that the issuance of the certificates of obligation, under the terms herein specified, is in the best interests of the City and its residents; and

WHEREAS, the Governing Body hereby finds and determines that certificates of obligation in the principal amount of \$ _____ described in such notice should be issued and sold at this time; now, therefore,

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LA VERNIA, TEXAS THAT:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. The certificates of obligation of the Issuer shall be and are hereby authorized to be issued in the aggregate principal amount of _____ AND NO/100 DOLLARS (\$ _____ .00), to be designated and bear the title of “CITY OF LA VERNIA, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026” (the *Certificates*), for the purpose or purposes of paying contractual obligations of the Issuer to be incurred for making permanent public improvements and for other public purposes, to-wit: (i) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the System, (ii) purchasing real property, materials, supplies, equipment, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (iii) paying the costs of issuing the Certificates; pursuant to the authority conferred by and in conformity with the general laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through 271.064, Chapter 1502, as amended, and Texas Government Code, and the City’s Home Rule Charter.

SECTION 2: Fully Registered Obligations - Authorized Denominations – Stated Maturities - Interest Rates - Certificate Date. The Certificates are issuable in fully registered form only; shall be dated September 1, 2026 (the *Certificate Date*) and shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered “R” and numbered consecutively from 1 upward, and the Certificates shall become due and payable on September 1 in each of the years (the *Stated Maturities*) and in the amounts, and bear interest at the rates per annum in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2035		

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		

The Certificates shall bear interest on the unpaid principal amounts from the Closing Date (anticipated to occur on or about October 6, 2026), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Certificates shall be payable on March 1 and September 1 in each year (each, an *Interest Payment Date*), commencing March 1, 2027.

SECTION 3: Payment of Certificates - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium if any, and interest on the Certificates shall be without exchange or collection charges to the Holder (hereinafter defined) of the Certificates.

The selection and appointment of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar, for the Certificates is hereby approved and confirmed, and the Issuer agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment and transfer of the Certificates, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and Issuer may prescribe. The Issuer covenants to maintain and provide a Paying Agent/Registrar at all times while the Certificates are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution, or (ii) an association or a corporation organized and doing business under the laws of the United States or of any state, authorized under such laws to exercise trust powers. The Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The Issuer reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the Issuer agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Certificates by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Certificates (the *Holder* or *Holders*) appearing on the Security Register maintained on behalf of the Issuer by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest thereon, (ii) on the date of surrender of the Certificates for purposes of receiving payment of principal thereof upon redemption of the Certificates or at the Certificates' Stated Maturity, and (iii) on any other date for any other purpose. The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Certificate for purposes of receiving payment and all other purposes whatsoever, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Certificates, shall be payable only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its corporate trust office. Interest on the Certificates shall be paid to the Holder whose name appears in the Security Register at the close of business on the fifteenth day of the month next preceding an Interest Payment Date for the Certificates (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Certificates shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the 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 which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Certificates was due.

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 (the *Special Payment Date* -- 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 Holder of a Certificate appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

A. Optional Redemption. The Certificates having Stated Maturities on and after September 1, 2037 shall be subject to redemption prior to Stated Maturity, at the option of the Issuer, on September 1, 2036, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

B. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Issuer shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the Issuer to exercise the right to redeem Certificates shall be entered in the minutes of the Governing Body of the Issuer.

C. Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Certificates to be redeemed, provided that if less than the entire principal amount of a Certificate is to be redeemed, the Paying Agent/Registrar shall treat such Certificate then subject to redemption as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificate by \$5,000.

D. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, the Paying Agent/Registrar shall cause a notice of redemption to be sent by United States mail, first-class postage prepaid, in the name of the Issuer and at the Issuer's expense, by the Paying Agent/Registrar to each Holder of a Certificate to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Certificates (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance.

E. Transfer/Exchange of Certificates. Neither the Issuer nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Certificate during a period beginning forty-five days prior to the date fixed for redemption of the Certificates, or (2) to transfer or exchange any Certificate selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate which is subject to redemption in part.

SECTION 5: Execution - Registration. The Certificates shall be executed on behalf of the Issuer by its Mayor, or Mayor Pro-Tem, under the seal of the Issuer reproduced or impressed thereon and attested by its City Secretary. The signature of any of said officers on the Certificates may be manual, electronic or facsimile. Certificates bearing the manual, electronic, or facsimile signatures of individuals who were, at the time of the Certificate Date, the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Certificates to the Purchasers (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

SECTION 6: Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Certificates, or if appropriate, the nominee thereof. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Certificate at the corporate trust office of the Paying Agent/Registrar, the Issuer shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates executed on behalf of, and furnished by, the Issuer of authorized denominations and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest, and of like aggregate principal amount as the Certificates surrendered for exchange, upon surrender of the Certificates to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Certificates are surrendered for exchange, the Issuer shall execute and

the Paying Agent/Registrar shall register and deliver the new Certificates executed on behalf of, and furnished by, the Issuer to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered upon such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be *Predecessor Certificates*, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Certificates shall include any Certificate registered and delivered pursuant to Section 25 in lieu of a mutilated, lost, destroyed, or stolen Certificate which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

SECTION 7: Initial Certificate. The Certificates herein authorized shall be issued initially either (i) as a single fully registered Certificate in the total principal amount of \$_____ with principal installments to become due and payable as provided in Section 2 and numbered T-1 (the *Initial Certificate*), or (ii) as one (1) fully registered Certificate for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 upward, and, in either case, the Initial Certificate shall be registered in the name of the Purchasers or the designee thereof. The Initial Certificate shall be the Certificates submitted to the Office of the Attorney General of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Certificate to the Purchasers, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or their designee, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts, and bearing applicable interest rates on the unpaid principal amounts from the Closing Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity, and shall be lettered "R" and numbered consecutively from one (1) upward, for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of Texas, the Registration Certificate of Paying Agent/Registrar, and the form

of Assignment to be printed on each of the Certificates shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Certificates, or any Stated Maturities thereof, are insured, and any reproduction of an opinion of Bond Counsel and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends, and any reproduction of an opinion of Bond Counsel hereinafter referenced) thereon as may, consistent herewith, be established by the Issuer or determined by the officers executing the Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Certificates as evidenced by their execution thereof, but the Initial Certificate submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Definitive Certificate.

REGISTERED
NO. _____

PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF WIILSON
CITY OF LA VERNIA, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2026

Certificate Date:
September 1, 2026

Interest Rate:

Stated Maturity:

CUSIP No.:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The City of La Vernia, Texas (the *City* or *Issuer*), a body corporate and municipal corporation located in the County of Wilson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on or about October 6, 2026), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2027.

Principal, and premium, if any, of this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder’s risk and expense.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$_____ (the *Certificates*) pursuant to an Ordinance adopted by the Governing Body of the Issuer (the *Ordinance*), for the purpose or purposes of paying contractual obligations of the Issuer to be incurred for making permanent public improvements and for other public purposes, to-wit: (i) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City's waterworks and sewer utility system, (ii) purchasing real property, materials, supplies, equipment, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (iii) paying the costs of issuing the Certificates, under and in strict conformity with the general laws of the State of Texas, particularly Chapter 1502, as amended, the Certificate of Obligation Act of 1971, as amended, and Texas Local Government Code, Section 271.041 through 271.064, as amended, and the City's Home Rule Charter.

As provided in the Ordinance, the Certificates having Stated Maturities on and after September 1, 2037 shall be subject to redemption prior to Stated Maturity, at the option of the Issuer, on September 1, 2036, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption; provided, however, that at least thirty (30) days prior written shall be sent to the Holders of the Certificates to be redeemed, given by United States mail, first-class postage prepaid, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Certificate is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Certificate to the Paying Agent/Registrar at its corporate trust office, a new Certificate or Certificates of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if the money for the payment of the redemption price, and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the Issuer or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Certificates of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the Issuer, within the limitations prescribed by law, and are further payable from and secured by a lien on and pledge of the Pledged Revenues (identified and defined in the Ordinance), being a limited amount of the Net Revenues derived from the operation of the Issuer's waterworks and sewer utility system (the *System*), such lien on and pledge of the limited

amount of Net Revenues being subordinate and inferior to the lien on and pledge of such Net Revenues securing payment of any Prior Lien Obligations and any Additional Prior Obligations; Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the Issuer. In the Ordinance, the Issuer reserves and retains the right to issue Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations (all as identified and defined in the Ordinance), while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the Issuer may issue Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holder; the rights, duties, and obligations of the Issuer and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register, upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the Issuer nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. 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 (the *Special Payment Date* - 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 Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Certificate in order to render the same a legal, valid, and binding obligation of the Issuer have been performed, exist, and have been done, in regular and due time, form, and manner, as required by the laws of Texas and the Ordinance, and that issuance of the Certificates does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium if any, and interest on the Certificates by the levy of a tax and collection of Pledged Revenues as aforestated. In case any provision in this Certificate or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of Texas.

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IN WITNESS WHEREOF, the City has caused this Certificate to be duly executed under its official seal.

CITY OF LA VERNIA, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

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C. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Certificate Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF	§	
PUBLIC ACCOUNTS	§	
	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Not to Appear on Printed Certificates.

D. *Form of Certificate of Paying Agent/Registrar to Appear on Definitive Certificates Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued under the provisions of the within-mentioned Ordinance; the Certificate or Certificates of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:	BOKF, NA, Dallas, Texas, as Paying Agent/Registrar
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_____	By: _____
	Authorized Signature

*NOTE TO PRINTER: Print on Definitive Certificates.

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number): _____
the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

Signature guaranteed:

F. Initial Certificate. The Initial Certificate shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows:

- (1) immediately under the name of the Certificate the headings “Interest Rate _____” and “Stated Maturity _____” shall both be completed “As shown below”;
- (2) the first two paragraphs shall read as follows:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

The City of La Vernia, Texas (the *City* or *Issuer*), a body corporate and municipal corporation located in the County of Wilson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, the Principal Amount specified above stated to mature on the first day of September in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
---	---	-------------------------------------

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the Closing Date (anticipated to occur on or about October 6, 2026), or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates of interest specified above, computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2027.

Principal, and premium, if any, of this Certificate shall be payable to the Holder, upon its presentation and surrender, to Stated Maturity or prior redemption, while Outstanding, at the corporate trust office of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Certificate whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

G. Insurance Legend. If bond insurance is obtained by the Issuer or the Purchasers for the Certificates, the Definitive Certificates and the Initial Certificate shall bear an appropriate legend as provided by the insurer.

SECTION 9: Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 27 and 44 of this Ordinance have the meanings assigned to them in such Section, and all such terms, include the plural as well as the singular; (ii) all references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) 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.

A. The term *Additional Limited Pledge Obligations* shall mean (i) any bonds; notes, warrants, certificates of obligation or other evidences of indebtedness hereafter issued by the Issuer payable in part from a limited pledge of and lien on Net Revenues of the System being a lien on and pledge of Net Revenues that is subordinate and inferior to the lien thereon and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations, and any Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the Issuer, which pledge of revenues is limited pursuant to Section 1502.052, as amended, Texas Government Code, all as further provided in Section 20 of this Ordinance, and (ii) any obligations issued to refund the foregoing as determined by the Governing Body in accordance with any applicable law.

B. The term *Additional Prior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation, or any similar obligations hereafter issued by the Issuer that are payable, in whole or in part, from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, all as further provided in Section 20 of this Ordinance, and (ii) any obligations hereafter issued to refund the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System as determined by the Governing Body in accordance with any applicable law.

C. The term *Authorized Officials* shall mean the Mayor, Mayor Pro Tem, City Administrator, or City Secretary (or any successor to any of the aforementioned persons, or any person serving, or in an interim basis, or in an acting position in the indicated capacity).

D. The term *Certificates* shall mean the \$_____ “CITY OF LA VERNIA, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026” authorized by this Ordinance.

E. The term *Certificate Fund* shall mean the special Fund created and established by the provisions of Section 10 of this Ordinance.

F. The term *City* or *Issuer* shall mean the City of La Vernia, Texas, located in the County of Wilson, Texas and, where appropriate, the Governing Body of the Issuer.

G. The term *Closing Date* shall mean the date of physical delivery of the Certificates in exchange for the payment of the agreed purchase price for the Certificates.

H. The term *Collection Date* shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad, valorem taxes levied each year by the Issuer become delinquent.

I. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Issuer as of such date or in such period for the payment of the principal of, premium if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

J. The term *Depository* shall mean an official depository bank of the Issuer.

K. The term *Fiscal Year* shall mean the annual financial accounting period for the System ending on September 30th of each year; provided, however, the Governing Body may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

L. The term *Government Securities*, as used herein, shall mean: (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Governing Body of the Issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; (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 Issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, or (iv) any additional securities and obligations hereafter authorized by the laws of Texas as eligible for use to accomplish the discharge of obligations such as the Certificates.

M. The term *Gross Revenues* for any period shall mean all revenue during such period in respect or on account of the operation or ownership of the System, excluding refundable meter deposits, restricted gifts, and grants in aid of construction, but including earnings and income derived from the investment or deposit of money in any special fund or account (except the Certificate Fund) created and established for the payment or security of the Certificates.

N. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Certificate.

O. The term *Interest Payment Date* shall mean the date interest is payable on the Certificates, being March 1 and September 1 of each year, commencing March 1, 2027, while any of the Certificates remain Outstanding.

P. The term *Junior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the Issuer that are payable in whole or in part from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues of the System, such pledge being junior and inferior to the lien on and pledge of the Net Revenues of the System that may be pledged to the payment of any currently outstanding Prior Lien Obligations or any Additional Prior Lien Obligations hereafter issued by the Issuer, but prior and superior to the lien on and pledge of the Net Revenues of the System that are or will be pledged to the payment of the Certificates, or any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the Issuer all as further provided in Section 20 of this Ordinance and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues of the System as determined by the Governing Body in accordance with any applicable law.

Q. The term *Limited Pledge Obligations* shall mean (i) the Certificates and the outstanding and unpaid obligations of the Issuer that are payable, in part, from and secured by a subordinate and inferior lien on and pledge of a limited amount of the Net Revenues of the System and obligations hereafter issued to refund any of the foregoing as determined by the Governing Body in accordance with any applicable law.

R. The term *Maintenance and Operating Expenses* shall mean all current expenses of operating and maintaining the System not paid from the proceeds of the Certificates, including (1) the cost of all salaries, labor, materials, repairs, and extensions necessary to render efficient service, but only if, in the case of repairs and extensions, they are, in the judgment of the Governing Body (reasonably and fairly exercised), necessary to maintain operation of the System and render adequate service to the Issuer and the inhabitants thereof, or are necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues, (2) payments to pension, retirement, health, hospitalization, and other employee benefit funds for employees of the Issuer engaged in the operation or maintenance of the System, (3) payments under contracts for the purchase of water supply, treatment of sewage, or other materials, goods, or services for the System to the extent authorized by law and the provisions of such contract, (4) payments to auditors, attorneys, and other consultants incurred in complying with the obligations of the Issuer hereunder, and (5) any legal liability of the Issuer arising out of the operation, maintenance, or condition of the System, but excluding any allowance for depreciation, property retirement, depletion, obsolescence, and other items not requiring an outlay of cash and any interest on the Certificates or other bonds, notes, warrants, or similar obligations of the Issuer payable from Net Revenues.

S. The term *Net Revenues* for any period shall mean the Gross Revenues of the System less the Maintenance and Operating Expenses of the System.

T. The term *Ordinance* shall mean this ordinance as finally passed and adopted by the Governing Body of the Issuer.

U. The term *Outstanding* when used in this Ordinance with respect to the Certificates shall mean, as of the date of determination, all Certificates issued and delivered under this Ordinance, except:

(1) those Certificates canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates for which payment has been duly provided by the Issuer in accordance with the provisions of Section 29 of this Ordinance; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 25 of this Ordinance.

V. The term *Pledged Revenues* shall mean, while the Certificates remain Outstanding, an amount of Net Revenues not in excess of \$1,000. The Pledged Revenues shall be deposited, allocated, and expended in accordance with Section 10 of this Ordinance.

W. The term *Pledged Revenue Amount* shall mean the total amount, not to exceed \$1,000 while the Certificates are Outstanding, of Net Revenues that may be transferred in whole or in part by the Issuer in any given Fiscal Year (however, any amounts transferred prior to the final maturity date of the Certificates may not exceed the total amount of \$1,000) to the Certificate Fund.

X. The term *Prior Lien Obligations* shall mean (i) the outstanding and unpaid obligations of the Issuer and any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the Issuer that are payable in whole or in part from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, all as further provided in Section 20 of this Ordinance, including any obligations hereafter issued to refund the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System as determined by the Governing Body in accordance with any applicable law.

Y. The term *Purchasers* shall mean the initial purchaser or purchasers of the Certificates named in Section 26 of this Ordinance.

Z. The term *Stated Maturity* shall mean the annual principal payments of the Certificates payable on September 1 of each year the Certificates are Outstanding, as set forth in Section 2 of this Ordinance.

AA. The term *Subordinate Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation, or any similar obligations hereafter issued by the Issuer that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Net Revenues of the System, such pledge being subordinate and inferior to the lien on and pledge of

the Net Revenues of the System that may be pledged to the payment of any the currently outstanding Prior Lien Obligations or any Additional Prior Lien Obligations or Junior Lien Obligations hereafter issued by the Issuer, but prior and superior to the lien on and pledge of the limited amount of the Net Revenues securing, in part, the payment of the Certificates or any Additional Limited Pledge Obligations hereafter issued by the Issuer, all as further provided in Section 20 of this Ordinance and (ii) any obligations hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a subordinate and inferior lien on and pledge of the Net Revenues as determined by the Governing Body in accordance with any applicable law.

BB. The term *System* shall mean all properties, facilities and plants currently owned, operated, and maintained by the Issuer for the supply, treatment, and transmission of treated potable water, for the collection and treatment of wastewater, together with all future extensions, improvements, replacements and additions thereto, whether situated within or without the limits of the Issuer, and the Issuer expressly reserves the right at its sole discretion to include additional utility, telecommunications, technology, or similar enterprise services as components of the System; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not mean to include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the Issuer with the proceeds from the issuance of *Special Facilities Bonds*, which are hereby defined as being special revenue obligations of the Issuer which are not payable from Net Revenues but which are payable from and equally and ratably secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Prior Lien Obligations including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

SECTION 10: Certificate Fund; Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special fund to be designated “COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026, INTEREST AND SINKING FUND” (the *Certificate Fund*) which fund shall be kept and maintained at the Depository, and money deposited in the Certificate Fund shall be used for no other purpose and shall be maintained as provided in Section 27. Authorized Officials of the Issuer are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the purchase price or the amount of principal of, premium if any, and interest on the Certificates as the same become due and payable, or the purchase price thereof, and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Certificates.

The Issuer, at its sole discretion, may deposit the Pledged Revenue Amount to the Certificate Fund. The Pledged Revenue Amount, if deposited, shall be expended annually to pay principal and interest on the Certificates as the same become due and payable. This Pledged

Revenue Amount shall be accounted for and transferred to the Paying Agent/Registrar in accordance with the provisions of the previous paragraph of this Section.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund created and established by this Ordinance may, at the option of the Issuer, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States, obligations guaranteed or insured by the United States, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from such fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund established pursuant to the provisions of this Ordinance shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 11: Tax Levy. To provide for the payment of the Debt Service Requirements on the Certificates being (i) the interest on the Certificates, and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current fiscal year and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax, within the limitations prescribed by law, on each one hundred dollars valuation of taxable property in the Issuer, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund and are thereafter pledged to the payment of the Certificates. The Governing Body hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay such Debt Service Requirements, it having been determined that the existing and available taxing authority of the Issuer for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness and other obligations of the Issuer.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

A. Prior to the date the Governing Body establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the Governing Body shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the ad valorem taxes then to be levied and the Collection Date for the ad valorem taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Pledged Revenues, or any other lawfully available funds, if any, to be appropriated and allocated during such year to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes to be levied; and

(3) the amount of Pledged Revenues or other lawfully available funds, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 12: Pledge of Pledged Revenues. The Issuer hereby covenants and agrees that, subject to any prior lien on and pledge of the Net Revenues of the System to the payment and security of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the Issuer, the Pledged Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates and the pledge of Pledged Revenues herein made for the payment of the Certificates shall constitute a lien on the Pledged Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the Issuer.

SECTION 13: System Fund. The Issuer hereby covenants and agrees that all Gross Revenues derived from the operation of the System shall be kept separate and apart from all other funds, accounts and money of the Issuer and shall be deposited as collected into the "CITY OF LA VERNIA, TEXAS UTILITY SYSTEM FUND" (the *System Fund*). All money deposited in the System Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown:

- First: to the payment of the reasonable and proper Maintenance and Operating Expenses of the System required by statute or ordinances authorizing the issuance of any indebtedness of the Issuer to be a first charge on and claim against the Gross Revenues of the System;
- Second: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of the

currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations hereafter issued by the Issuer in accordance with the terms and provisions of any ordinance authorizing their issuance;

- Third: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Junior Lien Obligations hereafter issued by the Issuer in accordance with the terms and provisions of any ordinance authorizing their issuance;
- Fourth: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Subordinate Lien Obligations hereafter issued by the Issuer in accordance with the terms and provisions of any ordinance authorizing their issuance; and
- Fifth: To the payment of the amounts that may be deposited in the special funds and accounts established for the payment of the currently outstanding Limited Pledge Obligations, including the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the Issuer in accordance with the terms and provisions of any ordinances authorizing their issuance.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment, security and benefit thereof, may be appropriated and used for any other Issuer purpose now or hereafter permitted by law.

SECTION 14: Deposits to Certificate Fund — Surplus Certificate Proceeds. The Issuer hereby covenants and agrees to cause to be deposited in the Certificate Fund prior to a principal and interest payment date for the Certificates, from the Pledged Revenues in the System Fund, after the deduction of all payments required to be made to the special funds or accounts created for the payment, security, and benefit of the (i) currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the Issuer; and (ii) the currently outstanding Limited Pledge Obligations, including the Certificates, and any amounts budgeted to be paid therefrom in such Fiscal Year.

Accrued interest, if any, received from the Purchasers of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied and collected for the benefit of the Certificates shall be deposited to the Certificate Fund. In addition, any surplus proceeds, including investment income therefrom, from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said fund from ad valorem taxes.

SECTION 15: Security of Funds. All money on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

SECTION 16: Maintenance of System — Insurance. The Issuer covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance (including a system of self-insurance) on the properties of the System and its operations of a kind and in such amounts customarily carried by municipal corporations in Texas engaged in a similar type of business and that it will faithfully and punctually perform all duties with reference to the System required by the laws of Texas. All money received from losses under such insurance policies, other than public liability policies, are held for the benefit of the Holders of the Certificates until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this Ordinance shall be construed as requiring the Issuer to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the Issuer from doing so.

SECTION 17: Rates and Charges. The Issuer hereby covenants and agrees with the Holders of the Certificates that rates and charges for utility services afforded by the System will be established and maintained to provide Gross Revenues sufficient at all times:

A. to pay, together with any other lawfully available funds, all operating, maintenance, depreciation, replacement, betterment, and other costs incurred in the maintenance and operation of the System, including, but not limited to, Maintenance and Operating Expenses; provided, however, that the Issuer expressly reserves the right to utilize other lawfully available funds to pay the Maintenance and Operating Expenses;

B. to produce Net Revenues sufficient, together with any other lawfully available funds, to pay (i) the interest on and principal of any Prior Lien Obligations and any Additional Prior Lien Obligations hereafter issued by the Issuer as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof; (ii) the interest on and principal of any Junior Lien Obligations hereafter issued by the Issuer as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, (iii) the interest on and principal of any Subordinate Lien Obligations hereafter issued by the Issuer as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, and (iv) the amounts that may be deposited in the special funds established for the payment of the currently outstanding Limited Pledge Obligations, the Certificates, or any Additional Limited Pledge Obligations hereafter issued by the Issuer; and

C. to pay other legally incurred indebtedness payable from the Net Revenues of the System and/or secured by a lien on the System or the Net Revenues thereof.

SECTION 18: Records and Accounts — Annual Audit. The Issuer further covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete

and correct entries shall be made of all transactions relating thereto, as provided by Chapter 1502, as amended, Texas Government Code, or other applicable law. The Holders of the Certificates or any duly authorized agent or agents of the Holders shall have the right to inspect the System and all properties comprising the same. The Issuer further agrees that, following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. Expenses incurred in making the annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses.

SECTION 19: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Certificates shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Governing Body of the Issuer and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 20: Issuance of Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations. The Issuer hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations, payable, wholly or in part, as appropriate, from and secured by a pledge of and lien on the Net Revenues of the System with the following priorities, without limitation as to principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing ordinances, laws, or otherwise:

A. Additional Prior Lien Obligations payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System;

B. Junior Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is junior and inferior to the lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations hereafter issued by the Issuer, but prior and superior to the lien on and pledge of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the Issuer;

C. Subordinate Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations or Junior Lien Obligations hereafter issued by the Issuer, but

prior and superior to the lien on and pledge of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the Issuer;

D. Additional Limited Pledge Obligations secured by a lien on and pledge of a limited amount of the Net Revenues in accordance with the provisions of the following paragraph; and

E. Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, if issued, may be payable, in whole or in part, from Net Revenues (without impairment of the obligation of contract with the holders of the currently outstanding Limited Pledge Obligations and the Certificates) upon such terms and conditions as the Governing Body may determine. Additional Limited Pledge Obligations, if issued and payable, in whole or in part, from Pledged Revenues (defined in the same or similar terms as provided in Section 9 of this Ordinance), shall not in any event be construed to be payable from the Pledged Revenues authorized by this Ordinance to be budgeted and appropriated for the payment of the Certificates. However, the lien on and pledge of the limited amount of Net Revenues securing, in part, the payment of the Certificates, and any Additional Limited Pledge Obligations shall be subordinate and inferior to the pledge of and lien on the Net Revenues securing the payment of the currently outstanding Prior Lien Obligations, and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the Issuer.

SECTION 21: Special Covenants. The Issuer hereby further covenants that:

A. it has the lawful power to pledge the Pledged Revenues supporting the Certificates and has lawfully exercised said powers under the laws of Texas, including power existing under Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through Section 271.064, and the City's Home Rule Charter;

B. other than for the payment of the currently outstanding Prior Lien Obligations, and the Certificates, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the Issuer or of the System;

C. as long as any Certificates or any interest thereon remain Outstanding, the Issuer will not sell, lease or encumber (except in the manner provided in Section 20 of this Ordinance) the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System;

D. to the extent that it legally may, the Issuer further covenants and agrees that, so long as any of the Certificates, or any interest thereon, are Outstanding, no franchise shall be granted for the installation or operation of any competing utility systems other than those owned by the Issuer, and the operation of any such systems by anyone other than the Issuer is hereby prohibited; and

E. no free service of the System shall be allowed, and should the Issuer or any of its agents or instrumentalities make use of the services and facilities of the System, payment of the

reasonable value thereof shall be made by the Issuer out of funds from sources other than the revenues and income of the System.

SECTION 22: Application of the Covenants and Agreements of any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations. It is the intention of the Governing Body and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administration and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the Issuer, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance, especially the priority of rights and benefits conferred thereby to the holders of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the Issuer. It is expressly recognized that prior to the issuance of any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, the Issuer must comply with each condition precedent contained in the respective ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and the Certificates, as appropriate.

SECTION 23: Notices to Holders — Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 24: Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Issuer may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly canceled by the Paying

Agent/Registrar. All canceled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the Issuer.

SECTION 25: Mutilated, Destroyed, Lost, and Stolen Certificates. If (1) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the Issuer and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the Issuer and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the Issuer shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost, or stolen Certificate has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Certificate, pay such Certificate.

Upon the issuance of any new Certificate or payment in lieu thereof, under this Section, the Issuer may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses and charges (including attorney’s fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated; destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Certificates.

SECTION 26: Certificates - Approval Authorization of an Official Bid Form – Approval of the Official Statement - Use of Certificate Proceeds. The Certificates authorized by this Ordinance are hereby sold by the Issuer to _____, _____, _____, as the authorized representative of the initial purchasers of the Certificates at a competitive sale (the *Purchasers*, having all of the rights, benefits, duties, and obligations of a Holder), in accordance with the provisions of an Official Bid Form (the *Official Bid Form*), dated September 10, 2026, attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes, at a price of par, plus a [net] reoffering premium of \$_____, less the Purchasers’ compensation of \$_____, and no accrued interest. The Initial Certificate shall be registered in the name of _____. It is hereby officially found, determined, and declared that the Purchasers are the lowest bidder for the Certificates and as a result of invitations for competitive bids in compliance with applicable law. The pricing and terms of the

sale of the Certificates are hereby found and determined to be the most advantageous reasonably obtainable by the Issuer.

Furthermore, the Issuer hereby ratifies, confirms, and approves in all respects (i) the Issuer’s prior determination that the Preliminary Official Statement was, as of its date, “deemed final” in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by any Authorized Official), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated September 10, 2026, in the reoffering, sale and delivery of the Certificates to the public. The Mayor and of City Secretary of the Governing Body are further authorized and directed to manually, facsimile, or electronically execute and deliver for and on behalf of the Issuer copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually, facsimile, or electronically executed by said officials shall be deemed to be approved by the Governing Body and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

Proceeds derived from the sale of the Certificates (after paying remaining costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the proceeds of the Certificates and used to pay costs of such projects. This special construction account shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Certificates pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 14 of this Ordinance.

SECTION 27: Covenants Regarding Tax Exemption of Interest on the Certificates.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in Section 103 of the Internal Revenue Code of 1986, as amended (the *Code*), the interest on which is not includable in the “gross income” of the holder 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 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 or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or

indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of Section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the “private business use” described in subsection (1) hereof exceeds 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;

(3) 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;

(4) 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;

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

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds 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 --

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Certificates are issued,

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

(C) 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;

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

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior certificates to pay debt service on another issue more than 90 days after the date of issue

of the Certificates in contravention of the requirements of Section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States 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, not later than 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; and

(10) to establish reasonable expectations to prevent using the proceeds of the Bonds in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a “Rebate Fund” is hereby established by the Issuer for the sole benefit of the United States, and such fund shall not be subject to the claim of any other person, including without limitation the certificate holders. The Rebate Fund is established for the additional purpose of compliance with Section 148 of the Code.

(c) Proceeds. 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 and any replacement funds. It is the understanding of the Issuer 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 Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under Section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under Section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs any member of the Commissioners Court and any Authorized Official to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (the *Project*) on its books and records in accordance with the requirements of the Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the

Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure 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.

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

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

(g) Written Procedures. Unless superseded by another action of the Issuer, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the Governing Body hereby adopts and establishes the instructions attached hereto as Exhibit C as the Issuer’s written procedures.

SECTION 28: Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of Texas and shall take and have charge and control of the Certificates pending their approval by the Attorney General of Texas, the registration thereof by the Comptroller of Public Accounts of Texas and the delivery of the Certificates to the Purchasers.

Furthermore, any Authorized Official, either individually or any combination of them, is hereby authorized and directed to furnish and execute such documents relating to the Issuer and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General of Texas and their registration by the Comptroller of Public Accounts of Texas and, together with the Issuer's financial advisors, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate to the Purchasers and, when requested in writing by the Purchasers, the initial exchange thereof for definitive Certificates.

SECTION 29: Satisfaction of Obligation of Issuer. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Pledged Revenues under this Ordinance and all covenants, agreements, and other obligations of the Issuer to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amounts thereof, on and prior to the Stated Maturity therefor or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Certificates. In the event of a defeasance of the Certificates, the Issuer shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent accounting firm, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Certificate. As and to the extent applicable, if at all, the Issuer covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as arbitrage bonds within the meaning of Section 148 of the Code (as defined in Section 27 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the Issuer or deposited as directed by the Issuer. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Certificates, or applicable redemption date of the Certificates, such money was deposited and is held in trust to pay shall upon the request of the Issuer be remitted to the Issuer against a written receipt therefor, subject to the, unclaimed property laws of Texas.

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 (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Issuer expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Certificates immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

SECTION 30: Printed Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to their being furnished a final opinion of McCall, Parkhurst & Horton L.L.P., San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Certificates, this opinion to be dated and delivered as of the date of initial delivery and payment for such Certificates. Printing of a true and correct copy of this opinion on the reverse side of each of the Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the Issuer is hereby approved and authorized.

SECTION 31: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof, and neither the Issuer nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 32: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33: Ordinance a Contract Amendments - Outstanding Certificates. The Issuer acknowledges that the covenants and obligations of the Issuer herein contained are a material inducement to the purchase of the Certificates. This Ordinance shall constitute a contract with the Holders from time to time, binding on the Issuer and its successors and assigns, and it shall not be amended or repealed by the Issuer so long as any Certificate remains Outstanding except as permitted in this Section. The Issuer may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Issuer may, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided, however, that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the

aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

SECTION 34: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the Issuer, Bond Counsel, Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer, Bond Counsel, Paying Agent/Registrar, and the Holders.

SECTION 35: Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 36: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of Texas and the United States.

SECTION 37: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Ordinance would have been enacted without such invalid provisions.

SECTION 38: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 39: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true; and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Governing Body of the Issuer.

SECTION 40: Authorization of Paying Agent/Registrar Agreement. The Governing Body of the Issuer hereby finds and determines that it is in the best interest of the Issuer to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, registration, and transferability of the Certificates. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 41: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 42: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the Issuer or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 43: No Recourse Against City Officials. No recourse shall be had for the payment of principal of, premium if any, or interest on any Certificate or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificate.

SECTION 44: Continuing Disclosure Undertaking.

A. Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

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.

The Issuer shall file annually with the MSRB, within twelve months after the end of each fiscal year ending in or after 2026, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 26 of this Ordinance being the information described in Exhibit D hereto and if not provided as part of such financial information and operating data, audited financial statements of the Issuer, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit D 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 (ii) audited, if the Issuer commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available. Under current Texas law, including, but not limited to, Chapter 115, as amended, Texas Local Government Code, the

Issuer must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the Director of Finance within 365 days after the last day of the Issuer's fiscal year. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

If the Issuer changes its fiscal year, it will file notice of such change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section.

C. Notice of Certain Events.

The Issuer shall file notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (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 Certificate, or other material events affecting the tax status of the Certificate;
- (7) Modifications to rights of Holders of the Certificate, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing payment of the Certificate, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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 or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;

(15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States 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 or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing Governing Body and officials or officers 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, and (b) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

D. Limitations, Disclaimers, and Amendments.

The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit that causes the Certificates to be no longer Outstanding.

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

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN

CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH 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.

No default by the Issuer in observing or performing its obligations under this Section shall constitute 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.

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders 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 Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificate. The Issuer may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificate, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. 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 reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. If the Issuer so amends the provisions of this Section, the Issuer shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format – Incorporation by Reference.

The Issuer information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents

submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

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) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Certificates is subject to the provisions of the Rule and because the potential “underwriters” in the sale of the Certificates may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the Issuer hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the *Policies and Procedures*), attached hereto as Exhibit E, with which the Issuer shall follow to assure compliance with the Undertaking. The Issuer has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the Issuer’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the Issuer and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 45: Book-Entry-Only System.

The Certificates shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Certificates shall be issued (following cancellation of the Initial Certificate described in Section 7) in the form of a single definitive Certificate. Upon issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Certificates shall be registered in the name of Cede & Co., as the nominee of DTC. The Issuer and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit F (the *Representation Letter*).

With respect to the Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Certificates from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a

Depository Participant holds an interest in the Certificates (an *Indirect Participant*). 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 Depository Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Certificates, as shown on the Security Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Certificate, of any amount with respect to principal of, premium if any, or interest on the Certificates. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the Issuer to make payments of principal, premium if any, and interest pursuant to this Ordinance. 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 or drafts being mailed to the Holder, the word “Cede & Co.” in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Issuer determines that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Certificates shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Issuer may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Issuer, or such depository’s agent or designee, and if the Issuer and the Paying Agent/Registrar do not select such alternate securities depository system then the Certificates may be registered in whatever name or names the Holders of Certificates transferring or exchanging the Certificates shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 46: Further Procedures. The officers and employees of the Issuer are hereby 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, the initial sale and delivery of the Certificates, the Official Bid Form, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Certificates, any Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by

this Ordinance and as described in the Official Statement necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General’s office. Bond Counsel is further authorized to institute any bond validation suit under Chapter 1205, as amended, Texas Government Code (or any successor statute thereto) related to the Certificates while the Certificates are outstanding and unpaid. In case any officer of the Issuer whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 47: Contracts with Financial Advisor. The Governing Body authorizes any Authorized Official, or their designees, to take all actions necessary to execute any necessary financial advisory contracts with Specialized Public Finance Inc., as the financial advisor to the Issuer (the *Financial Advisor*). The Issuer understands that under applicable federal securities laws and regulations that the Issuer must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Certificates.

SECTION 48: Perfection of Security Interest. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the associated pledge thereof, 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 thereof granted by the Issuer is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, as amended, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in this pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

SECTION 49: Issuer’s Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in Section 501(c)(6) of the Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the Issuer hereby consents to and authorizes any Authorized Official, Bond Counsel to the Issuer, and/or Financial Advisor to the Issuer to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Certificates.

SECTION 50: Effective Date. Pursuant to the provisions of Section 1201.028, as amended, Texas Government Code, this Ordinance shall be effective immediately upon adoption, notwithstanding any provision in the City’s Home Rule Charter to the contrary concerning a multiple reading requirement for the adoption of ordinances.

* * *

PASSED AND ADOPTED by the City Council of the City of La Vernia, Texas, this the 10th day of September, 2026.

CITY OF LA VERNIA, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

INDEX TO EXHIBITS

Exhibit A	Paying Agent/Registrar Agreement
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Exhibit C	Written Procedures – Compliance with Federal Tax Certificate
Exhibit D	Description of Annual Financial Information
Exhibit E	General Policies and Procedures Concerning Compliance with the Rule
Exhibit F	DTC Letter of Representations

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EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. 2

EXHIBIT B
Official Bid Form
See Tab No. 6

EXHIBIT C

Written Procedures Relating to Continuing Compliance with Federal Tax Covenants

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Certificates, the Issuer's City Administrator (the *Responsible Person*), will:

- (i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Certificates will be entered into within six (6) months of the date of delivery of the Certificates (the *Issue Date*);
- (ii) monitor that at least 85% of the proceeds of the Certificates to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;
- (iii) restrict the yield of the investments to the yield on the Certificates after three (3) years of the Issue Date;
- (iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Certificates does not exceed an amount equal to the debt service on the Certificates in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Certificates for the immediately preceding 12-month period;
- (v) ensure that no more than 50% of the proceeds of the Certificates are invested in an investment with a guaranteed yield for 4 years or more;
- (vi) maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Certificates any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- (vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- (viii) assure that, unless excepted from rebate and yield restriction under Section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Certificates are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Certificates the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Certificates are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Certificates are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Certificates are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Certificates are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Certificates are outstanding, the facilities are sold or otherwise disposed of; and
- (vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Certificates and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Certificates. If any portion of the Certificates is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Certificates. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT D

Description of Annual Financial Information

The following information is referred to in Section 44 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 (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The City’s audited financial information for the most recently concluded fiscal year or to the extent the audited financial information is not available, the unaudited financial information of the City for the most recently concluded fiscal year.
2. The quantitative financial information and operating data with respect to the City of the general type included in Appendix A of the Official Statement, which is customarily prepared by the City and publicly available.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT E

General Policies and Procedures Concerning Compliance with the Rule

- I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 44 of the Ordinance. “Certificates” refers to the Certificates that are the subject of the Ordinance to which this Exhibit is attached.
- II. As a capital markets participant, the Issuer is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the *Effective Date*), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the Issuer’s compliance with the Rule.
- III. The Issuer is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 44C of the Ordinance, which provisions are a part of the Undertaking.
- IV. The Issuer is aware that “participating underwriters” (as such term is defined in the Rule) of the Certificates must make inquiry and reasonably believe that the Issuer is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.
- V. The Issuer now establishes the following general policies and procedures (the *Policies and Procedures*) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the Issuer’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the Issuer’s obligations under the Rule, the advice from and discussions with the Issuer’s internal senior staff (including staff charged with administering the Issuer’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the *Compliance Team*):
 - (1) the City Administrator (the *Compliance Officer*) shall be responsible for satisfying the Issuer’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
 - (2) the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the Issuer’s information of the type described in Section 44B of the Ordinance;

(3) the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 44C of the Ordinance;

(4) the Compliance Officer shall work with external consultants of the Issuer, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the Issuer and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;

(5) the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the Issuer, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Certificates;

(6) upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any Issuer agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;

(7) the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the Issuer; and

(8) the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the Issuer’s internal staff identified by the Compliance Officer to assist with the Issuer’s satisfaction of the terms and provisions of the Undertaking.

EXHIBIT F

DTC Letter of Representations

See Tab No. 3