

CITY OF TEXAS CITY
REGULAR CALLED CITY COMMISSION MEETING

AGENDA

WEDNESDAY, SEPTEMBER 19, 2018 - 5:00 P.M.
KENNETH T. NUNN COUNCIL ROOM - CITY HALL
1801 9th Ave. N.
Texas City, TX 77590

PLEASE NOTE: Public comments and matters from the floor are generally limited to 3 minutes in length. If you would like to request to speak, please do so in advance of the meeting by filling out a Request To Address Commission form. All in attendance are required to remove hats and/or sunglasses (dark glasses) during meetings and to also silence all cell phones and electronic devices.

(1) ROLL CALL

(2) INVOCATION

(3) PLEDGE OF ALLEGIANCE

(4) PROCLAMATIONS AND PRESENTATIONS

(a) Service Awards

Margarita Ugarte	Parks & Recreation	09/26/2008	10 years
Cleotria White	Parks & Recreation	09/23/2008	10 years
Larry Williamson	Police	09/17/2008	10 years

(5) REPORTS

(a) Fire Services (Fire Department)

(6) CONSENT AGENDA

(a) Approve City Commission Minutes for September 5, 2018 meeting. (City Secretary)

(b) Consider and take action on Resolution No. 18-096 approving the City of Texas City Investment Policy. (Finance)

(c) Consider and take action on Resolution No. 18-097, authorizing the donation of a surplus police vehicle to Hitchcock I.S.D. Police Department. (Finance)

(d) Consider and take action on Resolution No. 18-098, denying Texas New Mexico Powers's original request for a rate increase by October 2nd. (Managemnet Services)

(7) REGULAR ITEMS

- (a) Consider and take action on Ordinance No. 18-21, amending the City of Texas City's 2017/2018 fiscal year budget to appropriate funds for the reduction of interfund balance between the Utility Fund and the General Fund. (Finance)
- (b) Consider and take action on Ordinance No. 18-22, amending the City of Texas City's 2017/2018 fiscal year budget to transfer funds from the General Fund to the Capital Equipment Replacement Fund. (Finance)
- (c) Consider and approve Ordinance No. 18-23, authorizing the issuance of City of Texas City, Texas, Certificates of Obligation, Series 2018. (Finance)
- (d) Consider and take action on Ordinance No. 18-24, to amend the City of Texas City's fiscal year 2017-2018 Budget to receive and appropriate the Certificates of Obligation proceeds. (Finance)
- (e) Consider and take action on Ordinance No. 18-25, amending the City's fiscal year 2017-2018 budget to appropriate funds from Texas City Economic Development Corporation to 2018 Construction Fund for sewer line project. (Finance)
- (f) Consider and take action, by record vote, on Ordinance No. 18-26, to adopt the City of Texas City's 2018-2019 Fiscal Year Budget. (Finance)
- (g) Consider and take action, by record vote, on Resolution No. 18-094, to ratify the tax increase reflected in the 2018-2019 Fiscal Year Budget. (Finance)
- (h) Consider and take action, by record vote, on Ordinance No. 18-27, levying an ad valorem tax for the year 2018 for the City of Texas City. (Finance)
- (i) Consider and take action on Resolution No. 18-095, accepting and approving the 2018 Certified Tax Roll. (Finance)

(8) PUBLIC COMMENTS

(9) MAYOR'S COMMENTS

(10) COMMISSIONERS' COMMENTS

(11) ADJOURNMENT

NOTICE OF ANY SUBJECT APPEARING ON THIS AGENDA REGARDLESS OF HOW THE MATTER IS STATED MAY BE ACTED UPON BY THE CITY COMMISSION.

NOTICE: The City of Texas City will furnish free transportation to handicapped individuals via a 4-door sedan for anyone wishing to attend the City Commission meetings. Call 948-3111, City Secretary's Office before noon on Monday preceding the meeting to make arrangements.

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE BULLETIN BOARDS AT CITY HALL, 1801 9TH AVENUE NORTH, TEXAS CITY, TEXAS, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AND ON THE CITY'S WEBSITE ON SEPTEMBER 14, 2018, PRIOR TO 5:00 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

JAMES M. HARTSHORN
CITY SECRETARY

CITY COMMISSION REGULAR MTG

(4) (a)

Meeting Date: 09/19/2018

September 2019 Service Awards

Submitted For: Jennifer Price, Human Resources

Submitted By: Susan Sensat, Administration

Department: Administration

Information

ACTION REQUEST (Brief Summary)

Service Awards

Margarita Ugarte	Parks & Recreation	09/26/2008	10 years
Cleotria White	Parks & Recreation	09/23/2008	10 years
Larry Williamson	Police	09/17/2008	10 years

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG

(6) (a)

Meeting Date: 09/19/2018

Submitted By: Rhomari Jackson-Glover, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Approve City Commission Minutes for September 5, 2018 meeting. (City Secretary)

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Minutes

REGULAR CALLED CITY COMMISSION MEETING

MINUTES

WEDNESDAY, SEPTEMBER 5, 2018 – 5:00 P.M.
KENNETH T. NUNN COUNCIL ROOM – CITY HALL

A Regular Called Meeting of the City Commission was held on Wednesday, SEPTEMBER 5, 2018, at 5:00 P.M. in the Kenneth T. Nunn Council Room in City Hall, Texas City, Texas. A quorum having been met, the meeting was called to order at 5:03 p.m. by Mayor Matthew T. Doyle.

1. ROLL CALL

Present: Matthew T. Doyle, Mayor
Phil Roberts, Mayor Pro Tem, Commissioner At-Large
Bruce Clawson, Commissioner At-Large
Earl Alexander, Commissioner District 1
Abel Garza, Jr., Commissioner District 2
Jami Clark, Commissioner District 4

Absent: Dorthea Jones, Commissioner District 3

2. INVOCATION

Led by Captain Patrick Jones of the Salvation Army.

3. PLEDGE OF ALLEGIANCE

Led by Commissioner District 2 Abel Garza, Jr.

4. REPORTS

a. Texas City Museum (Recreation and Tourism)

Amanda Vance, Museum Curator, gave a PowerPoint presentation highlighting the success of the Texas City Museum and newly adopted procedures.

5. PUBLIC HEARING

a. Second public hearing to hear citizens' opinions in favor of or in opposition to the proposed 2018 tax rate of \$0.55 per \$100 valuation. This rate exceeds the effective tax rate of \$0.520993 per \$100 valuation, but is less than the rollback tax rate of \$0.559568 per \$100 valuation. The proposed rate is \$0.027197 less than the 2017 tax rate of \$0.577197 per \$100 valuation. (Finance)

Laura Boyd, Finance Director, gave a PowerPoint presentation outlining the proposed 2018 tax rate of \$0.55 per \$100 valuation. Laura Boyd stated that the proposed rate is \$0.027197 less than the 2017 tax rate of \$0.577197 per \$100 valuation.

- b. A public hearing to hear citizens' opinions in favor of or in opposition to the City of Texas City's proposed 2018/2019 Fiscal Year Budget. (Finance)

Laura Boyd, Finance Director, stated that the 2018 - 2019 proposed budget is posted online and the new tax rate and tax roll will be discussed at our next City Commission meeting on September 19, 2018.

- c. Tom Moughon / 412 Central Park Ltd. requests to rezone from "A" (Single Family Residential) to "PUD" (Planned Unit Development) to construct a RV Park along with other commercial uses. Being 67 Acres out of the Waterman's S/d, W.K. Wilson Survey. Located east of FM 2004 and north of Mall of the Mainland.

Doug Kneupper, City Engineer, gave detailed discription of the PV Park Tom Moughon would like to construct FM 2004.

Sharon Dixon, Clayton Leopold, Gina Gilmp, Elizabeth Shelton, Shepherd Shelton, Kelley Jawalka, Pamela Snyder, Cory and Brianna Dickerson and Robert Gowing spoke before the City Commission in opposition of Mr. Moughon's rezoning request. Traffic, safety, drainage, decreasing property value and enviornmental impact were the concerns of many of the Rainsong subdivion residents.

Tom Moughon spoke before the City Commission in favor of his rezoning request. Mr. Moughon stated that many of the Rainsong subdivion residents spoke out, last year, at his first attempt to get this project approved, but he has since changed aspects of the project to meet thier concerns.

- d. Jerry LeBlanc requests to rezone to PUD (Planned Unit Development) to construct a new 584 lot subdivision. Being a 161.96 acre tract out of Lots 5,7 and 9 of the Waterman's S/d, W.K. Wilson Survey. Located west of FM 2004 and north of Rainsong S/d.

Doug Kneupper, City Engineer, presented pictures and a detailed plan before the City Commission.

6. PRELIMINARY ZONING APPROVAL

- a. Approve or deny request by Tom Moughon/412 Central Park Ltd. to rezone property from "A" (Single Family Residential) to "PUD" (Planned Unit Development). Being 67 acres out of the Waterman's S/d, W.K. Wilson Survey. Located east of FM 2004 and north of Mall of the Mainland.

Motion by Mayor Pro Tem, Commissioner At-Large Phil Roberts, Seconded by Mayor Matthew T. Doyle

Vote: 2 - 4 FAILED

- b. Approve or deny request by Jerry LeBlanc to rezone to PUD to construct a new 584 lot subdivision. Being 161.96 acres out of Lots 5,7 and 9 of the Waterman's S/d, W.K. Wilson Survey. Located west of FM 2004 and north of Rainsong S/d.

Motion by Commissioner District 4 Jami Clark, Seconded by Commissioner At-Large Bruce Clawson

Vote: 6 - 0 CARRIED

7. CONSENT AGENDA

Motioned by Commissioner At-Large Bruce Clawson, Seconded by Commissioner District 4 Jami Clark to approve Consent Items a, b, e, g, h, and j.

- a. Approve City Commission Minutes for August 15, 2018 meeting. (City Secretary)

Vote: 6 - 0 CARRIED

- b. Approve City Commission Minutes for August 22, 2018 Special Called Meeting. (City Secretary)

Vote: 6 - 0 CARRIED

- c. Consider and take action on Resolution No. 18-084, directing the City Engineer and Planning Department to prepare a service plan that details specific municipal services that would be provided to an area considered for annexation. (Legal)

Item pulled by Mayor Doyle.

Russell Plackemeier, City Attorney, stated that this annexation stems from a request from CeneterPoint to annex there existing territory into Texas City's boundaries.

Motion by Commissioner District 4 Jami Clark, Seconded by Mayor Pro Tem, Commissioner At-Large Phil Roberts

Vote: 6 - 0 CARRIED

- d. Consider and take action on Resolution No. 18-085, calling of two public hearings to be held on the proposed annexation of certain property by the City of Texas City. (City Secretary)

Item pulled by Mayor Doyle.

James Hartshorn, City Secretary, stated that this annexation will help to better define the City's boundries and gives our police and fire departments a clearer map of thier service areas.

Commission At-Large Bruce Clawson asked if any homes are included in this annexation.

James Hartshorn responded that there are no residential properties included in this annexation.

Motion by Commissioner At-Large Bruce Clawson, Seconded by Commissioner District 4 Jami Clark

Vote: 6 - 0 CARRIED

- e. Consider and take action on Resolution No. 18-086, appointing and/ or re-appointing members to the Galveston County Health District's United Board of Health. (City Secretary)

Vote: 6 - 0 CARRIED

- f. Consider and take action on Resolution No. 18-088, authorizing the Charter Review Committee to name Bob Senter as Chairperson. (City Secretary)

Item pulled by Mayor Doyle.

Commissioner At-Large Phil Roberts stated that the Texas City Charter has not been reviewed in 20 years. Commissioner Roberts will work together with 9 residents and City staff to review the Charter and bring any suggested changes before the City Commission.

Motion by Commissioner District 4 Jami Clark, Seconded by Commissioner At-Large Bruce Clawson

Vote: 6 - 0 CARRIED

- g. Consider and take action on Resolution No. 18-089, approving the appointments and/or re-appointments to various Boards, Commissions and Committees. (Management Services)

Vote: 6 - 0 CARRIED

- h. Consider and take action on Resolution No. 18-090, awarding a contract for Bid No. 2018-057 Removal of Debris From Treatment Plant Annual Contract. (Public Works)

Item pulled by Mayor Doyle.

Item pulled by mistake. No comments made.

Motion by Commissioner At-Large Bruce Clawson, Seconded by Mayor Pro Tem, Commissioner At-Large Phil Roberts

Vote: 6 - 0 CARRIED

- i. Consider and take action on Resolution No. 18-091, awarding a contract for RFP No. 2018-053 Solid Waste Management Services. (Public Works)

Item pulled by Commissioner At-Large Bruce Clawson.

Mike Stump, Solid Waste Manager, stated that the City has contracted with a new solid waste company so the rates and process of trash pick-up will be changing.

Mayor Doyle explained that all residents will now have trash containers that will be picked up twice a week, debris will be picked up once a week and the biosphere will still be open for residents to bring their recyclables to.

Motion by Commissioner At-Large Bruce Clawson, Seconded by Commissioner District 4 Jami Clark

Vote: 6 - 0 CARRIED

- j. Consider and take action on Resolution No. 18-092, awarding Bid No. 2018-059 Removal and Transport of Wastewater from Frac Tank Annual Contract. (Public Works)

Vote: 6 - 0 CARRIED

8. REGULAR ITEMS

- a. Consider and take action on Resolution No. 18-087, setting the date for adoption of the fiscal year 2018-2019 budget. (Finance)

Laura Boyd, Finance Director, stated that according to the Texas Local Government Code that a date is needed to be set to vote for the adoption of the 2018 - 2019 fiscal year budget. Laura Boyd stated that the date for this vote will be on September 19, 2018.

Motion by Commissioner District 4 Jami Clark, Seconded by Commissioner At-Large Bruce Clawson

Vote: 6 - 0 CARRIED

- b. Consider and take action on Ordinance No. 18-18, amending the City of Texas City's Fiscal Year 2017-18 Budget to revise the tax levy for tax year 2017. (Finance)

Laura Boyd, Finance Director, stated that this amendment is needed to correct the budget based off the Galveston Central Appraisal District's newly adopted tax levy revision.

Motion by Mayor Pro Tem, Commissioner At-Large Phil Roberts, Seconded by Commissioner At-Large Bruce Clawson

Vote: 6 - 0 CARRIED

- c. Consider and take action on Resolution No. 18-093, to increase monthly fees for garbage collection. (Finance)

Laura Boyd, Finance Director, stated that due to increased costs to the City, the solid waste manager is recommending to increase the monthly collection rate by \$12.00. This will result in a monthly charge of \$24.95 for residential customers, \$22.95 for senior citizens (aged 65 and over), and \$30.95 for small businesses.

Motion by Commissioner At-Large Bruce Clawson, Seconded by Commissioner District 4 Jami Clark

Vote: 6 - 0 CARRIED

- d. Consider and take action on Ordinance No. 18-19, amending the City's fiscal year 2017-2018 budget to appropriate funds for the purchase of police vehicles. (Finance)

Laura Boyd, Finance Director, stated that Ford Motor Company informed the Police Department that they will be stopping the production of the Ford Police Interceptor after September 21st until February of 2019. The delivery and payment of these vehicles will not be until 2019, so this purchase order will need to be carried over in the budget.

Motion by Commissioner At-Large Bruce Clawson, Seconded by Commissioner District 2 Abel Garza, Jr.

Vote: 6 - 0 CARRIED

- e. Consider and take action on Ordinance No. 18-20, amending the City's fiscal year 2017-2018 budget to appropriate additional funds for Bayou Golf Course expenditures. (Finance)

Laura Boyd, Finance Director, stated that the Bayou Golf Course needs to appropriate additional funds to replace 36 trees at the pitch and putt area of the course and purchase and install two Essence Fans for the open air pavilion.

Motion by Commissioner District 2 Abel Garza, Jr., Seconded by Mayor Pro Tem,
Commissioner At-Large Phil Roberts

Vote: 6 - 0 CARRIED

9. PUBLIC COMMENTS

Julian Marquez, resident, passed out an information packet to the City Commissioners pertaining to 5G Technology and spoke in opposition of the City ever allowing this type of technology into Texas City in the future.

STAFF COMMENTS

Luke Alvery, Library Director, introduced the new Library Assistant Director, Barret Havens.

10. MAYOR'S COMMENTS

Mayor Doyle stated that there's going to be a busy few weeks on 6th Street with the Old Smokey competition on September 15th, the annual Art Walk and Touch-a-Truck.

11. COMMISSIONERS' COMMENTS

Commissioner At-Large Phil Roberts stated that Emken-Linton Funeral Home will be having its annual September 11th remembrance ceremony honouring First Responders.

Commissioner At-Large Bruce Clawson stated that according to recent legislature cities no longer have the authority over certain technology or tower operations.

12. ADJOURNMENT

Having no further business, Commissioner District 4 Jami Clark made a MOTION to ADJOURN at 6:27 p.m.; the motion was SECONDED by Commissioner At-Large Bruce Clawson. All present voted AYE. MOTION CARRIED.

MATTHEW T. DOYLE, MAYOR

ATTEST:

James M. Hartshorn, City Secretary
Date Approved:

CITY COMMISSION REGULAR MTG

Res 13-079

Meeting Date: 09/19/2018

Consider approval of the City of Texas City's Investment Policy.

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider approval of the City of Texas City Investment Policy.

BACKGROUND

In 1995, the City adopted an Investment Policy to comply with the Texas Public Funds Investment Act (TPFIA). The City of Texas City's Investment Policy mandates how City funds are to be managed and invested. The Policy requires annual review and approval by the City Commission.

No changes in the last year.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Resolution

Investment Policy

RESOLUTION 18-096

A RESOLUTION APPROVING THE CITY OF TEXAS CITY'S INVESTMENT POLICY AND STRATEGIES; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the Texas Public Funds Investment Act requires each home rule municipality to adopt an investment policy by rule, order, ordinance, or resolution; and

WHEREAS, in 1995, the City adopted an Investment Policy to comply with the Texas Public Funds Investment Act (TPFIA); and

WHEREAS, the City of Texas City's Investment Policy mandates how City funds are to be managed and invested; and

WHEREAS, the City's Investment Policy was updated in 1998, 2000, 2004, 2005, 2006 and 2009 and 2017; and

WHEREAS, the City's Investment Policy approved in 2017 was updated to reflect changes in the City's Investment policy and plan; and

WHEREAS, the 2017 Investment Policy requires no further changes and/or additions and requires annual review and approval by the City Commission; and

WHEREAS, the Finance Director recommends annual approval of the Investment Policy and Strategies.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission of the City of Texas City hereby approves the City's Investment Policy, attached hereto as **Exhibit "A"**, and made a part hereof.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

City of Texas City, Texas

Investment Policy



Amended March 15, 2017

via City Commission Ordinance

**City of Texas City, Texas
Investment Policy
Table of Contents**

Investment Strategy	1
I. Policy	2
II. Scope	2
III. Investment Objectives	3
Safety	3
Liquidity	3
Yield	3
IV. Standards of Care	3
Delegation of Investment Authority.....	3
Standard of Ethics and Conflicts of Interest.....	4
Prudence	5
Cash Flow Forecasting.....	5
Internal Controls/Annual Compliance Audit	6
V. Suitable and Authorized Investments	6
Authorized	6
Not Authorized.....	7
VI. Financial Dealers and Institutions	7
Authorized Brokers/Dealers.....	7
Depository	9
Competitive Bids.....	9
Delivery vs. Payment.....	9
VII. Safekeeping and Custody	10
Safekeeping Agreement	10
Safekeeping and Custody	10
Collateralization	10
VIII. Investment Parameters	10
Maximum Maturities	10
Diversification	11
IX. Reporting	11
Marking to Market.....	12
X. Performance Standards	12
Performance Standards.....	12
Performance Benchmark.....	12
XI. Policy Adoption	12
Annual Review and Adoption of Investment Policy.....	12
Glossary	13
Attachment A -Broker/Dealer Questionnaire and Certification	24
Attachment B -TPFIA Certification by Dealer	30
Attachment C -Recommended Sponsors of Investment Training.....	31
Attachment D -Qualified Broker/Dealers	32
Attachment E -Ordinance -Approving City’s Investment Policy	33

INVESTMENT STRATEGY

The investment strategy, of the City of Texas City, Texas, is adopted to provide investment guidelines that will minimize the risk of loss, whereby the City of Texas City, Texas will pursue a passive investment strategy. In order to make effective use of the City's resources, all monies shall be pooled into one fund, except for those monies required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, contracts or City policy. Investments will be purchased with the intent of holding to maturity and will only be sold early under exceptional circumstances. In purchasing investments, the Investment Officer will attempt to follow a ladder strategy to ensure that the portfolio will meet the City's liquidity needs. Investment priorities, in order of priority, are as follows:

1. **Suitability** – Any investment allowed by the Investment Policy is suitable.
2. **Preservation and Safety of Principal** – Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
3. **Liquidity** – The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operational requirements that might reasonably be anticipated.
4. **Marketability** – Investments should have an active and efficient secondary market to enable the City to liquidate investments prior to the maturity if the need should arise.
5. **Diversification** – The Investment Officer will attempt to maintain a diversified portfolio with regard to security type, financial institution providing the security, and maturity.
6. **Yield** – The City's investment portfolio shall be designed with the objective of attaining the maximum rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow characteristics of the portfolio.

City of Texas City, Texas **Investment Policy**

The Public Funds Investment Act, Chapter 2256, Texas Government Code, as Amended (“PFIA” herein), requires each city to adopt rules governing its investment practices and to define the authority of the investment officer. The following Investment Policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of the City of Texas City funds.

I. POLICY

It is the policy of the City of Texas City, Texas (“City”) to invest public funds in a manner that will ensure the preservation of capital, conform to all applicable State and Local statutes governing the investment of public funds and provide reasonable investment returns. The City shall invest all funds deemed in excess of current needs. “Current needs” are hereby defined as expenditures to be required within a given ninety- (90) - day period

II. SCOPE

The investment policy applies to all the financial assets and funds held by the City, except for the Firemen’s Relief and Retirement Fund. These funds are defined in the City of Texas City’s Comprehensive Annual Financial Report and include:

Funds

1. General Funds
2. Special Revenue Funds
3. Capital Projects Funds
4. Enterprise Funds
5. Internal Service Funds
6. Debt Service Funds
7. Trust and Agency Funds

Any new funds created by the City will be subject to this policy unless specifically exempted by the City Council. To maximize the effective investment of assets, all funds mentioned above will pool their cash balances for investment purposes. The income derived from investing activities will be distributed to the various funds based on calculation of their average balances.

III. INVESTMENT OBJECTIVES

The City of Texas City shall manage and invest its cash with three (3) primary objectives, listed in order of priority: **safety, liquidity, and yield**. The safety of principal invested always remains the primary objective.

Safety

Safety of principal is the foremost objective of the City. Investment of City funds shall be undertaken in a manner that seeks to ensure the preservation of capital and the protection of investment principal in the overall portfolio.

Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated disbursement schedules of the City.

Yield

The City's investment portfolio shall be designed with the objectives of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow of the portfolio. Return on investment is of least importance compared to the safety and liquidity objectives described above. "Market rate of return" may be defined as the average yield of the current three-month U.S. Treasury Bill or such other index that closely matches the average maturity of the portfolio.

IV. STANDARDS OF CARE

Delegation of Investment Authority

Article 11, Section 1 of the Charter of the City of Texas City designates the Director of Finance. The Director of Finance, acting on behalf of the City Commission, is designated as the Investment Officer of the City and is responsible for investment management decisions and activities. The Director of Finance may appoint an Investment Officer whose responsibility shall be to invest the funds on behalf of the City in accordance with this investment policy. The City Commission is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program, which are consistent with this investment policy. Procedures will include reference to safekeeping, require and include PSA

Delegation of Investment Authority (continued)

master repurchase agreements, wire transfer agreements; banking services contracts, and other investment related activities.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officer shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer and approved by the Director of Finance.

Investment Training

The Chief Financial Officer and all designated Investment Officers of the City shall:

- (1) Attend at least one training session, from an independent source approved by the City Commission and containing at least 10 hours of instruction relating to the responsibilities under this policy within 12 months after taking office or assuming duties; and
- (2) Attend an investment training session not less than once in a two-year period and receive not less than 8 hours of instruction relating to investment responsibilities.

Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act.

Standard of Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Mayor any personal business relationship in financial institutions with which they conduct business. An employee or officer has a personal business relationship with a business organization if:

1. The employee or officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

Standard of Ethics and Conflicts of Interest (continued)

2. Funds received by the employee or officer from the business organization exceed 10 percent of the employee's gross income for the previous year;
or
3. The employee or officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the employee or officer.

They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio including an individual who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity. Disclosure under this section shall be accomplished by filing a statement with the Texas Ethics Commission and the City Commission.

Prudence

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

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit or market price changes provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes. Cash flow will include historical researching and monitoring of specific cash flow items, payables and receivables as well as overall cash position and patterns.

Internal Controls/Annual Compliance Audit

The Investment Officer shall establish a system of written internal controls which shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the City. In conjunction with the City's annual financial audit, a compliance audit shall be performed of management controls on investments and adherence to the City's established investment policies.

V. SUITABLE AND AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments as described by the Texas Government Code; Chapter 2256, Sections 2256.09 through 2256.011 and Sections 2256.013 through 2256.016 of the Public Funds Investment Act. Investment of funds in any instrument or security not authorized for investment under the Act is prohibited.

Authorized

1. Direct Obligations of the United States Government: U.S. Treasury Bills, U.S. Treasury Notes, and U.S. Treasury Bonds as well as Bonds or other interest bearing obligations for which the principal and interest are guaranteed by the full faith and credit of the United States government. Federal Agencies and instrumentalities including but not limited to, discount notes, callables and debentures of the Federal National Mortgage Association (FNMA), the Federal Home Loan Bank (FHLB), the Federal Farm Credit Bank (FFCB), and the Federal Home Loan Mortgage Corporation (FHLMC).
2. Time Certificates of Deposit, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, in state or national banks. Any deposits exceeding FDIC insurance limits shall be collateralized at 102% of the face amount of the Certificate of Deposit by securities listed in 1 above and held by the City's custodial bank. Bids for Certificates of Deposit may be solicited orally, in writing, electronically or using any combination of these methods.
3. Repurchase Agreements with a defined termination date of 90 days or less collateralized by securities listed in 1 above. Collateral must have a minimum market value of 102% of the repurchase agreement, and must be held by the custodian bank or other independent third-party custodian contracted by the City. Bond proceeds may be invested in flexible repurchase agreements with maturity dates not exceeding the expected final project expenditure if a formal bidding process is followed and properly documented for IRS purposes.

Authorized (continued)

4. AAA-rated Investment Pools organized under the Texas Inter-local Cooperation Act that follow the requirements in the Public Funds Investment Act and which have been specifically approved by the City Commission.
5. Commercial Paper maturing within 180 days carrying a minimum rating of A-1, P-1 or F-1.
6. AAA-rated Money Market Mutual Funds registered with the Securities and Exchange Commission that invests exclusively in investments described in this section.

Not Authorized

The following security types are not permitted:

1. Interest-Only Strips (IO's): Obligations whose payments represent the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no principal.
2. Principal-Only Strips (PO's): Obligations whose payments represent the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
3. Collateralized Mortgage Obligations (CMO's): Obligations that have a stated final maturity date of greater than 10 years.
4. Any security, the interest rate of which is determined by an index that adjusts opposite to the changes in the Market Index (inverse floaters).

VI. FINANCIAL DEALERS AND INSTITUTIONS

Authorized Brokers/Dealers

The Investment Officer shall maintain a list of financial institutions authorized to provide investment services. In addition, a list shall also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Texas. These may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

Authorized Brokers/Dealers (continued)

All financial institutions and brokers/dealers who desire to become a qualified bidder for investment transactions must supply the Investment Officer with a completed Broker/Dealer Questionnaire and Certification, which shall include the following:

1. An audited financial statement for the most recent period.
2. Proof of certification by the Financial Industry Regulatory Authority (FINRA).
3. Proof of current registration with the State Securities Commission.

Financial institutions eligible to transact investment business with the City shall be presented a written copy of this Investment Policy.

Additionally, the registered principal of the business organization seeking to transact investment business shall execute a written instrument substantially to the effect that the registered principal has received and reviewed this Investment Policy, and acknowledge that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the City.

The City Commission shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

The City may appoint one or more Investment Advisors to assist the City's financial staff in the management of the City's funds. The Investment Advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and with the State Securities Board. To be eligible for consideration, an Investment Advisor shall demonstrate knowledge of and experience in the management of public funds. The Investment Advisors qualifications will be checked by all appropriate means, including reference checks with the Advisor's other clients, the State Securities Board and the Securities and Exchange Commission. An appointed Investment Advisor shall act within the guidelines of this Investment Policy while transacting business on behalf of the City.

1. Appointment of an Investment Advisor shall otherwise be according to the City's normal purchasing procedures for selecting professional services. Appointment may not exceed a term of two years. A renewal or extension of the contract must be made by City Commission resolution.
2. The City may not purchase any securities from the Investment Advisor, or a parent or other affiliated company of the Investment Advisor.
3. The Investment Advisor is prohibited from making soft-dollar arrangements of any kind.

Authorized Brokers/Dealers (continued)

4. All contracted Investment Advisors shall report book value and market value of investment holdings, the total investment return, and such other information requested by the Director of Finance as often as requested by the Director.

Depository

At least every five (5) years a Depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid and evaluation of bids will be based on the following selection criteria:

1. The ability to qualify as a depository for public funds in accordance with state and local laws.
2. The ability to provide requested information or financial statements for the period specified.
3. The ability to meet all requirements in the banking RFP.
4. Complete response to all required items on the bid form.
5. Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
6. The credit worthiness and financial stability of the bank.

The bank depository contract is subject to City Commission approval.

Competitive Bids

Investment transactions will normally be conducted based on comparison of a minimum of three (3) quotes obtained from any of the approved brokers with attention to yield as well as diversification with regard to issuing entity and broker/dealer. Limitations of time and supply may provide otherwise. Security transactions that may be purchased without competitive offers include: a) transactions with money market mutual funds; b) local government investment pools and c) new securities still in syndicate priced at par.

Delivery vs. Payment

All security transactions, including collateral for repurchase agreements *but excluding investment pool and mutual funds*, entered into by the City, shall be conducted on a delivery versus payment (DVP) basis.

VII. SAFEKEEPING AND CUSTODY

Safekeeping Agreement

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure demand or time deposits.

Safekeeping and Custody

Safekeeping and custody of securities and collateral shall be in accordance with state law. Securities and collateral will be held by a third party custodian designated by the Investment Officer and held in the City's name as evidenced by safekeeping receipts of the institution with which the securities are deposited. Original safekeeping receipts shall be obtained.

Collateralization

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all investments and funds on deposit with a depository bank, other than investments, which are obligations of the U.S. Government, its agencies and instrumentalities, and government sponsored enterprises. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on deposits or investments less than an amount insured by the FDIC.

Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained.

The right of collateral substitution is granted.

VIII. INVESTMENT PARAMETERS

Maximum Maturities

To the extent possible, the City of Texas City, will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase. Additionally, the City will maintain a dollar-weighted average maturity of two (2) years or less.

Diversification

It is the intent of the City to diversify the investment instruments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. The asset allocation in the portfolio should be flexible depending on the outlook for the economy and securities market. If conditions warrant, the guidelines below may be exceeded by approval of the Mayor.

- 1. U.S. Treasury Securities 100%
- 2. Agencies and Instrumentalities 75%
- 3. Certificates of Deposit 100%
- 4. Money Market Mutual Funds..... 30%
- 5. Repurchase Agreements..... 20%
- 6. Commercial Paper 20%
- 7. Authorized Pools 70%

IX. REPORTING

Not less than quarterly and within a reasonable time after the end of the period reported, the Investment Officer should prepare and submit to the City Commission a written report of the investment transactions for all funds of the City for the preceding reporting period. The report must:

- 1. Describe in detail the investment position of the City on the date of the report.
- 2. Contain a summary statement of each pooled fund group that states the beginning market value for the reporting period and additions and changes to the market value for the period.
- 3. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
- 4. State the maturity date of each separately invested asset that has a maturity date.

5. State the pooled group fund in the City for which each individual investment was acquired.
6. The quarterly report will be prepared jointly by all investment officers and be signed by all investment officers.
7. State all accrued interest payable.
8. State the compliance of the investment portfolio as it relates to this policy and the Public Funds Investment Act (PFIA).

Marking to Market

The market values of the City's investments shall be obtained from a reliable outside source, which has access to investment market values.

X. PERFORMANCE STANDARDS

Performance Standards

The investment policy shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs.

Performance Benchmark

The City of Texas City, Texas investment strategy is passive. Given this strategy, the benchmark to be used by the Investment Officer to determine whether market yields are being achieved shall be the average closing yield during the reporting period comparable to the portfolios dollar-weighted average maturity in days.

XI. POLICY ADOPTION

Annual Review and Adoption of Investment Policy

The City Commission shall adopt the City's investment policy. The Director of Finance and City Commission shall review the policy and investment strategies on an annual basis. The City Commission must approve any changes.

GLOSSARY

-A-

Accrued Interest – The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency – A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization – The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Asked – The price at which securities are offered.

Average Life – The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund features is expected to be outstanding.

-B-

Basis Point – A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., “1/4” of 1 percent is equal to 25 basis points.

Bid – The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value – The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security’s current value in the market.

Broker – A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

-C-

Callable Bond – A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

-C- (continued)

Call Price – The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk – The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase – A transaction that calls for delivery and payment of securities on the same day the transaction is initiated.

Certificate of Deposit (CD) – A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typical negotiable.

Collateralization – Process by which a borrower pledges securities, property, or other deposits for the purposes of securing the repayment of a loan and/or security.

Commercial Paper – An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Comprehensive Annual Financial Report (CAFR) – The official annual report for the City of Texas City. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Convexity – A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate – The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. It is also known as the interest rate.

Credit Quality – The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

-D-

Dealer – A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Delivery Versus Payment (DVP) – A type of security transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Derivative Security – Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Discount – The amount by which the par value of a security exceeds the price paid for the security.

Discount Securities – Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

Diversification – A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration – A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

-F-

Fair Value – The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds) – Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered immediately available funds.

Federal Funds Rate – Interest rate charged by one institution lending federal funds to the other.

-F- (continued)

Federal Credit Agencies – Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC) – A federal agency that insures bank deposits, currently up to \$250,000 per depository account.

Federal Home Loan Banks (FHLB) – The institutions that regulates and lend to savings and loans associations. The Federal Home Loan Banks play a role similar to that played by the Federal Reserve Banks versus member commercial banks.

Federal National Mortgage Association (FNMA) – FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC) – Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System – The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Financial Industry Regulatory Authority (FINRA) – A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

-G-

Government Securities – An obligation of the U.S. Government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See “Treasury Bills, Notes, and Bonds”.

-I-

Interest Rate – See “Coupon Rate”.

Interest Rate Risk – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls – An internal control structure designated to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

- **Control of collusion** – Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- **Separation of transaction authority from accounting and record keeping** – By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- **Custodial safekeeping** – Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.

Inverted Yield Curve – A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 – Federal legislation that sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy – A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

-I- (continued)

Investment-grade Obligations – An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

-L-

Liquidity – A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.

Local Government Investment Pool (LGIP) – An investment by local governments in which their money is pooled as a method for managing local funds.

-M-

Mark-to-Market – The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk – The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value – Current market price of a security.

Maturity – The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See “Weighted Average Maturity”.

Money Market – The market in which short-term debt instruments (bills, commercial paper, banker’s acceptances, etc.) are issued and traded.

Money Market Mutual Fund – Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury Bills, commercial paper, bankers’ acceptances, repos and federal funds).

Mutual Fund – An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940.

-N-

Net Asset Value – The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets that includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below). $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

No Load Fund – A mutual fund that does not levy a sales charge on the purchase of its shares.

Nominal Yield – The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the “coupon”, “coupon rate”, or “interest rate”.

-O-

Offer – An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the “Ask price”.

-P-

Par – Face value or principal value of a bond, typically \$1,000 per bond.

Portfolio – Collection of securities held by an investor.

Positive Yield Curve – A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium – The amount by which the price paid for a security exceeds the security's par value.

Prime Rate – A preferred interest rate change charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal – The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus – A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain financial statements.

-P- (continued)

Prudent Person Rule – An investment standard outlining the fiduciary responsibilities of public investors relating to investment practices.

-Q-

Qualified Public Depositories – A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

-R-

Rate Of Return – The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

Reinvestment Risk – The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (repo or RP) – An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse repo) – An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act – Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

-S-

Safekeeping – Holding of assets (e.g., securities) by a financial institution.

Secondary Market – A market made for the purchase and sale of outstanding issues following the initial distribution.

-S- (continued)

Securities & Exchange Commission – Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Serial Bond – A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund – Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Swap – Trading one asset for another.

-T-

Term Bond – Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return – The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

Treasury Bills – Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three and six month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Bonds – Marketable, fixed-interest U.S. government debt securities with maturities of more than ten years and issued in minimum denominations of \$1,000. Treasury bonds make interest payments semi-annually and the income that holders receive is only taxed at the federal level.

Treasury Notes – Marketable, U.S. government debt securities with fixed interest rates and maturities between 1 to 10 years. Treasury notes can be bought either directly from the U.S. government or through banks.

-U-

Uniform Net Capital Rule – SEC Rule 15C3-1 – Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1: also called net capital rule and net capital ratio. Indebtedness covers all money owned to a firm, including margin loans and commitments to purchase securities. This is one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

-V-

Volatility – A degree of fluctuation in the price and valuation of securities.

Volatility Risk Rating – A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns (“aaa” by S&P; “V-1” by Fitch) to those that are highly sensitive with currently identifiable market volatility risk (“ccc” by S&P; “V-10” by Fitch).

-W-

Weighted Average Maturity (WAM) – The average maturity of all the securities that comprise a portfolio. According to the SEC Rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

When Issued (WI) – A conditional transaction in which an authorized new security has not been issued. All “when issued” transactions are settled when the actual security is issued.

-Y-

Yield – The current rate of return on an investment security generally expressed as a percentage of the security’s current price.

Yield-to-call (YTC) – The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve – A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

-Y- (continued)

Yield-to-maturity – The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

-Z-

Zero-coupon Securities – Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of gradual accretion of the principal of the security and is payable at par upon maturity.

ATTACHMENT A
CITY OF TEXAS CITY, TEXAS
BROKER/DEALER QUESTIONNAIRE AND CERTIFICATION

Name of Firm: _____

Address: _____

Telephone: _____

Fax: _____

Years Established: _____

Number of Employees: _____

PRIMARY REPRESENTATIVE/MANAGER/PARTNER-IN-CHARGE:

Primary Representative(s):

Name: _____

Name: _____

Title: _____

Title: _____

Telephone: _____

Telephone: _____

Fax: _____

Fax: _____

Email: _____

Email: _____

Manager/Partner-in-Charge:

Name: _____

Name: _____

Title: _____

Title: _____

Telephone: _____

Telephone: _____

Fax: _____

Fax: _____

Email: _____

Email: _____

Note: If a question does not apply to your organization, please place an "N/A" as your answer, so that it is not left blank.

1. Are you a primary dealer in U.S. Government Securities? Yes No

If yes, for how long has your firm been a primary dealer? Years

2. What was your firm's total volume in U.S. Government and Agency Securities last year?

Firm Wide \$
(Securities purchase and sold only)

Transactions

Local Office \$
(Including repurchase Agreements)

Transactions

3. Which instruments are offered regularly by your local desk?

- | | | |
|---|---|--|
| <input type="checkbox"/> T-Bills | <input type="checkbox"/> S and L CDs | <input type="checkbox"/> Instrumentality's |
| <input type="checkbox"/> Treasury | <input type="checkbox"/> BAs (Domestic) | <input type="checkbox"/> Commercial Paper |
| <input type="checkbox"/> Notes/Bonds | <input type="checkbox"/> BAs (Foreign) | <input type="checkbox"/> Other (Specify) |
| <input type="checkbox"/> Agencies (Specify) | <input type="checkbox"/> Bank CDs | |

4. Identify the personnel who will be trading with or quoting securities to our government's employees. (Please attach resumes for each person)

Name: _____

Name: _____

Title: _____

Title: _____

Telephone: _____

Telephone: _____

Fax: _____

Fax: _____

CRD Number: _____

CRD Number: _____

Number of Years with Firm: _____

Number of Years with Firm: _____

Email: _____

Email: _____

5. Have any or your clients ever sustained a loss on a securities transaction arising from a misunderstanding or misrepresentation of the risk characteristics of the instrument?

- Yes No

If yes, please explain below:

6. Has your firm or any of your employees ever been subject to a regulator or state/federal agency investigation for alleged improper, fraudulent, disputable or unfair activities related to the sale of securities?

Yes No

If yes, please explain below:

7. How many and what percentage of your transactions failed:

Last Month? %

Last Year? %

8. Please explain your normal custody and delivery process. Who audits these fiduciary systems?

9. Will you provide a faxed and/or electronic copy of the trade ticket, no later than one business day after the trade is made?

Yes No

The following information needs to be included:

- a. Security Type and Cusip Number
- b. Issue Date, Maturity Date, Settlement Date, Trade Date, Call Date, Pay Date
- c. Risk Class, Risk Factor
- d. Rating
- e. Coupon Rate
- f. Par Value and Price

10. Does your firm consistently comply with the Federal Reserve Bank's capital adequacy guideline?

Yes No

By what factor (1.5x, 2x, etc.) does your firm presently exceed the capital adequacy guidelines measure of risk?

INCLUDE certified documentation of your capital adequacy as measured by Federal Reserve standards.

11. Please provide audited financial statements for the most current year and other indicators regarding your firm's capitalization. Audited Financial Statements enclosed?

Yes No

12. Please provide the following: (Note: Do not answer with "see financial report" as that will be construed as an unanswered question.)

a. Debt/Equity

b. Assets (in Millions)

c. Net Capital (in Millions)

d. Volume of Security Transactions (in Millions)

e. Total Liabilities (in Millions)

f. Total Stockholders' Equity (in Millions)

13. Are you representing a parent corporation or a subsidiary of another corporation?

Yes No

If yes, please furnish audited financial statements on your parent corporation as well as your subsidiary. Audited financial statements enclosed?

Yes No

14. Describe the precautions taken by your firm to protect the interest of the public when dealing with government agencies as investors.

15. Provide a description of the Capital line and trading limits that support/limit the office that would conduct business with our government.

16. ATTACH a copy of your National Association of Securities Dealers Registration.

17. ATTACH a copy of your State of Texas Securities Commission Registration.

18. Do you participate in the Securities Investors Protection Corporation (S.I.P.C.)?

Yes No

If no, please explain below:

19. Enclose a complete schedule of fees and charges for various transactions. Schedule of fees and charges enclosed?

Yes No

20. Do you give perfected security interest in securities under repurchase agreements?

Yes No

21. Please identify (at least five for each trader you include in this questionnaire and certification) your most directly comparable public sector clients preferably in our geographical area.

Trader Name:

	Entity	Contact Person	Telephone	Client Since
1.				
2.				
3.				
4.				
5.				

Trader Name:

	Entity	Contact Person	Telephone	Client Since
1.				
2.				
3.				
4.				
5.				

Broker/Dealers are evaluated by the answers given on this questionnaire. Be sure to complete each question to your fullest ability and return the request by the due date in order for your company to be considered.

The City's Investment Policy has been included in the packet. The representative assigned to the account must acknowledge that they have received, read and understand the Policy by signing the Texas Public Funds Investment Act Certification by Dealer Form included in the packet.

Checklist:

- Certified documentation of your capital adequacy enclosed.
- Audited financial statement enclosed.
- Copy of your National Association of Securities Dealer Registration enclosed.
- Copy of your State of Texas Securities Commission Registration enclosed.
- Schedule of fees and charges enclosed.

ATTACHMENT B

**City of Texas City, Texas
Texas Public Funds Investment Act
Certification by Dealer**

This certification is executed on behalf of _____
(the Investor) and _____(the Dealer) pursuant
to the Public Funds Investment Act, Chapter 2256, Government Code, Texas Codes
Annotated (the Act) in connection with investment transactions conducted between the
Investor and Dealer.

The undersigned Qualified Representative of the Dealer hereby certifies on behalf of the
Dealer that:

1. The Dealer Qualified Representative is duly authorized to execute this Certification
on behalf of the Dealer, and
2. The Dealer Qualified Representative has received and reviewed the Investment Policy
furnished by the Investor, and
3. The Dealer has implemented reasonable procedures and controls in an effort to
preclude investment transactions conducted between the Dealer and the Investor
that are not authorized by the entity's investment policy, except to the extent that this
authorization is dependent on an analysis of the makeup of the entity's entire
portfolio or requires an interpretation of subjective investment standards.

Dealer Qualified Representative

Signature

Name (Printed)

Title

Date

Attachment C

RECOMMENDED SPONSORS OF INVESTMENT TRAINING

- Government Finance Officers Association of Texas (GFOAT)
- Government Treasurers Association of Texas (GTOT)
- Texas Municipal League (TML)
- University of North Texas (UNT)
- State of Texas

ATTACHMENT D
CITY OF TEXAS CITY, TEXAS
QUALIFIED BROKERS/DEALERS

Hilltop Securities
A Hilltop Holdings Company
3 Riverway, Suite 1400
Houston, TX 77056
Phone: 832-681-4601
Stuart Ford
Erle Hoppe

Merrill Lynch
2100 Ross Avenue, Suite 1100
Dallas, Texas 75201
Phone: 800-574-1610

Wells Fargo Advisors
2700 Post Oak Blvd., Ste. 800
Houston, Texas 77056
Phone: 713-599-6700

SWBC Investment Services, LLC
15106 Cranbourne
Houston, Texas 77062
Phone: 281-851-6508
Paul Grover

CITY COMMISSION REGULAR MTG

(6) (c)

Meeting Date: 09/19/2018

Donation of surplus police vehicle

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 18-097, authorizing the donation of a surplus police vehicle to Hitchcock I.S.D. Police Department. (Finance)

BACKGROUND

Vehicle to be donated is a 2006 Ford Expedition with over 100,000 miles. Hitchcock I.S.D. police department is in need of a vehicle.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG

(6) (d)

Meeting Date: 09/19/2018

Submitted For: Nick Finan, Management Services

Submitted By: Rhomari Jackson-Glover, City Secretary

Department: Management Services

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 18-098, denying Texas New Mexico Powers's original request for a rate increase by October 2nd. (Management Services)

BACKGROUND

The City is a member of a coalition of cities known as Gulf Coast Coalition of Cities and for the rate case submitted as Cities Served by Texas-New Mexico Power Company ("TNMP Cities").

On May 30, 2018, Texas-New Mexico Power Company ("TNMP" or "Company") filed an application to change rates with cities retaining original jurisdiction. In the filing, the Company sought to increase system-wide transmission and distribution rates by \$33.3 million, or approximately 16.6% over present revenues. This equated to a 23.4% increase in residential rates and a 11.8% increase in street lighting rates. If approved, monthly rates would increase by approximately \$12.21 for an average residential customer. The City of Texas City took action to delay the implementation until the request could be reviewed.

In May, TNMP Cities engaged the services of two consultants, Mr. Lane Kollen and Mr. Richard Baudino, to review the Company's filing. The consultants identified numerous unreasonable expenses and proposed significant reductions to the Company's request. Through negotiations, a settlement has been reached verbally, however, there is not enough time to put it in print and get to the appropriate cities to ratify prior to the review period expiring. So, we must deny the original request. Accordingly, the TNMP Cities' attorneys recommend that all members adopt the Resolution denying the rate change. Once the Resolution is adopted, TNMP will have 30 days to appeal the decision to the Public Utility Commission of Texas where the appeal will be consolidated with TNMP's filing (i.e., PUC Docket No. 48401) currently pending at the Commission.

Under the pending settlement between parties (including TNMP Cities) and TNMP, the Company's request is substantially reduced.

Under the proposed settlement, the Company would be permitted a \$10 million increase, or approximately a 6.6% increase in its revenues. This would result in a 9.9% increase to residential rates and no increase to street lighting rates. However, that settlement remains in the process of being finalized. The requested Council action is therefore denial of TNMP's original, \$33.3 million proposed increase.

Under the law, cities with original jurisdiction over this matter have 125 days from the initial filing to take final action on the application. As such, all cities with original jurisdiction will need to adopt this resolution no later than October 2, 2018. The City of Texas City would not have enough time before our next meeting on Oct. 3 to approve.

The the resolution also explains, the Company will reimburse the TNMP Cities for their reasonable rate case expenses. Legal counsel and consultants approved by the TNMP Cities will submit monthly invoices that will be forwarded to TNMP for reimbursement.

ANALYSIS

ALTERNATIVES CONSIDERED

	Fiscal Impact
	Attachments
Resolution	
Attachment	

RESOLUTION NO. 18-098

A RESOLUTION OF THE CITY OF TEXAS CITY, TEXAS, FINDING THAT TEXAS - NEW MEXICO POWER COMPANY'S ("TNMP") APPLICATION TO CHANGE RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City of Texas City, Texas ("City") is an electric utility customer of Texas-New Mexico Power Company ("TNMP" or "Company"), and a regulatory authority with an interest in the rates and charges of TNMP; and

WHEREAS, the City is a member of Cities Served by Texas-New Mexico Power Company ("TNMP Cities"), a coalition of similarly situated cities served by TNMP that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in TNMP's service area; and

WHEREAS, on or about May 30, 2018, TNMP filed with the City an application to increase system-wide transmission and distribution rates by \$33.3 million or approximately 16.6% over present revenues. The Company asks the City to approve a 23.4% increase in residential rates and a 11.8% increase in street lighting rates; and

WHEREAS, the TNMP Cities is coordinating its review of TNMP's application and working with the designated attorneys and consultants to resolve issues in the Company's filing; and

WHEREAS, through review of the application, the TNMP Cities' consultants determined that TNMP's proposed rates are excessive; and

WHEREAS, TNMP Cities' members and attorneys recommend that members deny TNMP's application.

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

SECTION 1: That the rates proposed by TNMP to be recovered through its electric rates charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

SECTION 2: That the Company shall continue to charge its existing rates to customers within the City.

SECTION 3: That the City's reasonable rate case expenses shall be reimbursed in full by TNMP within 30 days of the adoption of this Resolution.

SECTION 4: That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

SECTION 5: That a copy of this Resolution shall be sent to TNMP, care of Scott Seamster, Associate General Counsel, 577 N. Garden Ridge Blvd., Lewisville, TX 75067 and to Chris Brewster, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, TX 78767-1725, or cbrewster@lglawfirm.com.

PASSED AND APPROVED this 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

MODEL STAFF REPORT REGARDING TNMP'S APPLICATION TO CHANGE RATES FILING

The City is a member of a coalition of cities known as Cities Served by Texas-New Mexico Power Company ("TNMP Cities"). TNMP Cities have been an important interest advocating before the Public Utility Commission and the Courts on electric utility regulation matters for a number of years.

On May 30, 2018, Texas-New Mexico Power Company ("TNMP" or "Company") filed an application to change rates with cities retaining original jurisdiction. In the filing, the Company sought to increase system-wide transmission and distribution rates by \$33.3 million, or approximately 16.6% over present revenues. This equated to a 23.4% increase in residential rates and a 11.8% increase in street lighting rates. If approved, monthly rates would increase by approximately \$12.21 for an average residential customer.

In May, TNMP Cities engaged the services of two consultants, Mr. Lane Kollen and Mr. Richard Baudino, to review the Company's filing. The consultants identified numerous unreasonable expenses and proposed significant reductions to the Company's request. Accordingly, the TNMP Cities' attorneys recommend that all members adopt the Resolution denying the rate change. Once the Resolution is adopted, TNMP will have 30 days to appeal the decision to the Public Utility Commission of Texas where the appeal will be consolidated with TNMP's filing (i.e., PUC Docket No. 48401) currently pending at the Commission.

Under a pending settlement between parties (including TNMP Cities) and TNMP, the Company's request is substantially reduced. Under the proposed settlement, the Company would be permitted a \$10 million increase, or approximately a 6.6% increase in its revenues. This would result in a 9.9% increase to residential rates and no increase to street lighting rates. However, that settlement remains in the process of being finalized. The requested Council action is therefore denial of TNMP's original, \$33.3 million proposed increase.

Under the law, cities with original jurisdiction over this matter have 125 days from the initial filing to take final action on the application. As such, all cities with original jurisdiction will need to adopt this resolution no later than October 2, 2018.

Purpose of the Resolution:

The purpose of the Resolution is to deny the rate application proposed by TNMP.

Explanation of "Be It Ordained" Sections:

1. This paragraph finds that the Company's application is unreasonable and should be denied.
2. This section states that the Company's current rates shall not be changed.

3. The Company will reimburse the TNMP Cities for their reasonable rate case expenses. Legal counsel and consultants approved by the TNMP Cities will submit monthly invoices that will be forwarded to TNMP for reimbursement.

4. This section merely recites that the resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.

5. This section provides TNMP and counsel for the cities will be notified of the City's action by sending a copy of the approved and signed resolution to counsel.

CITY COMMISSION REGULAR MTG

Ord 13-52

Meeting Date: 09/19/2018

Amend the fiscal year 2017/2018 budget

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider approval of a request to amend the fiscal year 2017-2018 budget.

BACKGROUND

With the increase in utility fund revenues from reduction of expenses and 2017 rate adjustments, the Utility Fund is in the financial position to be able to pay back some of what has been borrowed from the General Fund over the last few years. A budget amendment is required for this payment of \$1,000,000.00.

This is the second \$1,000,000.00 payment from the Utility Fund this fiscal year.

ANALYSIS

Budget Amendment:

Utility Fund-Fund 501

Water/Sewer Fund reduce payable to General Fund by \$1,000,000.00

General Fund-Fund 101

Interfund Receivable with Utility Fund reduced by \$1,000,000.00

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Ordinance

ORDINANCE NO. 18-21

AN ORDINANCE AMENDING ORDINANCE NO. 17-26, AMENDING THE CITY OF TEXAS CITY'S 2017- 2018 FISCAL YEAR BUDGET TO APPROPRIATE FUNDS FROM THE REDUCTION OF INTERFUND BALANCE BETWEEN THE UTILITY FUND AND THE GENERAL FUND; DIRECTING THE CHIEF EXECUTIVE OFFICER TO FILE OR CAUSE TO BE FILED A COPY OF THE BUDGET AMENDMENT IN THE OFFICE OF THE GALVESTON COUNTY CLERK; DISPENSING WITH THE REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, by Ordinance No. 17-26 the City Commission of the City of Texas City, Texas, adopted its budget for Fiscal Year 2017- 2018; and

WHEREAS, a budget amendment is needed to appropriate funds for the reduction of the interfund balance between the Utility Fund and the General Fund; and

WHEREAS, this is the second payment of \$1,000,000.00 from the Utility Fund this fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

SECTION 2: That the budget for Fiscal Year 2017- 2018 of the City of Texas City, Texas, is hereby amended as follows:

Utility Fund- Fund 501:

Water/ Sewer Fund reduce payable General Fund: \$1,000,000.00

General Fund- Fund 101:

Interfund Receivable with Utility Fund Reduced: \$1,000,000.00

SECTION 3: That the chief executive officer shall file or cause to be filed a copy of this budget amendment in the office of the Galveston County Clerk.

SECTION 4: That the Charter requirement for reading this Ordinance on three (3) separate days has been dispensed by a majority vote of all members of the City Commission.

SECTION 5: That this Ordinance shall be finally passed and adopted on the date of its introduction and shall become effective from and after its passage and adoption.

PASSED AND ADOPTED this 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

Ord 13-52

Meeting Date: 09/19/2018

Amend the fiscal year 2017/2018 budget

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider approval of a request to amend the fiscal year 2017-2018 budget.

BACKGROUND

A budget amendment is needed to transfer funds from the General Fund (fund 101) to the Capital Equipment Replacement Fund (fund 602). These two funds work together for the purchase of capital equipment and machinery. Each Fund 101 department needing capital equipment purchases that equipment through Fund 602 and then makes annual payments from their General Fund budget so that when the equipment needs to be replaced, funds are available for that purpose. A few years ago the General Fund departments only paid a portion of their annual fees to Fund 602. This amendment of \$1,000,000.00 is needed to help make up for what was not contributed in those years.

Funds will come from the General Fund's unassigned fund balance. This is the second \$1,000,000 transfer this fiscal year.

ANALYSIS

Budget Amendment:

General Fund-Fund 101

Transfer to Other Funds increase of \$1,000,000.00

Capital Equipment Replacement Fund-Fund 602

Transfer from General Fund increase of \$1,000,000.00

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Resolution

ORDINANCE NO. 18-22

AN ORDINANCE AMENDING ORDINANCE NO. 17-26, AMENDING THE 2017- 2018 FISCAL YEAR BUDGET TO TRANSFER FUNDS FROM THE GENERAL FUND TO THE CAPITAL EQUIPMENT REPLACEMENT FUND; DIRECTING THE CHIEF EXECUTIVE OFFICER TO FILE OR CAUSE TO BE FILED A COPY OF THE AMENDED BUDGET IN THE OFFICE OF THE GALVESTON COUNTY CLERK; DISPENSING WITH THE REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, by Ordinance No. 17-26, the City Commission of the City of Texas City, Texas, adopted its budget for Fiscal Year 2017- 2018; and

WHEREAS, a budget amendment is needed to transfer funds from the General Fund to the Capital Equipment Replacement Fund.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

SECTION 2: That the budget for Fiscal Year 2017- 2018 of the City of Texas City, Texas, is hereby amended as follows:

Utility Fund- Fund 501:

Transfer to Other Funds increase of: \$1,000,000.00

Capital Equipment Replacement Fund- Fund 602:

Transfer from General Fund increase of: \$1,000,000.00

SECTION 3: That the chief executive officer shall file or cause to be filed a copy of this budget amendment in the office of the Galveston County Clerk.

SECTION 4: That the Charter requirement for reading this Ordinance on three (3) separate days has been dispensed by a majority vote of all members of the City Commission.

SECTION 5: That this Ordinance shall be finally passed and adopted on the date of its introduction and shall become effective from and after its passage and adoption.

PASSED AND ADOPTED this 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

Ord 13-47

Meeting Date: 09/19/2018

Ordinance Issuing 2018 Certificates of Obligation

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Adopt an Ordinance authorizing the issuance of the City of Texas City, Certificates of Obligation, Series 2018. (Finance)

BACKGROUND

The Certificates of Obligations are to be used for all or any part of the costs associated with construction and rehabilitation of City water and sewer systems. The amount, interest rates, and who the Certificates will be awarded to will not be known until the date of the commission meeting. This information will be provided at the City Commission meeting that evening.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Ordinance

ORDINANCE NO. 18-23

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF TEXAS CITY, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018; DIRECTING THE CHIEF EXECUTIVE OFFICER TO FILE OR CAUSE TO BE FILED A COPY OF THE BUDGET AMENDMENT IN THE OFFICE OF THE GALVESTON COUNTY CLERK; DISPENSING WITH THE REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City Commission of the City of Texas City, Texas (the “City”), authorized the publication of a notice of intention to issue certificates of obligation to the effect that the City Commission would tentatively meet on September 19, 2018, to adopt an ordinance and take such other action as may be deemed necessary to authorize the issuance of certificates of obligation (the “Certificates”) payable from City ad valorem taxes and from a limited pledge of a subordinate lien on the net revenues of the City’s waterworks and sanitary sewer system, collected by the City, for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with (i) the construction and rehabilitation of City water and sewer systems and related street repairs; and (ii) to pay the costs associated with the issuance of the Certificates; and

WHEREAS, such notice was published at the times and in the manner required by the Constitution and laws of the State of Texas and of the United States of America, respectively, particularly Subchapter C of Chapter 271, Texas Local Government Code; and

WHEREAS, approval of the issuance of the Certificates did not appear on the September 5, 2018 regular meeting agenda and therefore was postponed until the City Commission’s next regular meeting on September 19, 2018; and

WHEREAS, Section 271.047(d), Texas Local Government Code provides that the City may not authorize the issuance of the Certificates if a bond proposition to authorize the issuance of bonds for the same purpose was submitted to the voters during the preceding three years and failed to be approved; and

WHEREAS, the City Commission hereby finds that no such bond proposition was submitted to the voters of the City during the preceding three years; and

WHEREAS, no petition or other request has been filed with or presented to any official of the City requesting that any of the proceedings authorizing the Certificates be submitted to a referendum or other election.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY:

SECTION 1: Recitals. It is hereby found and determined that the matters and facts set out in the preamble to this Ordinance are true and correct.

SECTION 2: Definitions. Throughout this ordinance the following terms and expressions as used herein shall have the meanings set forth below:

“Act” means Subchapter C of Chapter 271, Texas Local Government Code.

“Business Day” means any day which is not a Saturday, Sunday, a day on which the Registrar is authorized by law or executive order to close, or a legal holiday.

“Certificate” or “Certificates” means the City of Texas City, Texas, Certificates of Obligation, Series 2018 authorized in this Ordinance, unless the context clearly indicates otherwise.

“City” means the City of Texas City, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Certificates.

“Code” means the Internal Revenue Code of 1986, as amended.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Interest and Sinking Fund” means the interest and sinking fund for payment of the Certificates established by the City in Section 20 of this Ordinance.

“Interest Payment Date”, when used in connection with any Certificate, means February 15, 2019, and each August 15 and February 15 thereafter until maturity or earlier redemption.

“Initial Certificate” means the Initial Certificate authorized by Section 6(d).

“Initial Purchaser” means _____.

“Issuance Date”, with respect to the Initial Certificate delivered to the Initial Purchaser, means the date on which the Initial Certificate is delivered to and paid for by the Initial Purchaser. Certificates delivered on transfer of or in exchange for other certificates shall bear the same Issuance Date as the Certificate or Certificates in lieu of or in exchange for which the new Certificate is delivered.

“Official Bid Form” means the bid form executed by the Initial Purchaser and the District as further described in Section 24.

“Ordinance” as used herein and in the Certificates means this ordinance authorizing the Certificates.

“Owner” means any person who shall be the registered owner of any outstanding Certificate.

“Record Date” means, for any Interest Payment Date, the close of business on the last business day of the month preceding such Interest Payment Date.

“Register” means the books of registration kept by the Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

“Registrar” means the Paying Agent/Registrar, The Bank of New York Mellon Trust Company, N.A., and its successors in that capacity.

SECTION 3: Authorization. The Certificates shall be issued pursuant to the Act in fully registered form, without coupons, in the total authorized principal amount of [\$_____] for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with (i) the construction and rehabilitation of City water and sewer systems and related street repairs; and (ii) to pay the costs associated with the issuance of the Certificates.

SECTION 4: Designation, Date, and Interest Payment Dates. The Certificates shall be designated as the “CITY OF TEXAS CITY, TEXAS, CERTIFICATES OF OBLIGATION, SERIES 2018”, and shall be dated September 15, 2018. The Certificates shall bear interest at the rates set forth in Section 5 of this Ordinance from the later of Issuance Date, or the most recent Interest Payment Date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, interest payable on each Interest Payment Date.

SECTION 5: Initial Certificates; Numbers and Denominations. The Certificates shall be initially issued in the principal amounts and bearing interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Ordinance. The Certificates shall mature on February 15 in each of the years and in the amounts set out in such schedule. The Initial Certificate shall be numbered I-1 and all other Certificates shall be numbered in sequence beginning with R-1. Certificates delivered on transfer of or in exchange for other Certificates shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Certificate or Certificates in lieu of which they are delivered.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$	%
2020		
2021		
2022		
2023		
2024		

2025
2026
2027
2028

SECTION 6: Execution of Certificates; Seal. (a) The Certificates shall be signed on behalf of the City by the Mayor and countersigned by the City Secretary, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the City had been manually impressed upon each of the Certificates.

(b) If any officer of the City whose manual or facsimile signature shall appear on the Certificates shall cease to be such officer before the authentication of such Certificates or before the delivery of such Certificates, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Registrar's Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Registrar. In lieu of the executed Registrar's Authentication Certificate described above, the Initial Certificate delivered at the Closing Date shall have attached hereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the Initial Certificate, being a single certificate representing the entire principal amount of the Certificates, payable in stated installments to the Purchaser or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the City, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Purchaser or its designee. Upon payment for the Initial Certificate, the Registrar shall cancel the Initial Certificate and deliver definitive Certificates to DTC.

SECTION 7: Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Certificates pursuant to the Paying Agent/Registrar Agreement, which is hereby authorized and approved. The principal of the Certificates shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they become due and payable at the principal payment office of the Registrar in Dallas, Texas. The interest on each Certificate shall be payable by check payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register.

If the date for payment of the principal of or interest on any Certificate is not a Business Day, then the date for such payment shall be the next succeeding Business Day, with the same force and effect as if made on the original date payment was due.

SECTION 8: Successor Registrars. The City covenants that at all times while any Certificates are outstanding it will provide a commercial bank or trust company organized under the laws of the United States or any state and duly qualified and legally authorized to serve as Registrar for the Certificates. The City reserves the right to change the Registrar on not less than 60 days written notice to the Registrar, so long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Certificates. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

SECTION 9: Special Record Date. If interest on any Certificate is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

SECTION 10: Ownership; Unclaimed Principal and Interest. The City, the Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute Owner of such Certificate for the purpose of making payment of principal or interest on such Certificate, and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Certificate in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Certificate to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Certificates remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

SECTION 11: Registration, Transfer, and Exchange. So long as any Certificates remain outstanding, the Registrar shall keep the Register at its principal payment office in Dallas, Texas, and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Certificates in accordance with the terms of this Ordinance.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Registrar in Dallas, Texas, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Certificate in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three Business Days after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Certificate or Certificates so presented.

All Certificates shall be exchangeable upon presentation and surrender at the principal payment office of the Registrar in Dallas, Texas, for a Certificate or Certificates of like maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Certificate or Certificates presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Certificates in accordance with the provisions of this Section. Each Certificate delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such Certificate is delivered.

The City or the Registrar may require the Owner of any Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Certificate. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the City.

SECTION 12: Mutilated, Lost, or Stolen Certificates. Upon the presentation and surrender to the Registrar of a mutilated Certificate, the Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Certificate is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authorize and the Registrar shall authenticate and deliver a replacement Certificate of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The City or the Registrar may require the Owner of a mutilated Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection

therewith and any other expenses connected therewith, including the fees and expenses of the Registrar.

The City or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Certificate, before any replacement Certificate is issued, to:

- (1) furnish to the City and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Certificate;
- (2) furnish such security or indemnity as may be required by the Registrar and the City to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the City and the Registrar.

If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the City and the Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Certificate, authorize the Registrar to pay such Certificate.

Each replacement Certificate delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

SECTION 13: Cancellation of Certificates. All Certificates paid in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the City with appropriate certificates of destruction of such Certificates.

SECTION 14: Book-Entry System. (a) The Initial Certificate shall be registered in the name of the Initial Purchaser. Except as provided in Section 15 hereof, all other Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Certificates, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the

City and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute Owner of such Certificate for the purpose of payment of principal of and interest on the Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payments of principal, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the 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 of this Ordinance with respect to interest checks being mailed to the Owner of record as of the Record Date, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

SECTION 15: Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City in its sole discretion, determines that the beneficial owners of the Certificates shall be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts, as identified by DTC. In such event, the Certificates shall not longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

SECTION 16: Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificates are 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 Certificates, and all notices with respect to such Certificates, shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations.

SECTION 17: Optional and/or Mandatory Redemption. The Certificates are subject to optional and/or mandatory redemption as set forth in the Form of Certificate in this Ordinance.

Principal amounts may be redeemed only in integral multiples of \$5,000. If a Certificate subject to redemption is in a denomination larger than \$5,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Certificate for redemption in part, the Registrar, in accordance with Section 11 hereof, shall authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity, Issuance Date, and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

Notice of any redemption identifying the Certificates to be redeemed in whole or in part shall be given by the Registrar at least thirty days prior to the date fixed for redemption by sending written notice by first class mail, postage prepaid, to the Owner of each Certificate to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Certificates are to be surrendered for payment and, if less than all Certificates outstanding of a particular maturity are to be redeemed, the numbers of the Certificates or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Certificates or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Certificates have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Certificates or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Certificate or portion thereof called for redemption shall terminate on the date fixed for redemption.

The City reserves the right to redeem or defease the Certificates in any manner now or hereafter permitted by law.

SECTION 18: Forms. The form of the Certificates, including the form of Registration Certificate of the Comptroller of Public Accounts, which shall be attached or affixed to the Initial Certificate, the form of the Registrar's Authentication Certificate, and the form of Assignment, shall be, respectively, substantially as follows, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Ordinance, including any legend regarding bond insurance if such insurance is obtained by the Initial Purchaser:

- (a) Form of Certificate.

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF GALVESTON

REGISTERED
NUMBER

REGISTERED
DENOMINATION
\$ _____

CITY OF TEXAS CITY, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 2018

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
 February 15, 20__ September 15, 2018

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Texas City, Texas (the "City") promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Certificate at The Bank of New York Mellon Trust Company, N.A., (the "Registrar") at its principal payment office in Dallas, Texas, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of September 26, 2018, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Certificate is payable by check on each February 15 and August 15, beginning on February 15, 2019, mailed to the registered owner of record as of the close of business on the last business day of the month preceding each interest payment date.

THIS CERTIFICATE is one of a duly authorized issue of certificates of obligation, aggregating \$_____ (the "Certificates"), issued in accordance with the Constitution and laws of the State of Texas, particularly Subchapter C of Chapter 271, Texas Local Government Code, for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with (i) the construction and rehabilitation of City water and sewer systems and related street repairs; and (ii) to pay the costs associated with the issuance of the Certificates; and pursuant to an ordinance duly adopted by the City Commission of the City (the "Ordinance"), which Ordinance is of record in the official minutes of the City Commission.

THE CITY RESERVES THE RIGHT to redeem Certificates maturing on and after February 15, 2029, prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000, on February 15, 2028 or any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. Reference is made to the Ordinance for complete details concerning the manner of redeeming the Certificates.

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owner of each Certificate to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Certificates or portions thereof have been called for redemption, and

due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS CERTIFICATE is transferable only upon presentation and surrender at the principal payment office of the Registrar in Dallas, Texas, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE CERTIFICATES are exchangeable at the principal payment office of the Registrar in Dallas Texas, for Certificates in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Certificate, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified registrar for the Certificates and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City.

IT IS FURTHER certified, recited and represented that the revenues, in an amount not to exceed \$10,000 to be derived from the operation of the City's waterworks and sanitary sewer system, collected by the City, after the payment of all operation and maintenance expenses thereof (the "Net Revenues"), are pledged to the payment of the principal of and interest on the Certificates; provided, however, that such pledge is and shall be junior and subordinate in all respects to the pledge of the Net Revenues to the payment of all outstanding obligations of the City and any obligation of the City, whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Net Revenues, secured by a pledge of the Net Revenues that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of the Net Revenues securing the Certificates.

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

(AUTHENTICATION (SEAL) CITY OF TEXAS CITY, TEXAS
CERTIFICATE)

Mayor

City Secretary

(b) Form of Registration Certificate.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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 that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this _____.

(SEAL)

Comptroller of Public Accounts
of the State of Texas

(c) Form of Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate has been delivered pursuant to the Ordinance described in the text of this Certificate.

The Bank of New York Mellon Trust Company,
N.A.
As Paying Agent/Registrar

By:
Authorized Signature
Date of Authentication _____

(d) Form of Assignment.

ASSIGNMENT

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

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

(Please insert Social Security or Taxpayer Identification Number of Transferee)
the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

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

DATED:

Signature Guaranteed:

Registered Owner

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Certificate in every particular, without any alteration, enlargement or change whatsoever.

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

(e) The Initial Certificate shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Certificate, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As Shown Below" and the word "CUSIP" deleted;

(ii) in the first paragraph of the Certificate, the words "on the maturity date specified above" and "at the rate shown above" shall be deleted and the following shall be inserted at the end of the first sentence "..., with such principal to be paid in installments on February 15 in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:

[Information to be inserted from schedule in Section 5]

(iii) the Initial Certificate shall be numbered I-1.

SECTION 19: CUSIP Numbers; Bond Insurance. CUSIP Numbers may be printed on the Certificates, but errors or omissions in the printing of such numbers shall have no effect on

the validity of the Certificates. If bond insurance is obtained by the Purchaser, the Certificates may bear an appropriate legend as provided by the insurer.

SECTION 20: Interest and Sinking Fund; Tax Levy. There is hereby established a separate fund of the City to be known as the City of Texas City Certificates of Obligation, Series 2018 Interest and Sinking Fund (the "Interest and Sinking Fund"), which shall be kept separate and apart from all other funds of the City. The proceeds from all taxes levied, assessed and collected for and on account of the Certificates authorized by this Ordinance shall be deposited, as collected, in the Interest and Sinking Fund. While the Certificates or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other City taxes are assessed, levied and collected, in each year, an annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the City, sufficient to pay the current interest on the Certificates as the same becomes due and to provide and maintain a sinking fund of not less than two percent of the principal amount of the Certificates or the amount required to pay each installment of principal of the Certificates as the same matures, whichever is greater, full allowance being made for delinquencies and costs of collection, and said taxes are hereby irrevocably pledged to the payment of the interest on and principal of the Certificates.

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

SECTION 21: Pledge of Revenues. Pursuant to Chapter 1502, Texas Government Code, the revenues, in an amount not to exceed \$10,000, to be derived from the operation of the City's waterworks and sanitary sewer system, collected by the City, after the payment of all operation and maintenance expenses thereof (the "Net Revenues"), are hereby pledged to the payment of the principal of and interest on the Certificates as the same come due; provided, however, that such pledge is and shall be junior and subordinate in all respects to the pledge of the Net Revenues to the payment of all outstanding obligations of the City and any obligation of the City, whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The City reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Net Revenues, secured by a pledge of the Net Revenues that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Net Revenues securing the Certificates.

SECTION 22: Application of Chapter 1208, Government Code. Chapter 1208, Government Code, applies to the issuance of the Certificates and the pledge of the taxes and revenues granted by the City under Sections 20 and 21 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the taxes and revenues granted by the City under Sections 20 and 21 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such

measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 23: Further Proceedings. After the Initial Certificate has been executed, it shall be the duty of the Mayor and other appropriate officials and agents of the City to deliver the Initial Certificate and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Initial Certificate has been approved by the Attorney General, it shall be delivered to the Comptroller for registration. Upon registration of the Initial Certificate, the Comptroller (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

SECTION 24: Sale; Bid Form. The Certificates are hereby sold and shall be delivered to the Initial Purchaser at a price of par, plus a cash premium of [\$_____], in accordance with the terms of the Official Bid Form of even date herewith, presented to and hereby approved by the City Commission. It is hereby found and determined that the bid of the Initial Purchase was the best bid as a result of an invitation for competitive bids and the price and terms thereof are the most advantageous reasonably obtainable by the City. The Mayor and other appropriate officials of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Certificates.

SECTION 25: Covenants to Maintain Tax Exempt Status.

(a) **Definitions.** When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Issue Date” for each series or sub-series of the Certificates or other obligations of the City is the respective date on which such series or sub-series of the Certificates or other obligations of the City is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in Section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Certificates issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Certificates.

“Yield of”

(1) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

(2) the Certificates shall be computed in accordance with Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or omit to use Gross Proceeds of the Certificates or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times after the Issue Date of any Certificate and prior to the last stated maturity of the Certificates,

(i) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Certificates and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross

Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(ii) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the regulations and rulings relating to section 141 of the Code, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take or pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Certificates, directly or indirectly invest Gross Proceeds of the Certificates in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Certificates.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The City shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to the Certificates on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the City shall:

(i) account for all Gross Proceeds of the Certificates (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least nine years after the final Computation Date. The City may, however, to the extent permitted by

law, commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith,

(ii) calculate the Rebate Amount with respect to the Certificates not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least three years after the final Computation Date,

(iii) as additional consideration for the purchase of the Certificates by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder, and

(iv) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time after the Issue Date of the Certificates and prior to the earlier of the final stated maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

(j) Not Hedge Bonds. The City will not invest more than 50 percent of the Proceeds of the Certificates in Nonpurpose Investments having a guaranteed yield for four years or more. On the Issue Date, the City will reasonably expect that at least 85 percent of the Net Sale Proceeds of the Certificates will be used to carry out the governmental purpose of such series within three years after the Issue Date.

SECTION 26: Use of Proceeds. Proceeds from the sale of the Certificates shall, promptly upon receipt by the City, be applied as follows:

(a) Proceeds in the amount of \$_____ shall be used to pay cost of issuance.

(b) The remaining proceeds of the Certificates shall be used for the purposes described in Section 3 of this Ordinance. Any Certificate proceeds remaining after

accomplishing the purposes set out in Section 3 and paying costs of issuance, plus earnings on investments of such proceeds, shall be transferred to the Interest and Sinking Fund.

SECTION 28: Continuing Disclosure Undertaking. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(c) The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the Tables numbered 1 through 6 and 8 through 15 in the Official Statement authorized by Section 29 of this Ordinance and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Appendix B of the Official Statement or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the official statement, and (ii) audited, if the City 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 12 months after any fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to documents (i) available to the public on the MSRB’s internet web site or (ii) filed with the SEC. All filings shall be made electronically, in the format specified by the MSRB.

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

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (vii) Modifications to rights of holders of the Certificates, if material;
- (viii) Certificate calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For purposes of (xii), any event described in the preceding paragraph (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding Under States Bankruptcy Code or 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 City, 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 order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

All documents provided to the MSRB shall be accompanied by identifying information, as prescribed by the MSRB.

(e) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by this Section of any Certificate calls and defeasance that cause the City to be no longer such an “obligated person.”

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

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under the Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended to or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(f) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an Initial Purchaser to purchase or sell the 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 Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Registered Owners and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with 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. The City may also amend or repeal the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in any case only if and to the extent that the provisions of this sentence would not have prevented an Initial Purchaser from lawfully purchasing or selling Certificates in the primary offering of the Certificates, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.

SECTION 29: Official Statement. The City Commission hereby approves the form and content and distribution of the Notice of Sale and Preliminary Official Statement prepared in the initial offering and sale of the Certificates and hereby authorizes the preparation of a final Official Statement reflecting the terms of the sale and other relevant information. The use of such final Official Statement by the Initial Purchaser is hereby approved and authorized and the proper officials of the City are authorized to sign such Official Statement.

SECTION 30: Power to Revise Form of Documents. Notwithstanding any other provision of this Ordinance, the Mayor is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Ordinance and in the form of the documents attached hereto as exhibits as, in the judgment of the Mayor, and in the opinion of Bond Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Preliminary Official Statement, the final Official Statement, or as may be required for approval of the Certificates by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Certificates or such documents shall be subject to the prior approval of the City Commission.

SECTION 31: Related Matters. The Mayor, the City Manager, the City Secretary, the Finance Director, and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Ordinance.

SECTION 32: Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the City are hereby authorized to execute such agreement for and on behalf of the City.

SECTION 33: Personal Liability. No recourse shall be had for payment of the principal of or interest on any Certificates or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Certificates.

SECTION 34: Open Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

PASSED AND ADOPTED this 18th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

Ord 13-49

Meeting Date: 09/19/2018

Consider approval of a request to amend the City of Texas City fiscal year 2017-18 budget.

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider approval of a request to amend the City of Texas City's fiscal year 2017-2018 budget.

BACKGROUND

A budget amendment is needed for receipt of certificate of obligation proceeds and the appropriation of these funds for utility fund reimbursement to general fund for prior water and sewer projects and for partial funding of sewer line from northeast Texas City to the wastewater treatment plant.

ANALYSIS

Budget Amendment is as follows:

Cert. of Oblig. Series 2018 Construction Fund (Fund 412):

Sewer line Project Expense \$2,000,000.00

Certificates of Obligation Proceeds (\$2,000,000.00)

Utility Fund (Fund 501):

Interfund payable to General Fund reduced by \$8,000,000.00

General Fund (Fund 101):

Interfund receivable from Utility Fund reduced by \$8,000,000.00

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Ordinance

ORDINANCE NO. 18-24

AN ORDINANCE AMENDING ORDINANCE NO. 17-26, AMENDING THE CITY OF TEXAS CITY'S 2017- 2018 FISCAL YEAR BUDGET TO RECEIVE AND APPROPRIATE CERTIFICATES OF OBLIGATION PROCEEDS; DIRECTING THE CHIEF EXECUTIVE OFFICER TO FILE OR CAUSE TO BE FILED A COPY OF THE BUDGET AMENDMENT IN THE OFFICE OF THE GALVESTON COUNTY CLERK; DISPENSING WITH THE REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, by Ordinance No. 17-26 the City Commission of the City of Texas City, Texas, adopted its budget for Fiscal Year 2017- 2018; and

WHEREAS, a budget amendment is needed to appropriate funds for receipt of Certificate of Obligation proceeds and the appropriation of these funds for Utility Fund reimbursements to the General Fund. The fund were used for prior water and sewer projects and for partial funding of a sewer line being constructed from northeast Texas City to the wastewater treatment plant.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

SECTION 2: That the budget for Fiscal Year 2017- 2018 of the City of Texas City, Texas, is hereby amended as follows:

Cert. of Oblig. Series 2018 Construction Fund (Fund 412):

Sewer line Project Expense	\$2,000,000.00
Certificates of Obligation Proceeds	(\$2,000,000.00)

Utility Fund (Fund 501):

Interfund payable to General Fund reduced by	\$8,000,000.00
--	----------------

General Fund (Fund 101):

Interfund receivable from Utility Fund reduced by	\$8,000,000.00
---	----------------

SECTION 3: That the chief executive officer shall file or cause to be filed a copy of this budget amendment in the office of the Galveston County Clerk.

SECTION 4: That the Charter requirement for reading this Ordinance on three (3) separate days has been dispensed by a majority vote of all members of the City Commission.

SECTION 5: That this Ordinance shall be finally passed and adopted on the date of its introduction and shall become effective from and after its passage and adoption.

PASSED AND ADOPTED this 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

(7) (e)

Meeting Date: 09/19/2018

Amend fiscal year 2017-2018 budget

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Ordinance No. 18-25, amending the City's fiscal year 2017-2018 budget to appropriate funds from Texas City Economic Development Corporation to 2018 Construction Fund for sewer line project.

BACKGROUND

The City is constructing a sewer line from the northeast side of the city to the wastewater treatment plant. The total project cost is estimated at \$4.7 million. \$2 million will be funded from certificates of obligation and \$2.7 million will be funded by a transfer from Texas City Economic Development Corporation (TCEDC). TCEDC board approved this funding via Resolution 18-11 at their meeting on August 29, 2018.

ANALYSIS

The funding will come from TCEDC's unassigned fund balance.

Budget Amendment:

Texas City Economic Development Corporation (Fund 801):

Transfer to Construction Fund 2018 (Fund 412) \$2,700,000.00

Construction Fund 2018 (Fund 412):

Transfer from TCEDC \$2,700,000.00

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Ordinance

ORDINANCE NO. 18-25

AN ORDINANCE AMENDING ORDINANCE NO. 17-26, AMENDING THE CITY OF TEXAS CITY'S 2017 - 2018 FISCAL YEAR BUDGET TO APPROPRIATE FUNDS FROM THE TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION TO THE 2018 CONSTRUCTION FUND; DIRECTING THE CHIEF EXECUTIVE OFFICER TO FILE OR CAUSE TO BE FILED A COPY OF THE BUDGET AMENDMENT IN THE OFFICE OF THE GALVESTON COUNTY CLERK; DISPENSING WITH THE REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, by Ordinance No. 17-26, the City Commission of the City of Texas City, Texas, adopted its budget for Fiscal Year 2017-2018; and

WHEREAS, the City is constructing a sewer line from the northeast side of the City to the Wastewater Treatment Plant; and

WHEREAS, the total project cost is estimated at \$4.7 million. \$2 million will be funded from Certificates of Obligation and \$2.7 million will be funded by a transfer from the Texas City Economic Development Corporation (TCEDC); and

WHEREAS, the TCEDC board approved this funding, via Resolution 18-11, at the meeting held on August 29, 2018.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

SECTION 2: That the budget for Fiscal Year 2017-2018 of the City of Texas City, Texas, is hereby amended as follows:

Budget Amendment:

Texas City Economic Development Corporation (Fund 801):

Transfer to Construction Fund 2018 (Fund 412)	\$2,700,000.00
---	----------------

Construction Fund 2018 (Fund 412):

Transfer from TCEDC	\$2,700,000.00
---------------------	----------------

SECTION 3: That the chief executive officer shall file or cause to be filed a copy of this budget amendment in the office of the Galveston County Clerk.

SECTION 4: That the Charter requirement for reading this Ordinance on three (3) separate days has been dispensed by a majority vote of all members of the City Commission.

SECTION 5: That this Ordinance shall be finally passed and adopted on the date of its introduction and shall become effective from and after its passage and adoption.

PASSED AND ADOPTED this 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

Ord 14-21

Meeting Date: 09/19/2018

Approve 2018-2019 Fiscal Year Budget

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Approve adoption of the 2018 - 2019 Fiscal Year Budget.

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Ordinance

ORDINANCE NO. 18-26

AN ORDINANCE ADOPTING THE 2018 - 2019 FISCAL YEAR BUDGET BY RECORD VOTE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT THEREWITH; PROVIDING A SEVERABILITY CLAUSE; DISPENSING WITH THE REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION AND PUBLICATION BY CAPTION ONLY IN THE OFFICIAL NEWSPAPER OF THE CITY.

WHEREAS, Chapter 102 of the Texas Local Government Code provides that a municipality must prepare and adopt a municipal budget to cover the proposed expenditures of the municipal government for the succeeding year; and

WHEREAS, Chapter 102 also requires a public hearing on the proposed budget and provides that the governing body of the municipality take action on the proposed budget at the conclusion of the public hearing; and

WHEREAS, a public hearing was held on September 5, 2018, in accordance with Chapter 102 and, after public hearing, vote on adoption of the budget was scheduled for September 19, 2018.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission, by record vote, hereby adopts the 2018 - 2019 Fiscal Year Budget, a copy of which is on file in the permanent records of the City.

SECTION 2: That the City Commission hereby directs that the final budget as adopted, and any subsequent amendments, be filed with the City Secretary and the County Clerk of the County of Galveston, as provided by State law and the City Charter.

SECTION 3: That all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

SECTION 4: That it is further provided that, in the event any section, clause, sentence, paragraph or part of this Ordinance shall be for any reason adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, invalidate, or impair the remainder of this Ordinance.

SECTION 5: That the Charter requirement for reading this Ordinance on three (3) separate days has been dispensed by a majority vote of the City Commission.

SECTION 6: That the Public Hearing for the 2018 - 2019 Fiscal Year Budget was held on Wednesday, September 5, 2018, at 5:00 p.m. in the Kenneth T. Nunn Room located at City Hall, and vote on the adoption of the 2018 - 2019 Fiscal Year Budget was scheduled at that time for Wednesday, September 19, 2018.

SECTION 7: That this Ordinance shall be finally passed and adopted on the date of its introduction and shall become effective from and after its passage and adoption and publication by caption only in the official newspaper of the City.

PASSED and ADOPTED this 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

Res 14-087

Meeting Date: 09/19/2018

Ratify the Tax Increase in the 2018-2019 Fiscal Year Budget

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Ratify the tax increase reflected in the 2018 - 2019 Fiscal Year Budget that will raise more revenue from property taxes than last year's budget by \$887,471 or 3.4056 percent, and of that amount \$340,198.67 is tax revenue to be raised from new property added to the tax roll this year.

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Resolution

RESOLUTION NO. 18-094

A RESOLUTION TAKING A RECORD VOTE TO RATIFY THE PROPERTY TAX INCREASE REFLECTED IN THE BUDGET FOR FISCAL YEAR 2018 - 2019; PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, Local Government Code Section 102.007(c) requires that adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote be taken of the governing body ratifying the property tax increase reflected in the budget, in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law; and

WHEREAS, the City Commission hereby takes a record vote approve or deny the increase of property tax revenues be reflected in the 2018 – 2019 Fiscal Year budget.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission hereby takes the following record vote of all in favor and all opposed to reflect the increase of property tax revenues in the 2018 – 2019 Fiscal Year budget on September 19, 2018:

	Favor	Oppose	Absent
Mayor Matthew T. Doyle	_____	_____	_____
Mayor Pro Tem Phil Roberts	_____	_____	_____
Commissioner Bruce Clawson	_____	_____	_____
Commissioner Earl Alexander	_____	_____	_____
Commissioner Abel Garza, Jr.	_____	_____	_____
Commissioner Dorthea Jones	_____	_____	_____
Commissioner Jami Clark	_____	_____	_____

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

(7) (h)

Meeting Date: 09/19/2018

Levy Ad Valorem Tax

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Ordinance No. XX-XX, levying an ad valorem tax for the year 2018 for the City of Texas City. (Finance)

BACKGROUND

Consider approval of an Ordinance levying an ad valorem tax for the year 2018 for the City of Texas City, Texas, at a rate of \$0.55 per \$100 valuation of said property; at the rate of \$0.46263 per \$100 valuation of said property for the current Maintenance and Operations (M&O) expenses of said City; and, at a rate of \$0.087370 per \$100 valuation of said property for Interest and Sinking (I&S) expenses of said City.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Ordinance

ORDINANCE NO. 18-27

AN ORDINANCE LEVYING AN AD VALOREM TAX FOR THE YEAR 2018 FOR THE CITY OF TEXAS CITY, TEXAS, AT A RATE OF \$0.55 PER ONE HUNDRED DOLLAR (\$100.00) VALUATION OF SAID PROPERTY AT THE RATE OF \$0.4623 PER ONE HUNDRED DOLLAR VALUATION OF SAID PROPERTY FOR THE CURRENT MAINTENANCE AND OPERATIONS (M&O) EXPENSES OF SAID CITY AND AT A RATE OF \$0.08737 PER ONE HUNDRED DOLLAR (\$100.00) VALUATION OF SAID PROPERTY FOR INTEREST AND SINKING (I&S) FUND EXPENSES, AND PROVIDING FOR PENALTIES AND INTEREST ON DELINQUENT TAXES. THIS TAX RATE WILL RAISE MORE TAXES FROM MAINTENANCE AND OPERATIONS (M&O) THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 6.689 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS (M&O) ON A \$100,000.00 HOME BY APPROXIMATELY \$29.00; DISPENSING WITH THE CHARTER REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That there be and there is hereby levied for the year 2018 on all property, real, personal, and mixed, situated within the territorial limits of the City of Texas City, Texas, on the 1st day of January, 2018, and not exempt by laws from taxation by said City, an ad valorem tax of and at a rate of \$0.55 (55¢) on each one-hundred-dollar (\$100) valuation of said property, which is comprised of the rate of \$0.4623 (46.23¢) on each one-hundred-dollar (\$100) valuation of property for the current general operating expenses of said city and the rate of \$0.08737 (8.737¢) on each one-hundred-dollar (\$100) valuation of property for interest and sinking fund.

The total tax of \$0.55 (55¢) on each one-hundred-dollar (\$100) valuation of said property levied by this Ordinance is levied at the following respective rates for the purposes hereinabove stated and is to be divided and used accordingly, namely:

At the rate of \$0.4623 (46.23¢) on each one-hundred-dollar (\$100) valuation of property for the current general operating expenses of said City.

At the rate of \$0.08737 (8.737¢) on each one-hundred-dollar (\$100) valuation of property for payment of General Obligation Bonds, Certificates of Obligation, and Qualified Lease Purchase Obligations of said City and the interest of said bonds and obligations.

SECTION 2: Taxes for the year 2018 shall become due and payable upon receipt of the tax bill and penalties and interest for delinquent payment shall be assessed in accordance with the Texas Property Tax Code.

SECTION 3: That taxes are to be calculated on the basis of one hundred percent (100%) of assessed value for the 2018 tax year.

SECTION 4: That the Charter requirement for reading this Ordinance on three (3) separate days has been dispensed by a majority vote of the City Commission.

SECTION 5: That this Ordinance shall be passed and adopted on the date of its introduction and shall become effective from and after its passage and adoption.

PASSED AND ADOPTED the 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

(7) (i)

Meeting Date: 09/19/2018

Accept and Approve 2018 Certified Tax Roll

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. XX-XXX, accepting and approving the 2018 Certified Tax Roll. (Finance)

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Resolution

RESOLUTION NO. 18-095

A RESOLUTION ACCEPTING THE 2018 CERTIFIED TAX ROLL; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, in accordance with Section 26.09(e) of the Texas Property Tax Code the 2018 certified Appraisal Roll net tax value for the City of Texas City is \$4,731,510,809.00.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That, pursuant to the Calculation of Tax, Section 26.09(e) of the Property Tax Code, V.T.C.A., the City Commission of the City of Texas City accepts the 2018 Certified Tax Roll, a copy of which shall be available for inspection in the office of the Galveston County Tax Office.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 19th day of September 2018.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James M. Hartshorn
City Secretary

Russell F. Plackemeier
City Attorney