



CITY COUNCIL AGENDA

December 14th, 2020

7:00 P.M.

New Fairview City Hall

999 Illinois Ln.

New Fairview TX 76078

AGENDA

I. CALL MEETING TO ORDER:

II. ROLL CALL:

III. PLEDGE TO FLAGS:

A. United States of America: I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

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

IV. INVOCATION: By invitation of the Mayor

V. CONSENT AGENDA: All matters listed as Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

A. Consider approval of the November 2, 2020 City Council minutes.

B. Consider approval of the November 17, 2020 City Council minutes.

C. Consider approval of the November 2020 Financial Report.

D. Consider an ordinance of the City of New Fairview, Texas, adopting Flood Damage Prevention Ordinance; providing that this ordinance shall be cumulative of all ordinances; providing a savings clause; providing a severability clause, providing for a penalty; providing a publication clause; and providing an effective date.

E. Consider approval of a Development Agreement for approximately 10 acres in the New Fairview ETJ waiving the current platting requirements; provided that the construction is limited to a single-family home; provided that the property owner

and successors must abide by the city's design standards in the future if additional improvements or subdivision of the property is requested.

- VI. OPEN FORUM:** The City Council invites persons with comments or observations related to city issues, projects, or policies to briefly address the City Council. Anyone wishing to speak should sign-in with the City Secretary before the beginning of the City Council Meeting. In order to expedite the flow of business and to provide all citizens the opportunity to speak, there is a three-minute limitation on any person addressing the City Council. State law prohibits the City Council from discussing or taking action on any item not listed on the posted agenda.
- VII. EXECUTIVE SESSION:** The Council will conduct a closed session pursuant to Texas Government Code, annotated, Chapter 551, Subchapter D for the following:
- A.** Section 551.074 - Personnel Matters; (a) This chapter does not require a governmental body to conduct an open meeting: (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or (2) to hear a complaint or charge against an officer or employee; (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing: City Administrator
 - B.** Section 551.074 - Personnel Matters; (a) This chapter does not require a governmental body to conduct an open meeting: (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or (2) to hear a complaint or charge against an officer or employee; (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing: City Secretary
- VIII. NEW BUSINESS:** The Council will discuss and consider taking action on the following items:
- A.** Consider and select the Mayor Pro Tem by majority vote of the City Council from among its own membership; providing that the mayor pro tem's term is one year; providing that the mayor pro tem retains the right to vote on all matters before the Council while performing the duties of the mayor (Local Government Code Sections 22.037 and 23.027).
 - B.** Consider a resolution accepting the 2019-2020 annual audit report presented by William Spore, CPA.
 - C.** Consider a resolution approving and authorizing publication of a notice intention to issue certificates of obligation and resolving other matters incident and related thereto.

- D.** Conduct a public hearing and consider the Proposed Annexation by the City of New Fairview approximately 22.22 acres of land located on the J.B. Atkinson Survey, Abstract Number 2, Wise County, Texas, being a certain called 22.22 acre tract described in Clerk's file Number 201911010, Official Records, Wise County, Texas; being contiguous to the current city limits of New Fairview in the City's Extraterritorial Jurisdiction.
- E.** Conduct a public hearing and consider the Proposed Zoning by the City of New Fairview approximately 22.22 acres of land located on the J.B. Atkinson Survey, Abstract Number 2, Wise County, Texas, being a certain called 22.22 acre tract described in Clerk's file Number 201911010, Official Records, Wise County, Texas; being contiguous to the current city limits of New Fairview in the City's Extraterritorial Jurisdiction.
- F.** Consider a resolution authorizing the City Administrator to enter into a Development Agreement with Lackland Fairview, LLC, that reimburses the City of New Fairview for the survey, engineering and design of Pioneer Road and enter into an agreement with Pacheco Koch to complete the survey, engineering, and design of Pioneer Road from FM 407 heading south for approximately 10,500 linear feet, ending at the paved section of Pioneer Road, traveling east and west.
- G.** Consider a resolution approving a depository agreement with Wilmington Trust for the Constellation Lake Public Improvement District (PID).
- H.** Discuss and consider authorizing the City Administrator to negotiate a development agreement and disannexation of approximately 127 acres of land situated in the G.B. Buchanan Survey, Abstracts No. 31 and 32, bordered on the south by County Road 4730, consisting of that portion of a 141.49 acre tract described by metes and bounds and shown in Exhibit A within the New Fairview corporate limits; requested by Matt Spaethe, owner of the property.
- I.** Discuss and consider authorizing the City Administrator to enter into agreement to purchase and install an electronic monument sign for installation along FM407 at City Hall.
- J.** Discuss establishing term limits for the Mayor and City Council members; providing a consecutive three-term limit for all elected positions; providing that any elected official, reaching the term limit, may seek re-election following the lapse of two-terms.
- K.** Discuss the single-family residential zoning requirements.
- L.** Discuss the City of New Fairview property tax rate and exemptions.
- M.** Discuss the City of New Fairview hydrocarbon well setbacks.

IX. ADJOURN: I, the undersigned authority, do hereby certify the above notice of the meeting of the City Council of New Fairview, is a true and correct copy of the said notice that I posted on the official posting place at New Fairview City Hall, FM 407, New Fairview, Texas, a place of convenience and readily accessible to the general public at all times, and said notice posted this 25th day of November 2020 at 7:00 PM at least 72 hours proceeding the meeting time.

Monica Rodriguez, City Secretary

SEAL:

This facility is wheelchair accessible; parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary at city hall 817-638-5366 or fax 817-638-5369 or by email at citysecretary@newfairview.org for further information.



City Council Agenda December 14, 2020

Agenda Item: **November 2020 City Council Minutes (Consent Item)**

Agenda Description:

The minutes of the November 2, 2020 and the November 17th, 2020 City Council meetings.

Background Information:

N/A

Financial Information:

N/A

City Contact and Recommendation:

Ben Nibarger, City Administrator

Staff recommends approval as submitted.

Attachments:

**MINUTES
CITY COUNCIL MEETING
November 2, 2020
7:00 P.M.**

**STATE OF TEXAS
COUNTY OF WISE
CITY OF NEW FAIRVIEW**

THE CITY COUNCIL CONVENED INTO A CITY COUNCIL MEETING. THE SAME BEING OPEN TO THE PUBLIC, THE 2nd DAY OF NOVEMBER 2020 IN THE NEW FAIRVIEW CITY HALL AND NOTICE OF SAID MEETING GIVING THE TIME, PLACE AND SUBJECT THEREFORE HAVING BEEN POSTED AS PRESCRIBED BY ARTICLE 5 OF THE TEXAS GOVERNMENT CODE, WITH THE FOLLOWING MEMBERS PRESENT:

**CITY COUNCIL
Mayor Pro Tem Scott Johnson
Councilman Charlie Stumm
Councilwoman Rebecca McPherson
Mayor Joe Max Wilson - Online**

**PRESENT
City Administrator Ben Nibarger
City Secretary Monica Rodriguez
City Clerk Brooke Boller**

**ABSENT
Councilman Rick White**

**ITEM NUMBER 1. CALL MEETING TO ORDER:
Mayor Pro Tem Johnson called the meeting to order at 7:03P.M.**

**ITEM NUMBER 2. ROLL CALL:
Roll call with the above-mentioned names present.**

**ITEM NUMBER 3. PLEDGE TO FLAGS
A. United States of America
B. Texas Flag
Honor the Texas Flag, I pledge allegiance to thee,
Texas, one state under God, one and indivisible**

ITEM NUMBER 4. CONSENT AGENDA:

All matters listed as Consent Agendas are considered to be routine by the City Council and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired on an item, then that item will be removed from the consent agenda and will be considered separately.

A. Consider approval of the September 14, 2020 City Council minutes

B. Consider approval of the September 28, 2020 City Council minutes

C. Consider approval of the October 12, 2020 City Council minutes

D. Consider approval of the September 2020 Financial Report

E. Consider approval of the October 2020 Financial Report

F. Consider approval of the Fairview Meadows Phase 1A final plat (Wastewater Treatment and Groundwater Plants).

Plat has already been approved and Canyon Drive is a future road. This is a final plat; the preliminary plat has already been approved.

Councilman Stumm made a motion to approve all consent items. Motion seconded by Councilwoman McPherson. Motion passed unanimously.

Steve Misner asked what control the city has over ETJ and city. City Administrator Nibarger answered back saying that the city only has platting in the ETJ. Sunset Mesa is a voluntary annexation into the city. Steve Misner said that if there is no development agreement then the city has no control.

G. Consider approval of the Preliminary Plat for Paloma Ranch Estates, formerly Dove Hollow, submitted by Dove Hollow Development, LLC.

City Administrator Ben Nibarger stated he has had a conversation with Ben McCaslin from Dove Hollow, and they have conformed to all the requirements of the city.

They have an easement dedicated 30 feet from the centerline of the road.

Mayor Pro Tem Scott Johnson stated this is supposed to be a four laned road with 1 acre lots. Roads will come in the 2nd phase in 3 to 6 months.

Councilwoman Rebecca McPherson makes a motion to accept Item G of the consent agenda and Councilman Charlie Stumm seconds. All approve and it passes unanimously.

H. Consider approval of a resolution of the City Council of the City of New Fairview, Texas, consenting to the addition of land to the New Fairview Municipal Utility District No. 1; and approval of the Second Amendment to Development Agreement for Fairview Meadows.

Annexing into the city limits will allow the city to take the assets and Negotiate the agreements to see if they cap the reimbursement if they do not follow the agreement. City Administrator Ben Nibarger stated this development agreement now allows the MUD to work with the city. **Councilman Charlie Stumm makes a motion to approve the resolution consenting to the addition of land to the New Fairview Municipal Utility District No. 1. Mayor Pro-Tem Scott Johnson stated if it is as stated he would second. All agree and it passes unanimously.**

I. Consider approval of the extension of the application for Pioneer Ranch Preliminary Plat till the next monthly meeting in December 2020.

J. Consider approval of the extension of the application for Pioneer Ranch Final Plat till the next monthly meeting in December 2020.

Councilman Charlie Stumm makes a motion to accept the Consent Agenda, Councilwoman Rebecca McPherson seconds. All in Favor and motion passes unanimously.

ITEM NUMBER 5. OPEN FORUM:

No discussion

ITEM NUMBER 6. NEW BUSINESS:

A. Consider a resolution authorizing the City Administrator to enter into an agreement with Pacheco Koch to complete the survey, design, and engineering of City roads.

City Administrator Ben Nibarger stated the final cost would be \$294,000 and that this would be reimbursed to the city as soon as the city gets going. The engineers will get the plans ready to go out for bid in about 60 days. They anticipate February 1 and Mayor Pro Tem Scott Johnson said it was nice to have it falling into place. **Mayor Pro Tem Scott Johnson makes a motion to approve a resolution authorizing the City Administrator to enter into an agreement with Pacheco Koch. Motion seconded by Councilman Charlie Stumm. Motion passed unanimously.**

B. Consider a resolution approving the extension of the Mayor's declaration of local disaster and public health emergency. City Administrator Ben Nibarger asked the mayor to sign an extension for the declaration of disaster assistance to receive \$70,000 to assist in the efforts. \$25,000 would go to the software and then they reached out to the fire department. They don't have equipment to sanitize their equipment for use during this Pandemic. This money would help purchase this equipment. This money could also pay the Deputies for the security measures for the meetings. **Councilwoman Rebecca McPherson makes a motion to approve the resolution to get the extension. Motion seconded by Councilman Charlie Stumm. Motion passed unanimously.**

C. Consider a resolution approving a depository agreement with Wilmington Trust for the Constellation Lake Public Improvement District (PID).

D. Update the Council on current projects and seek their input.

City Administrator Ben Nibarger asks that the citizens complete the survey which simply asks thl address, household size, and household income range. This survey could assist the city in receiving \$350,000 in Federal money that would help the city grow and repair the roads.

The survey does not ask anything personal and it will bring in a lot of money. We may start having people knock on doors in order to get this money.

They can get this money for up to 5 years.

The election will be held at City Hall tomorrow night until 7PM

The next meeting will be December 14th.

ITEM NUMBER 7. ADJOURN:

Mayor Pro-Tem Scott Johnson adjourned the meeting at 9:39 P.M

APPROVED:

Mayor Joe Max Wilson

Mayor Pro Tem Scott Johnson

Councilman Rick White

Councilman Charlie Stumm

Councilwoman Rebecca McPherson

ATTEST:

Monica Rodriguez, City Secretary

MINUTES
SPECIAL CITY COUNCIL MEETING
November 17, 2020
4:00 P.M.

State of Texas
County of Wise
City of New Fairview

The City Council of New Fairview convened into a Special Meeting. The same being open to the public, the 17th day of November 2020 in the New Fairview City Hall, and notice of said meeting giving the time, place and subject therefore having been posted as prescribed by Article 5 of the Texas Governmental Code, with the following council members present to wit:

PRESENT

Mayor Pro Tem Scott Johnson
Councilman Rick White

ABSENT

Councilman William Payne
Councilman Charlie Stumm
Councilwoman Rebecca McPherson

PRESENT:

City Administrator Ben Nibarger
City Secretary Monica Rodriguez
City Clerk Brooke Boller

ITEM NUMBER 1. CALL MEETING TO ORDER:

Mayor Pro Tem Scott Johnson called the meeting to order at 4:00PM

ITEM NUMBER 2. ROLL CALL:

Roll call with the above-mentioned names present

ITEM NUMBER 3. PLEDGE TO FLAGS

A. United States of America

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

ITEM NUMBER 4. NEW BUSINESS: CANVASSING AND SWEARING IN

Pursuant to Election Code 67.003 this is required to be done between November 6 - 17 to canvass. Requirement per Secretary of the State of Texas that only two votes from the present Council are needed to pass this motion.

A. Consider and Act on a resolution accepting the results and canvassing of the 2020 election.

Mayor Pro Tem Johnson and Councilman White congratulated the new elected candidates.

Councilman White made a motion to approve Resolution R202011-17-137 accepting the results of the election and canvassing of the 2020 General and Special election. Motion seconded by Mayor Pro Tem Johnson. Motion passed unanimously.

RESOLUTION NO. R202011-17-137

A RESOLUTION CANVASSING THE RETURNS OF THE GENERAL MUNICIPAL ELECTION AND SPECIAL ELECTION HELD WITHIN THE CITY OF NEW FAIRVIEW ON THE 3rd DAY OF NOVEMBER, 2020 FOR THE PURPOSE OF ELECTING PLACE 1, PLACE 3 AND PLACE 5 GENERAL ELECTION FOR A TWO YEAR TERM AND PLACE 2 AND PLACE 4 SPECIAL ELECTION FOR A ONE YEAR TERM. THE CITY OF NEW FAIRVIEW IS A GENERAL LAW A CITY AND THE RESULTS ARE DETERMINED BY A VOTE THAT IS AT LARGE, AND DECLARING THE RESULTS OF THE ELECTION; FINDING THAT NOTICE OF THE ELECTION WAS PROPERLY HELD AND THE RETURNS THEREOF MADE BY THE PROPER OFFICIALS IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

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

Section 1: After canvassing the returns of said election pursuant to the ordinances of the City of New Fairview and pursuant to the applicable provisions of the Texas Election Code, the canvassing board certifies the following true and correct results, to-wit:

General Election: Place 1- Julie Ann Burger - 227 votes

Place 3 – Steve Misner – 233 votes

Place 5 – Connie Stewart – 261 votes

Special Election: Place 2 – Patrick Gunter – 252 votes

Place 4 – Walter Clements – 224 votes

B. Issue Certificates of Election, Statements of Office & Oath of office to the new elected Council Seats Place 1 Place 2 Place 3 Place 4 & Place 5

City Secretary Monica Rodriguez administered the oath of office to each of the newly elected candidates, In the name and by the authority of the state of Texas swearing that they will faithfully execute the duties of the office they were elected to and will to the best of their ability preserve, protect and defend the Constitution and laws of the United States and of this State. City Secretary administered the Statements of Office to the new elected candidates swearing that they have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value or promised any public officer or employment for the giving or withholding of a vote at the election at which they were elected or as reward to secure their appointment or confirmation.

ITEM NUMBER 5. ADJOURN:

Meeting adjourned at 4:30PM

APPROVED:

Mayor Pro Tem Scott Johnson

Councilman Rick White

Monica Rodriguez, City Secretary

SEAL:



City Council Agenda December 14, 2020

Agenda Item: **November 2020 Financial Report** **(Consent Item)**

Agenda Description:

The attached financial report shows the revenues and expenditures for November 2020.

Background Information:

The Council adopted a budget in September 2020 and this report reflects the expenditures as appropriated in the adopted budget. Revenues and expenditures are within expected ranges.

Financial Information:

N/A

City Contact and Recommendation:

Ben Nibarger, City Administrator

Staff recommends approval as submitted.

Attachments:

November 2020 Financial Report

Statement of Revenue and Expenditures

		Annual Budget Oct 2020 Sep 2021	Current Period Nov 2020 Nov 2020 Actual	Year-To-Date Oct 2020 Nov 2020 Actual	Annual Budget Oct 2020 Sep 2021 Variance	Oct 2020 Sep 2021 Percent of Budget
Revenue & Expenditures						
Revenue						
Revenues						
Fines & Fees						
4501	Court Fines	15,000.00	0.00	841.79	14,158.21	5.61%
	Total Fines & Fees	\$15,000.00	\$0.00	\$841.79	\$14,158.21	
Franchise Fees						
4301	Franchise Fees	47,000.00	0.00	1,197.75	45,802.25	2.55%
	Total Franchise Fees	\$47,000.00	\$0.00	\$1,197.75	\$45,802.25	
Other Revenue						
4902	Developer Deposits		0.00	21,250.00	(21,250.00)	0.00%
4901	Other Revenue	50,000.00	0.00	3,023.39	46,976.61	6.05%
	Total Other Revenue	\$50,000.00	\$0.00	\$24,273.39	\$25,726.61	
Permits						
4401	Construction Permits	350,000.00	0.00	102,729.15	247,270.85	29.35%
4402	Septic Permits		0.00	1,030.00	(1,030.00)	0.00%
	Total Permits	\$350,000.00	\$0.00	\$103,759.15	\$246,240.85	
Property Tax						
4101	Current Property Tax	476,743.00	0.00	25,361.93	451,381.07	5.32%
4102	Delinquent Property Tax	9,535.00	0.00		9,535.00	0.00%
4103	Penalties	1,430.00	0.00		1,430.00	0.00%
	Total Property Tax	\$487,708.00	\$0.00	\$25,361.93	\$462,346.07	
Sales Tax						
4201	Sales/ Beverage Tax	130,000.00	0.00	14,558.89	115,441.11	11.20%
	Total Sales Tax	\$130,000.00	\$0.00	\$14,558.89	\$115,441.11	
	Revenues Totals	\$1,079,708.00	\$0.00	\$169,992.90	\$909,715.10	
	Revenue	\$1,079,708.00	\$0.00	\$169,992.90	\$909,715.10	
	Gross Profit	\$1,079,708.00	\$0.00	\$169,992.90		
Expenses						
City Administration						
Contact Labor						
5109	City Engineer	5,000.00	0.00		5,000.00	0.00%
5110	City Planner	10,000.00	0.00		10,000.00	0.00%
5101	Contract Labor	3,000.00	327.00	327.00	2,673.00	10.90%
5111	Information Technology	5,000.00	0.00		5,000.00	0.00%
5108	Legal Expenses	50,000.00	22,316.70	22,316.70	27,683.30	44.63%

Statement of Revenue and Expenditures

	Annual Budget	Current Period	Year-To-Date	Annual Budget	Oct 2020
	Oct 2020	Nov 2020	Oct 2020	Oct 2020	Sep 2021
	Sep 2021	Actual	Actual	Variance	Percent of Budget
Total Contact Labor	\$73,000.00	\$22,643.70	\$22,643.70	\$50,356.30	
Repair / Maintenance Expense					
5401 Building Repairs		346.93	346.93	(346.93)	0.00%
Total Repair / Maintenance Expense		\$346.93	\$346.93	(\$346.93)	
Salaries & Payroll					
5011 Deferred Compensation	6,000.00	0.00		6,000.00	0.00%
5007 FICA - Payroll Taxes	7,168.00	0.00		7,168.00	0.00%
5006 Health Insurance	8,865.00	841.66	1,073.15	7,791.85	12.11%
5004 Longevity Pay	100.00	0.00		100.00	0.00%
5012 LTD, STD and Life	951.00	0.00		951.00	0.00%
5009 Mileage	3,600.00	0.00		3,600.00	0.00%
5001 Salaries	93,600.00	7,847.12	17,369.19	76,230.81	18.56%
5005 TMRS	10,307.00	6,387.00	7,318.44	2,988.56	71.00%
5008 Worker's Comp	300.00	0.00		300.00	0.00%
Total Salaries & Payroll	\$130,891.00	\$15,075.78	\$25,760.78	\$105,130.22	
Services					
5340 Auditor	14,000.00	15,000.00	15,000.00	(1,000.00)	107.14%
5390 Cleanup Days		0.00	3.79	(3.79)	0.00%
5361 Credit Card Fees		0.00	39.95	(39.95)	0.00%
5370 Election Expense	3,000.00	0.00		3,000.00	0.00%
5305 Legal Notices		0.00	310.80	(310.80)	0.00%
5350 Professional Services	25,000.00	4,380.80	5,587.00	19,413.00	22.35%
5360 Prop Tax Collection Fees		7.07	2,566.57	(2,566.57)	0.00%
5310 Software	28,500.00	15,000.00	18,823.08	9,676.92	66.05%
5380 TML Insurance	5,500.00	222.00	222.00	5,278.00	4.04%
5322 Training/ Dues/ Memberships	5,500.00	500.00	500.00	5,000.00	9.09%
Total Services	\$81,500.00	\$35,109.87	\$43,053.19	\$38,446.81	
Supplies					
5299 Miscellaneous Supplies	500.00	0.00		500.00	0.00%
5202 Office Equipment	1,000.00	0.00		1,000.00	0.00%
5201 Office Supplies	2,500.00	543.42	1,092.85	1,407.15	43.71%
5207 Postage	200.00	4.80	4.80	195.20	2.40%
Total Supplies	\$4,200.00	\$548.22	\$1,097.65	\$3,102.35	
Utilities Expense					
5501 Electric / Trash	1,400.00	429.55	429.55	970.45	30.68%
5502 Telephone	2,000.00	358.46	492.79	1,507.21	24.64%
Total Utilities Expense	\$3,400.00	\$788.01	\$922.34	\$2,477.66	

Statement of Revenue and Expenditures

		Annual Budget	Current Period	Year-To-Date	Annual Budget	Oct 2020
		Oct 2020	Nov 2020	Oct 2020	Oct 2020	Sep 2021
		Sep 2021	Actual	Actual	Variance	Percent of Budget
City Administration Totals		\$292,991.00	\$74,512.51	\$93,824.59	\$199,166.41	
City Council						
Services						
5325	Municipal Judge Training	500.00	0.00		500.00	0.00%
5322	Training/ Dues/ Memberships	15,000.00	0.00		15,000.00	0.00%
	Total Services	\$15,500.00	\$0.00		\$15,500.00	
Supplies						
5213	Council Supplies	1,500.00	0.00		1,500.00	0.00%
	Total Supplies	\$1,500.00	\$0.00		\$1,500.00	
Utilities Expense						
5502	Telephone		67.16	67.16	(67.16)	0.00%
	Total Utilities Expense		\$67.16	\$67.16	(\$67.16)	
	City Council Totals	\$17,000.00	\$67.16	\$67.16	\$16,932.84	
City Secretary						
Contact Labor						
5108	Legal Expenses	5,000.00	0.00		5,000.00	0.00%
	Total Contact Labor	\$5,000.00	\$0.00		\$5,000.00	
Other Expense						
5901	Miscellaneous Expense	600.00	0.00		600.00	0.00%
	Total Other Expense	\$600.00	\$0.00		\$600.00	
Salaries & Payroll						
5007	FICA - Payroll Taxes	4,745.00	413.77	847.22	3,897.78	17.86%
5006	Health Insurance	8,865.00	841.66	3,421.99	5,443.01	38.60%
5004	Longevity Pay	748.00	875.89	875.89	(127.89)	117.10%
5012	LTD, STD and Life	951.00	0.00		951.00	0.00%
5009	Mileage	500.00	0.00		500.00	0.00%
5001	Salaries	61,282.00	4,532.80	10,198.80	51,083.20	16.64%
5005	TMRS	6,823.00	569.55	1,166.20	5,656.80	17.09%
5008	Worker's Comp	200.00	0.00		200.00	0.00%
	Total Salaries & Payroll	\$84,114.00	\$7,233.67	\$16,510.10	\$67,603.90	
Services						
5330	Ads - Marketing	1,000.00	0.00		1,000.00	0.00%
5305	Legal Notices	1,800.00	0.00		1,800.00	0.00%
5306	Recording	2,000.00	0.00		2,000.00	0.00%
5310	Software	4,000.00	0.00		4,000.00	0.00%
5322	Training/ Dues/ Memberships	4,000.00	0.00		4,000.00	0.00%
	Total Services	\$12,800.00	\$0.00		\$12,800.00	

Statement of Revenue and Expenditures

		Annual Budget	Current Period	Year-To-Date	Annual Budget	Oct 2020
		Oct 2020	Nov 2020	Oct 2020	Oct 2020	Sep 2021
		Sep 2021	Actual	Actual	Variance	Percent of Budget
Supplies						
5202	Office Equipment	500.00	0.00		500.00	0.00%
5201	Office Supplies	2,000.00	0.00		2,000.00	0.00%
5207	Postage	400.00	0.00	13.90	386.10	3.48%
	Total Supplies	\$2,900.00	\$0.00	\$13.90	\$2,886.10	
Utilities Expense						
5501	Electric / Trash	1,400.00	0.00		1,400.00	0.00%
5502	Telephone	2,000.00	358.48	492.80	1,507.20	24.64%
	Total Utilities Expense	\$3,400.00	\$358.48	\$492.80	\$2,907.20	
	City Secretary Totals	\$108,814.00	\$7,592.15	\$17,016.80	\$91,797.20	
Court						
Contact Labor						
5102	Code Enforcement		1,453.00	2,106.35	(2,106.35)	0.00%
5107	Contract Deputies	28,000.00	1,716.36	7,720.17	20,279.83	27.57%
5108	Legal Expenses	5,000.00	0.00		5,000.00	0.00%
5106	Municipal Judge	1,500.00	0.00		1,500.00	0.00%
	Total Contact Labor	\$34,500.00	\$3,169.36	\$9,826.52	\$24,673.48	
Other Expense						
5901	Miscellaneous Expense		92.70	92.70	(92.70)	0.00%
	Total Other Expense		\$92.70	\$92.70	(\$92.70)	
Salaries & Payroll						
5007	FICA - Payroll Taxes	2,769.00	201.30	449.48	2,319.52	16.23%
5006	Health Insurance	8,865.00	841.68	3,422.03	5,442.97	38.60%
5004	Longevity Pay	100.00	159.34	159.34	(59.34)	159.34%
5012	LTD, STD and Life	951.00	0.00		951.00	0.00%
5009	Mileage	500.00	0.00		500.00	0.00%
5003	Overtime	1,000.00	0.00		1,000.00	0.00%
5001	Salaries	35,090.00	2,471.77	5,715.77	29,374.23	16.29%
5005	TMRS	3,981.00	277.06	618.66	3,362.34	15.54%
5008	Worker's Comp	150.00	0.00		150.00	0.00%
	Total Salaries & Payroll	\$53,406.00	\$3,951.15	\$10,365.28	\$43,040.72	
Services						
5325	Municipal Judge Training	200.00	0.00		200.00	0.00%
5310	Software	5,000.00	0.00	299.88	4,700.12	6.00%
5322	Training/ Dues/ Memberships	1,500.00	0.00		1,500.00	0.00%
	Total Services	\$6,700.00	\$0.00	\$299.88	\$6,400.12	

Statement of Revenue and Expenditures

		Annual Budget	Current Period	Year-To-Date	Annual Budget	Oct 2020
		Oct 2020	Nov 2020	Oct 2020	Oct 2020	Sep 2021
		Sep 2021	Actual	Actual	Variance	Percent of Budget
Supplies						
5299	Miscellaneous Supplies	500.00	0.00		500.00	0.00%
5202	Office Equipment	1,190.00	0.00		1,190.00	0.00%
5201	Office Supplies	1,500.00	0.00	21.65	1,478.35	1.44%
5207	Postage	300.00	0.00		300.00	0.00%
	Total Supplies	\$3,490.00	\$0.00	\$21.65	\$3,468.35	
Utilities Expense						
5501	Electric / Trash	1,400.00	0.00		1,400.00	0.00%
5502	Telephone	2,000.00	0.00	134.35	1,865.65	6.72%
	Total Utilities Expense	\$3,400.00	\$0.00	\$134.35	\$3,265.65	
	Court Totals	\$101,496.00	\$7,213.21	\$20,740.38	\$80,755.62	
Public Works						
Capital Outlay						
6020	Equipment - Capital		5,000.00	5,000.00	(5,000.00)	0.00%
	Total Capital Outlay		\$5,000.00	\$5,000.00	(\$5,000.00)	
Contact Labor						
5104	Animal Control	2,000.00	50.00	50.00	1,950.00	2.50%
5105	Building Inspector	50,000.00	2,518.75	5,635.50	44,364.50	11.27%
5109	City Engineer	10,000.00	0.00		10,000.00	0.00%
5110	City Planner	20,000.00	0.00	2,643.10	17,356.90	13.22%
5102	Code Enforcement	25,000.00	1,500.00	3,903.00	21,097.00	15.61%
5101	Contract Labor	94,000.00	3,620.57	12,597.75	81,402.25	13.40%
5108	Legal Expenses	20,000.00	0.00		20,000.00	0.00%
5103	Septic Inspector	6,500.00	1,320.00	2,007.50	4,492.50	30.88%
	Total Contact Labor	\$227,500.00	\$9,009.32	\$26,836.85	\$200,663.15	
Other Expense						
5901	Miscellaneous Expense	3,000.00	0.00	137.50	2,862.50	4.58%
	Total Other Expense	\$3,000.00	\$0.00	\$137.50	\$2,862.50	
Repair / Maintenance Expense						
5401	Building Repairs	12,000.00	218.22	1,734.26	10,265.74	14.45%
5410	Road Maintenance	10,000.00	0.00	367.22	9,632.78	3.67%
5420	Tractor / Truck Diesel	1,500.00	454.15	1,330.74	169.26	88.72%
5430	Tractor/ Truck Repairs	2,000.00	290.19	752.02	1,247.98	37.60%
	Total Repair / Maintenance Expense	\$25,500.00	\$962.56	\$4,184.24	\$21,315.76	
Services						
5320	Equipment Rental	2,500.00	0.00		2,500.00	0.00%
5350	Professional Services		250.00	250.00	(250.00)	0.00%

Statement of Revenue and Expenditures

		Annual Budget	Current Period	Year-To-Date	Annual Budget	Oct 2020
		Oct 2020	Nov 2020	Oct 2020	Oct 2020	Sep 2021
		Sep 2021	Actual	Actual	Variance	Percent of Budget
5322	Training/ Dues/ Memberships	1,000.00	0.00		1,000.00	0.00%
	Total Services	\$3,500.00	\$250.00	\$250.00	\$3,250.00	
	Supplies					
5202	Office Equipment	500.00	0.00		500.00	0.00%
5201	Office Supplies	250.00	0.00		250.00	0.00%
5222	Signs	1,500.00	0.00		1,500.00	0.00%
	Total Supplies	\$2,250.00	\$0.00		\$2,250.00	
	Utilities Expense					
5501	Electric / Trash	1,400.00	945.65	945.65	454.35	67.55%
5505	Street Lights	4,000.00	627.38	627.38	3,372.62	15.68%
5502	Telephone		291.31	291.31	(291.31)	0.00%
	Total Utilities Expense	\$5,400.00	\$1,864.34	\$1,864.34	\$3,535.66	
	Public Works Totals	\$267,150.00	\$17,086.22	\$38,272.93	\$228,877.07	
	Expenses	\$787,451.00	\$106,471.25	\$169,921.86	\$617,529.14	
	Revenue Less Expenditures	\$292,257.00	(\$106,471.25)	\$71.04		
Transfers Out						
	City Administration					
	Transfer Expense					
9100	Transfers Out		300,000.00	300,000.00	(300,000.00)	0.00%
	Total Transfer Expense		\$300,000.00	\$300,000.00	(\$300,000.00)	
	City Administration Totals		\$300,000.00	\$300,000.00	(\$300,000.00)	
	Public Works					
	Transfer Expense					
9100	Transfers Out	150,000.00	0.00		150,000.00	0.00%
	Total Transfer Expense	\$150,000.00	\$0.00		\$150,000.00	
	Public Works Totals	\$150,000.00	\$0.00		\$150,000.00	
	Transfers Out	\$150,000.00	\$300,000.00	\$300,000.00	(\$150,000.00)	
	Net Change in Fund Balance	\$142,257.00	(\$406,471.25)	(\$299,928.96)		



City Council Agenda December 14, 2020

Agenda Item: Flood Damage Prevention Ordinance (Consent Item)

Agenda Description:

An ordinance of the City of New Fairview, Texas, adopting flood damage prevention ordinance; providing that this ordinance shall be cumulative of all ordinances; providing a savings clause; providing a severability clause; providing for a penalty; providing a publication clause; and providing an effective date.

Background Information:

The Council a flood damage prevention ordinance in October 2010. Staff has been working with the developers on Fairview Meadows and Falcon Ridge regarding a Letter of Map Revision (LOMR) regarding specific locations in each development that currently fall into the flood plain. This amendment is regarding minor language changes in the ordinance, that were discovered during this LOMR process, in the ordinance adopted in 2010.

Financial Information:

N/A

City Contact and Recommendation:

Ben Nibarger, City Administrator
Staff recommends approval as submitted.

Attachments:

Amended Ordinance
Flood Damage Prevention Ordinance - Adopted October 2010

CITY OF NEW FAIRVIEW, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF NEW FAIRVIEW, TEXAS, ADOPTING FLOOD DAMAGE PREVENTION ORDINANCE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY; PROVIDING A PUBLICATION CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of New Fairview, Texas, is a Type A general law municipality located in Wise and Denton County, created in accordance with Chapter 6 of the Local Government Code, and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the City Council has deemed it advisable and necessary that the City adopt flood damage prevention regulations to provide for the health, safety, and welfare of the City.

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

SECTION 1.

The City Council adopts the regulations attached to this ordinance as Exhibit A as the flood damage prevention regulations of the City to provide for the health, safety and welfare of the City.

SECTION 2.

This Ordinance shall be cumulative of all provisions of ordinances of the City of New Fairview, Texas, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 3.

All rights and remedies of the City of New Fairview are expressly saved as to any and all violations of the provisions of ordinances of the City of New Fairview, Texas, relating to nuisances which have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

SECTION 4.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause,

sentence paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 5.

Any person, firm, or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 6.

The City Secretary of the City of New Fairview, Texas, is hereby directed to publish in the official newspaper of the City of New Fairview, the caption, penalty clause, publication clause, and effective date clause of this Ordinance for two (2) days as required by section 52.012 of the Texas Local Government Code.

SECTION 7.

This Ordinance shall be in full force and effect after its passage and publication.

PASSED AND APPROVED ON THIS ____ DAY OF _____, 2020.

Joe Max Wilson, Mayor

ATTEST:

Monica Rodriguez, City Secretary

Exhibit A

FLOOD DAMAGE PREVENTION ORDINANCE

ARTICLE I

STATUTORY AUTHORIZATION, FINDINGS OF FACT, PURPOSE AND METHODS

SECTION A. STATUTORY AUTHORIZATION

The Legislature of the State of Texas has in the Flood Control Insurance Act, Texas Water Code, Section 16.315, delegated the responsibility of local governmental units to adopt regulations designed to minimize flood losses. Therefore, the [City Council of New Fairview](#), Texas does ordain as follows:

SECTION B. FINDINGS OF FACT

(1) The flood hazard areas of [New Fairview](#) are subject to periodic inundation, which results in loss of life and property, health and safety hazards, disruption of commerce and governmental services, and extraordinary public expenditures for flood protection and relief, all of which adversely affect the public health, safety and general welfare.

(2) These flood losses are created by the cumulative effect of obstructions in floodplains which cause an increase in flood heights and velocities, and by the occupancy of flood hazard areas by uses vulnerable to floods and hazardous to other lands because they are inadequately elevated, floodproofed or otherwise protected from flood damage.

SECTION C. STATEMENT OF PURPOSE

It is the purpose of this ordinance to promote the public health, safety and general welfare and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

- (1) Protect human life and health;
- (2) Minimize expenditure of public money for costly flood control projects;
- (3) Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;

(4) Minimize prolonged business interruptions;

(5) Minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in floodplains;

(6) Help maintain a stable tax base by providing for the sound use and development of flood-prone areas in such a manner as to minimize future flood blight areas; and

(7) Insure that potential buyers are notified that property is in a flood area.

SECTION D. METHODS OF REDUCING FLOOD LOSSES

In order to accomplish its purposes, this ordinance uses the following methods:

(1) Restrict or prohibit uses that are dangerous to health, safety or property in times of flood, or cause excessive increases in flood heights or velocities;

(2) Require that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;

(3) Control the alteration of natural floodplains, stream channels, and natural protective barriers, which are involved in the accommodation of flood waters;

(4) Control filling, grading, dredging and other development which may increase flood damage;

(5) Prevent or regulate the construction of flood barriers which will unnaturally divert flood waters or which may increase flood hazards to other lands.

ARTICLE 2

DEFINITIONS

Unless specifically defined below, words or phrases used in this ordinance shall be interpreted to give them the meaning they have in common usage and to give this ordinance its most reasonable application.

ALLUVIAL FAN FLOODING - means flooding occurring on the surface of an alluvial fan or similar landform which originates at the apex and is characterized by high-velocity flows; active processes of erosion, sediment transport, and deposition; and unpredictable flow paths.

APEX - means a point on an alluvial fan or similar landform below which the flow path of the major stream that formed the fan becomes unpredictable and alluvial fan flooding can occur.

APPURTENANT STRUCTURE - means a structure which is on the same parcel of property as the principal structure to be insured and the use of which is incidental to the use of the principal structure

AREA OF FUTURE CONDITIONS FLOOD HAZARD - means the land area that would be inundated by the 1-percent-annual chance (100 year) flood based on future conditions hydrology.

AREA OF SHALLOW FLOODING - means a designated AO, AH, AR/AO, AR/AH, or VO zone on a community's Flood Insurance Rate Map (FIRM) with a 1 percent or greater annual chance of flooding to an average depth of 1 to 3 feet where a clearly defined channel does not exist, where the path of flooding is unpredictable and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow.

AREA OF SPECIAL FLOOD HAZARD - is the land in the floodplain within a community subject to a 1 percent or greater chance of flooding in any given year. The area may be designated as Zone A on the Flood Hazard Boundary Map (FHBM). After detailed rate making has been completed in preparation for publication of the FIRM, Zone A usually is refined into Zones A, AO, AH, A1-30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-30, VE or V.

BASE FLOOD - means the flood having a 1 percent chance of being equaled or exceeded in any given year.

BASE FLOOD ELEVATION (BFE) – The elevation shown on the Flood Insurance Rate Map (FIRM) and found in the accompanying Flood Insurance Study (FIS) for Zones A, AE, AH, A1-A30, AR, V1-V30, or VE that indicates the water surface elevation resulting from the flood that has a 1% chance of equaling or exceeding that level in any given year - also called the Base Flood.

BASEMENT - means any area of the building having its floor subgrade (below ground level) on all sides.

BREAKAWAY WALL – means a wall that is not part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or supporting foundation system.

CRITICAL FEATURE - means an integral and readily identifiable part of a flood protection system, without which the flood protection provided by the entire system would be compromised.

DEVELOPMENT - means any man-made change to improved and unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials.

ELEVATED BUILDING – means, for insurance purposes, a non-basement building, which has its lowest elevated floor, raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

EXISTING CONSTRUCTION - means for the purposes of determining rates, structures for which the "start of construction" commenced before the effective date of the FIRM or before January 1, 1975, for FIRMs effective before that date. "Existing construction" may also be referred to as "existing structures."

EXISTING MANUFACTURED HOME PARK OR SUBDIVISION - means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the floodplain management regulations adopted by a community.

EXPANSION TO AN EXISTING MANUFACTURED HOME PARK OR SUBDIVISION - means the preparation of additional sites by the construction

of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

FLOOD OR FLOODING - means a general and temporary condition of partial or complete inundation of normally dry land areas from:

- (1) the overflow of inland or tidal waters.
- (2) the unusual and rapid accumulation or runoff of surface waters from any source.

FLOOD ELEVATION STUDY - means an examination, evaluation and determination of flood hazards and, if appropriate, corresponding water surface elevations, or an examination, evaluation and determination of mudslide (i.e., mudflow) and/or flood-related erosion hazards.

FLOOD INSURANCE RATE MAP (FIRM) - means an official map of a community, on which the Federal Emergency Management Agency has delineated both the special flood hazard areas and the risk premium zones applicable to the community.

FLOOD INSURANCE STUDY (FIS) - see *Flood Elevation Study*

FLOODPLAIN OR FLOOD-PRONE AREA - means any land area susceptible to being inundated by water from any source (see definition of flooding).

FLOODPLAIN MANAGEMENT - means the operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and floodplain management regulations.

FLOODPLAIN MANAGEMENT REGULATIONS - means zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances (such as a floodplain ordinance, grading ordinance and erosion control ordinance) and other applications of police power. The term describes such state or local regulations, in any combination thereof, which provide standards for the purpose of flood damage prevention and reduction.

FLOOD PROTECTION SYSTEM - means those physical structural works for which funds have been authorized, appropriated, and expended and which have been constructed specifically to modify flooding in order to reduce the extent of the area within a community subject to a "special flood hazard" and the extent of the depths of associated flooding. Such a system typically

includes hurricane tidal barriers, dams, reservoirs, levees or dikes. These specialized flood modifying works are those constructed in conformance with sound engineering standards.

FLOOD PROOFING - means any combination of structural and non-structural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents.

FLOODWAY – see *Regulatory Floodway*

FUNCTIONALLY DEPENDENT USE - means a use, which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

HIGHEST ADJACENT GRADE - means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

HISTORIC STRUCTURE - means any structure that is:

(1) Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;

(2) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;

(3) Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior; or

(4) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:

(a) By an approved state program as determined by the Secretary of the Interior or;

(b) Directly by the Secretary of the Interior in states without approved programs.

LEVEE - means a man-made structure, usually an earthen embankment, designed and constructed in accordance with sound engineering practices to contain, control, or divert the flow of water so as to provide protection from temporary flooding.

LEVEE SYSTEM - means a flood protection system which consists of a levee, or levees, and associated structures, such as closure and drainage devices, which are constructed and operated in accordance with sound engineering practices.

LOWEST FLOOR - means the lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, usable solely for parking or vehicles, building access or storage in an area other than a basement area is not considered a building's lowest floor; **provided** that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirement of Section 60.3 of the National Flood Insurance Program regulations.

MANUFACTURED HOME - means a structure transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when connected to the required utilities. The term "manufactured home" does not include a "recreational vehicle".

MANUFACTURED HOME PARK OR SUBDIVISION - means a parcel (or contiguous parcels) of land divided into two or more manufactured home lots for rent or sale.

MEAN SEA LEVEL - means, for purposes of the National Flood Insurance Program, the North American Vertical Datum (NAVD) of 1988 or other datum, to which base flood elevations shown on a community's Flood Insurance Rate Map are referenced.

NEW CONSTRUCTION - means, for the purpose of determining insurance rates, structures for which the "start of construction" commenced on or after the effective date of an initial FIRM or after December 31, 1974, whichever is later, and includes any subsequent improvements to such structures. For floodplain management purposes, "new construction" means structures for which the "start of construction" commenced on or after the effective date of a

floodplain management regulation adopted by a community and includes any subsequent improvements to such structures.

NEW MANUFACTURED HOME PARK OR SUBDIVISION - means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after the effective date of floodplain management regulations adopted by a community.

RECREATIONAL VEHICLE - means a vehicle which is (i) built on a single chassis; (ii) 400 square feet or less when measured at the largest horizontal projections; (iii) designed to be self-propelled or permanently towable by a light duty truck; and (iv) designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

REGULATORY FLOODWAY - means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

RIVERINE - means relating to, formed by, or resembling a river (including tributaries), stream, brook, etc.

SPECIAL FLOOD HAZARD AREA - see *Area of Special Flood Hazard*

START OF CONSTRUCTION - (for other than new construction or substantial improvements under the Coastal Barrier Resources Act (Pub. L. 97-348)), includes substantial improvement and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for basement, footings, piers or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first

alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

STRUCTURE – means, for floodplain management purposes, a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home.

SUBSTANTIAL DAMAGE - means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

SUBSTANTIAL IMPROVEMENT - means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before "start of construction" of the improvement. This term includes structures which have incurred "substantial damage", regardless of the actual repair work performed. The term does not, however, include either: (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or (2) Any alteration of a "historic structure", provided that the alteration will not preclude the structure's continued designation as a "historic structure."

VARIANCE – means a grant of relief by a community from the terms of a floodplain management regulation. (For full requirements see Section 60.6 of the National Flood Insurance Program regulations.)

VIOLATION - means the failure of a structure or other development to be fully compliant with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in Section 60.3(b)(5), (c)(4), (c)(10), (d)(3), (e)(2), (e)(4), or (e)(5) is presumed to be in violation until such time as that documentation is provided.

WATER SURFACE ELEVATION - means the height, in relation to the North American Vertical Datum (NAVD) of 1988 (or other datum, where specified), of floods of various magnitudes and frequencies in the floodplains of coastal or riverine areas.

ARTICLE 3

GENERAL PROVISIONS

SECTION A. LANDS TO WHICH THIS ORDINANCE APPLIES

The ordinance shall apply to all areas of special flood hazard with the jurisdiction of [New Fairview](#).

SECTION B. BASIS FOR ESTABLISHING THE AREAS OF SPECIAL FLOOD HAZARD

The areas of special flood hazard identified by the Federal Emergency Management Agency in the current scientific and engineering report entitled, "The Flood Insurance Study (FIS) for [Wise County, Texas and Incorporated Areas](#)," dated [December 16, 2011](#), with accompanying Flood Insurance Rate Maps (FIRM) dated [December 16, 2011](#), and any revisions thereto are hereby adopted by reference and declared to be a part of this ordinance.

SECTION C. ESTABLISHMENT OF DEVELOPMENT PERMIT

A Floodplain Development Permit shall be required to ensure conformance with the provisions of this ordinance.

SECTION D. COMPLIANCE

No structure or land shall hereafter be located, altered, or have its use changed without full compliance with the terms of this ordinance and other applicable regulations.

SECTION E. ABROGATION AND GREATER RESTRICTIONS

This ordinance is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this ordinance and another ordinance, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

SECTION F. INTERPRETATION

In the interpretation and application of this ordinance, all provisions shall be; (1) considered as minimum requirements; (2) liberally construed in favor of the governing body; and (3) deemed neither to limit nor repeal any other powers granted under State statutes.

SECTION G. WARNING AND DISCLAIMER OR LIABILITY

The degree of flood protection required by this ordinance is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. On rare occasions greater floods can and will occur and flood heights may be increased by man-made or natural causes. This ordinance does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This ordinance shall not create liability on the part of the community or any official or employee thereof for any flood damages that result from reliance on this ordinance or any administrative decision lawfully made hereunder.

ARTICLE 4

ADMINISTRATION

SECTION A. DESIGNATION OF THE FLOODPLAIN ADMINISTRATOR

The [City Engineer](#) is hereby appointed the Floodplain Administrator to administer and implement the provisions of this ordinance and other appropriate sections of 44 CFR (Emergency Management and Assistance - National Flood Insurance Program Regulations) pertaining to floodplain management.

SECTION B. DUTIES & RESPONSIBILITIES OF THE FLOODPLAIN ADMINISTRATOR

Duties and responsibilities of the Floodplain Administrator shall include, but not be limited to, the following:

(1) Maintain and hold open for public inspection all records pertaining to the provisions of this ordinance.

(2) Review permit application to determine whether to ensure that the proposed building site project, including the placement of manufactured homes, will be reasonably safe from flooding.

(3) Review, approve or deny all applications for development permits required by adoption of this ordinance.

(4) Review permits for proposed development to assure that all necessary permits have been obtained from those Federal, State or local governmental agencies (including Section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334) from which prior approval is required.

(5) Where interpretation is needed as to the exact location of the boundaries of the areas of special flood hazards (for example, where there appears to be a conflict between a mapped boundary and actual field conditions) the Floodplain Administrator shall make the necessary interpretation.

(6) Notify, in riverine situations, adjacent communities and the State Coordinating Agency which is the Texas Water Development Board (TWDB) and also the Texas Commission on Environmental Quality (TCEQ), prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Emergency Management Agency.

(7) Assure that the flood carrying capacity within the altered or relocated portion of any watercourse is maintained.

(8) When base flood elevation data has not been provided in accordance with Article 3, Section B, the Floodplain Administrator shall obtain, review and reasonably utilize any base flood elevation data and floodway data available from a Federal, State or other source, in order to administer the provisions of Article 5.

(9) When a regulatory floodway has not been designated, the Floodplain Administrator must require that no new construction, substantial improvements, or other development (including fill) shall be permitted within Zones A1-30 and AE on the community's FIRM, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the community.

(10) Under the provisions of 44 CFR Chapter 1, Section 65.12, of the National Flood Insurance Program regulations, a community may approve certain development in Zones A1-30, AE, AH, on the community's FIRM which increases the water surface elevation of the base flood by more than 1 foot, provided that the community **first** completes all of the provisions required by Section 65.12.

SECTION C. PERMIT PROCEDURES

(1) Application for a Floodplain Development Permit shall be presented to the Floodplain Administrator on forms furnished by him/her and may include, but not be limited to, plans in duplicate drawn to scale showing the location, dimensions, and elevation of proposed landscape alterations, existing and proposed structures, including the placement of manufactured homes, and the location of the foregoing in relation to areas of special flood hazard. Additionally, the following information is required:

(a) Elevation (in relation to mean sea level), of the lowest floor (including basement) of all new and substantially improved structures;

(b) Elevation in relation to mean sea level to which any nonresidential structure shall be floodproofed;

(c) A certificate from a registered professional engineer or architect that the nonresidential floodproofed structure shall meet the floodproofing criteria of Article 5, Section B (2);

(d) Description of the extent to which any watercourse or natural drainage will be altered or relocated as a result of proposed development;

(e) Maintain a record of all such information in accordance with Article 4, Section (B)(1);

(2) Approval or denial of a Floodplain Development Permit by the Floodplain Administrator shall be based on all of the provisions of this ordinance and the following relevant factors:

(a) The danger to life and property due to flooding or erosion damage;

(b) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;

(c) The danger that materials may be swept onto other lands to the injury of others;

(d) The compatibility of the proposed use with existing and anticipated development;

(e) The safety of access to the property in times of flood for ordinary and emergency vehicles;

(f) The costs of providing governmental services during and after flood conditions including maintenance and repair of streets and bridges, and public utilities and facilities such as sewer, gas, electrical and water systems;

(g) The expected heights, velocity, duration, rate of rise and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site;

(h) The necessity to the facility of a waterfront location, where applicable;

(i) The availability of alternative locations, not subject to flooding or erosion damage, for the proposed use.

SECTION D. VARIANCE PROCEDURES

(1) The Appeal Board, as established by the community, shall hear and render judgment on requests for variances from the requirements of this ordinance.

(2) The Appeal Board shall hear and render judgment on an appeal only when it is alleged there is an error in any requirement, decision, or determination made by the Floodplain Administrator in the enforcement or administration of this ordinance.

(3) Any person or persons aggrieved by the decision of the Appeal Board may appeal such decision in the courts of competent jurisdiction.

(4) The Floodplain Administrator shall maintain a record of all actions involving an appeal and shall report variances to the Federal Emergency Management Agency upon request.

(5) Variances may be issued for the reconstruction, rehabilitation or restoration of structures listed on the National Register of Historic Places or the

State Inventory of Historic Places, without regard to the procedures set forth in the remainder of this ordinance.

(6) Variances may be issued for new construction and substantial improvements to be erected on a lot of 1/2 acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing the relevant factors in Section C (2) of this Article have been fully considered. As the lot size increases beyond the 1/2 acre, the technical justification required for issuing the variance increases.

(7) Upon consideration of the factors noted above and the intent of this ordinance, the Appeal Board may attach such conditions to the granting of variances as it deems necessary to further the purpose and objectives of this ordinance (Article 1, Section C).

(8) Variances shall not be issued within any designated floodway if any increase in flood levels during the base flood discharge would result.

(9) Variances may be issued for the repair or rehabilitation of historic structures upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.

[10] Prerequisites for granting variances:

(a) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

(b) Variances shall only be issued upon: (i) showing a good and sufficient cause; (ii) a determination that failure to grant the variance would result in exceptional hardship to the applicant, and (iii) a determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.

(c) Any application to which a variance is granted shall be given written notice that the structure will be permitted to be built with the lowest floor elevation below the base flood elevation, and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced lowest floor elevation.

(11) Variances may be issued by a community for new construction and substantial improvements and for other development necessary for the conduct of a functionally dependent use provided that (i) the criteria outlined in Article 4, Section D (1)-(9) are met, and (ii) the structure or other development is protected by methods that minimize flood damages during the base flood and create no additional threats to public safety.

ARTICLE 5

PROVISIONS FOR FLOOD HAZARD REDUCTION

SECTION A. GENERAL STANDARDS

In all areas of special flood hazards the following provisions are required for all new construction and substantial improvements:

(1) All new construction or substantial improvements shall be designed (or modified) and adequately anchored to prevent flotation, collapse or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy;

(2) All new construction or substantial improvements shall be constructed by methods and practices that minimize flood damage;

(3) All new construction or substantial improvements shall be constructed with materials resistant to flood damage;

(4) All new construction or substantial improvements shall be constructed with electrical, heating, ventilation, plumbing, and air conditioning equipment and other service facilities that are designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding;

(5) All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of flood waters into the system;

(6) New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of flood waters into the system and discharge from the systems into flood waters; and,

(7) On-site waste disposal systems shall be located to avoid impairment to them or contamination from them during flooding.

SECTION B. SPECIFIC STANDARDS

In all areas of special flood hazards where base flood elevation data has been provided as set forth in (i) Article 3, Section B, (ii) Article 4, Section B (8), or (iii) Article 5, Section C (3), the following provisions are required:

(1) **Residential Construction** - new construction and substantial improvement of any residential structure shall have the lowest floor (including basement), elevated to or above the base flood elevation. A registered professional engineer, architect, or land surveyor shall submit a certification to the Floodplain Administrator that the standard of this subsection as proposed in Article 4, Section C (1) a., is satisfied.

(2) **Nonresidential Construction** - new construction and substantial improvements of any commercial, industrial or other nonresidential structure shall either have the lowest floor (including basement) elevated to or above the base flood level or together with attendant utility and sanitary facilities, be designed so that below the base flood level the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. A registered professional engineer or architect shall develop and/or review structural design, specifications, and plans for the construction, and shall certify that the design and methods of construction are in accordance with accepted standards of practice as outlined in this subsection. A record of such certification which includes the specific elevation (in relation to mean sea level) to which such structures are floodproofed shall be maintained by the Floodplain Administrator.

(3) **Enclosures** - new construction and substantial improvements, with fully enclosed areas below the lowest floor that are usable solely for parking of vehicles, building access or storage in an area other than a basement and which are subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be certified by a registered professional engineer or architect or meet or exceed the following minimum criteria:

(a) A minimum of two openings on separate walls having a total net area of not less than 1 square inch for every square foot of enclosed area subject to flooding shall be provided.

(b) The bottom of all openings shall be no higher than 1 foot above grade.

(c) Openings may be equipped with screens, louvers, valves, or other coverings or devices provided that they permit the automatic entry and exit of floodwaters.

(4) Manufactured Homes -

(a) Require that all manufactured homes to be placed within Zone A on a community's FHBM or FIRM shall be installed using methods and practices which minimize flood damage. For the purposes of this requirement, manufactured homes must be elevated and anchored to resist flotation, collapse, or lateral movement. Methods of anchoring may include, but are not limited to, use of over-the-top or frame ties to ground anchors. This requirement is in addition to applicable State and local anchoring requirements for resisting wind forces.

(b) Require that manufactured homes that are placed or substantially improved within Zones A1-30, AH, and AE on the community's FIRM on sites (i) outside of a manufactured home park or subdivision, (ii) in a new manufactured home park or subdivision, (iii) in an expansion to an existing manufactured home park or subdivision, or (iv) in an existing manufactured home park or subdivision on which a manufactured home has incurred "substantial damage" as a result of a flood, be elevated on a permanent foundation such that the lowest floor of the manufactured home is elevated to or above the base flood elevation and be securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

(c) Require that manufactured homes be placed or substantially improved on sites in an existing manufactured home park or subdivision with Zones A1-30, AH and AE on the community's FIRM that are not subject to the provisions of paragraph (4) of this section be elevated so that either:

(i) the lowest floor of the manufactured home is at or above the base flood elevation, or

(ii) the manufactured home chassis is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than 36 inches in height above grade and be securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

(5) **Recreational Vehicles** - Require that recreational vehicles placed on sites within Zones A1-30, AH, and AE on the community's FIRM either (i) be on the site for fewer than 180 consecutive days, or (ii) be fully licensed and ready for highway use, or (iii) meet the permit requirements of Article 4, Section C (1), and the elevation and anchoring requirements for "manufactured homes" in paragraph (4) of this section. A recreational vehicle is ready for highway use if it is on its wheels or jacking system, is attached to the site only by quick disconnect type utilities and security devices, and has no permanently attached additions.

SECTION C. STANDARDS FOR SUBDIVISION PROPOSALS

(1) All subdivision proposals including the placement of manufactured home parks and subdivisions shall be consistent with Article 1, Sections B, C, and D of this ordinance.

(2) All proposals for the development of subdivisions including the placement of manufactured home parks and subdivisions shall meet Floodplain Development Permit requirements of Article 3, Section C; Article 4, Section C; and the provisions of Article 5 of this ordinance.

(3) Base flood elevation data shall be generated for subdivision proposals and other proposed development including the placement of manufactured home parks and subdivisions which is greater than 50 lots or 5 acres, whichever is lesser, if not otherwise provided pursuant to Article 3, Section B or Article 4, Section B (8) of this ordinance.

(4) All subdivision proposals including the placement of manufactured home parks and subdivisions shall have adequate drainage provided to reduce exposure to flood hazards.

(5) All subdivision proposals including the placement of manufactured home parks and subdivisions shall have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize or eliminate flood damage.

SECTION D. STANDARDS FOR AREAS OF SHALLOW FLOODING (AO/AH ZONES)

Located within the areas of special flood hazard established in Article 3, Section B, are areas designated as shallow flooding. These areas have special flood hazards associated with flood depths of 1 to 3 feet where a clearly defined channel does not exist, where the path of flooding is unpredictable, and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow; therefore, the following provisions apply:

(1) All new construction and substantial improvements of **residential** structures have the lowest floor (including basement) elevated to or above the base flood elevation or the highest adjacent grade at least as high as the depth number specified in feet on the community's FIRM (at least 2 feet if no depth number is specified).

(2) All new construction and substantial improvements of **non-residential** structures;

(a) have the lowest floor (including basement) elevated to or above the base flood elevation or the highest adjacent grade at least as high as the depth number specified in feet on the community's FIRM (at least 2 feet if no depth number is specified), or

(b) together with attendant utility and sanitary facilities be designed so that below the base specified flood depth in an AO Zone, or below the Base Flood Elevation in an AH Zone, level the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads of effects of buoyancy.

(3) A registered professional engineer or architect shall submit a certification to the Floodplain Administrator that the standards of this Section, as proposed in Article 4, Section C are satisfied.

(4) Require within Zones AH or AO adequate drainage paths around structures on slopes, to guide flood waters around and away from proposed structures.

SECTION E. FLOODWAYS

Floodways - located within areas of special flood hazard established in Article 3, Section B, are areas designated as floodways. Since the floodway is an

extremely hazardous area due to the velocity of flood waters which carry debris, potential projectiles and erosion potential, the following provisions shall apply:

(1) Encroachments are prohibited, including fill, new construction, substantial improvements and other development within the adopted regulatory floodway unless it has been demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment would not result in any increase in flood levels within the community during the occurrence of the base flood discharge.

(2) If Article 5, Section E (1) above is satisfied, all new construction and substantial improvements shall comply with all applicable flood hazard reduction provisions of Article 5.

(3) Under the provisions of 44 CFR Chapter 1, Section 65.12, of the National Flood Insurance Program Regulations, a community may permit encroachments within the adopted regulatory floodway that would result in an increase in base flood elevations, provided that the community **first** completes all of the provisions required by Section 65.12.

SECTION F. SEVERABILITY

If any section, clause, sentence, or phrase of this Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Ordinance.

SECTION G. PENALTIES FOR NON COMPLIANCE

No structure or land shall hereafter be constructed, located, extended, converted, or altered without full compliance with the terms of this court order and other applicable regulations. Violation of the provisions of this court order by failure to comply with any of its requirements (including violations of conditions and safeguards established in connection with conditions) shall constitute a misdemeanor. Any person who violates this court order or fails to comply with any of its requirements shall upon conviction thereof be fined not more than \$__ \$500__ for each violation, and in addition shall pay all costs and expenses involved in the case. Nothing herein contained shall prevent City Council from taking such other lawful action as is necessary to prevent or remedy any violation.

SECTION H. CERTIFICATION OF ADOPTION

APPROVED:

Joe Max Wilson
Mayor Joe Max Wilson

PASSED:

October 19, 2010
(adoption date)

ORDINANCE BECOMES EFFECTIVE:

October 19, 2010
(effective date)

I, the undersigned, Monica Rodriguez, do hereby certify that the above is a true and correct copy of an ordinance duly adopted by the City Council, at a regular meeting duly convened on October 19, 2010

Monica Rodriguez
Certifying Officer.

Attest: City Secretary
Monica Rodriguez

[Signature]
Mayor Pro Tem Lou Moran

Councilman Mike Georgia

Councilman Rick White

[Signature]
Councilman Wes Williams

[Signature]
Councilman Aaron Shoop

SEAL:





City Council Agenda December 14, 2020

Agenda Item: **Development Agreement** **(Consent Item)**

Agenda Description:

Consider approval of a Development Agreement for approximately 10 acres in the New Fairview ETJ waiving the current platting requirements; provided that the construction is limited to a single-family home; provided that the property owner and successors must abide by the city's design standards in the future if additional improvements or subdivision of the property is requested.

Background Information:

The city has the right to plat properties in their ETJ. The property owner of this tract of land has requested that the city waive the platting requirements and sign a development agreement that limits the use of the land to a single-family residential use. If the property owners or their successors decide to subdivide in the future, they agree to follow the city's design standards, i.e. building permits, inspections, etc. This agreement protects the city regarding future development activity that may occur in the ETJ.

Financial Information:

N/A

City Contact and Recommendation:

Ben Nibarger, City Administrator
Staff recommends approval as submitted.

Attachments:

Development Agreement

DEVELOPMENT AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF WISE §

This Development Agreement for Fairview Meadows (this "Agreement") is entered into by the City of New Fairview, Texas, a Type A general law municipality situated in Wise and Denton County, Texas ("City"), and _____, a _____ ("Owner"), each being referred to, individually, as a "Party" and, collectively, as the "Parties", to be effective on the Effective Date, as hereafter defined.

ARTICLE I RECITALS

A. Owner is the owner of approximately _____ acres of land in _____ County, Texas, in the City's extraterritorial jurisdiction ("ETJ") as shown on Exhibit A and described in Exhibit B attached to this Agreement (the "Property"); and

B. Owner intends to use the Property in the City's ETJ as _____ and later plans to develop the Property.

C. The Parties have the authority to enter into this Agreement pursuant to Section 212.172 of the Texas Local Government Code.

NOW THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions hereinafter set forth, the Parties agree as follows:

ARTICLE II DEFINITIONS

"City" means the City of New Fairview, Texas.

"City Council" means the City Council of the City of New Fairview, Texas.

"City's Development Regulations" means the City's Subdivision Ordinance, adopted building codes, the design standards and specifications in the City's Technical Construction Standards and Specifications Manual and the Technical Construction Standard Drawings, and all of the City's other development related regulations, which may each or all be amended and updated from time to time.

“Effective Date” means the date this Agreement is fully executed by the City and Owner.

“Property” has the meaning set out in Recital A.

“Public Infrastructure” means all water, sewer, drainage, roadway, and other public infrastructure to serve the Property.

“State” means the State of Texas.

“TCEQ” means the Texas Commission on Environmental Quality.

ARTICLE III **DEVELOPMENT REGULATIONS**

3.01 Applicable Regulations. The Property shall be developed and maintained in accordance with the City’s Development Regulations, as if the property were located within the City’s corporate limits. In addition to the City’s Development Regulations, all other City codes, ordinances, regulations or other requirements that would otherwise apply to property in the City’s ETJ also apply to development of the Property.

ARTICLE IV **DEVELOPMENT PROCESS**

4.01 Jurisdiction. Pursuant to this Agreement, Section 242.001(a)(3) of the Texas Local Government Code, and the City’s interlocal agreement with the county, the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats, amending plats, replats, minor replats, and remainder plats for the Property in accordance with this Agreement. The City shall also have and exercise exclusive jurisdiction over the review and approval of the design, construction, installation, and inspection of Public Infrastructure and the construction and occupancy of structures. All Public Infrastructure shall be designed and constructed in accordance with the City’s Development Regulations. No structure shall be constructed on the Property unless the City has issued a building permit for the structure.

4.02 Plat Required. The use of the property for _____ shall not require the approval of a plat at this time. However, a subdivision plat or a development plat shall be required before the Owner may: (1) divide the Property into two or more parts to lay out a subdivision of the tract, including an addition to the City, to lay out suburban, building, or other lots or to lay out streets, alleys, squares, parks or other parts of the tract intended to be dedicated to public use or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, square, parks or other parts; (2) obtain a permit for the development of the Property, if the Property has not already been platted; or (3) propose the development of the Property in any manner. A subdivision plat or

development plat for the Property must comply with the City's Development Regulations.

ARTICLE V **TERM OF AGREEMENT**

5.01 This Agreement has a forty-five (45) year term, commencing on the Effective Date and terminating on the 45th anniversary of the Effective Date.

ARTICLE VI **BREACH, NOTICE AND REMEDIES**

6.01 Notification of Breach. If a Party commits a breach of this Agreement, the non-breaching Party shall give Notice to the breaching Party that describes the breach in reasonable detail. No party shall be in default under this Agreement until Notice has been given under this section.

6.02 Cure of Breach. The breaching Party shall commence curing such breach within fourteen (14) calendar days after receipt of such Notice and shall complete the cure within fourteen (14) calendar days from the date of commencement of the cure; however, if the breach is not reasonably susceptible to cure by the breaching Party within such fourteen (14) day period, the non-breaching Party shall not bring any action so long as the breaching Party has commenced to cure the default within such fourteen (14) day period and diligently completes the work within a reasonable time (not to exceed an additional thirty (30) days) without unreasonable cessation of the work.

6.03 Remedies for Breach. If the breaching Party does not substantially cure such breach within the stated period of time, the non-breaching Party may, in its sole discretion, and without prejudice to any other right under this Agreement, law, or equity, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus and injunctive relief; provided, however, that the non-breaching Party shall not be entitled to terminate this Agreement, and each Party specifically waives any right such Party has or in the future may have to terminate this Agreement. The prevailing party in any suit related to this Agreement shall be entitled to recover attorneys' fees.

6.04 Governmental Powers; Waiver of Immunity. It is understood that by execution of this Agreement the City does not waive or surrender any of its governmental powers, immunities or rights. Nothing in this section shall waive any claims, defenses or immunities that the City has with respect to suits against the City by persons or entities not a party to this Agreement.

ARTICLE VII
ADDITIONAL PROVISIONS

7.01 Notice. Any notices, certifications, approvals, or other communications required to be given by one Party to another under this Agreement (a "Notice") shall be given in writing addressed to the Party to be notified at the address set forth below and shall be deemed given: (a) when the Notice is delivered in person to the person to whose attention the Notice is addressed; (b) when received if the Notice is deposited in the United States Mail, certified or registered mail, return receipt requested, postage prepaid; or (c) when the Notice is delivered by Federal Express, UPS, or another nationally recognized courier service with evidence of delivery signed by any person at the delivery address. If any date or period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following the Saturday, Sunday, or legal holiday. For the purpose of giving any Notice, the addresses of the Parties are set forth below. The Parties may change the information set forth below by sending Notice of such changes to the other Party as provided in this section.

To the City:

City of New Fairview, Texas
Attn: Mayor
999 Illinois Lane
New Fairview, TX 76078

With a copy to:

Taylor Olson Adkins Sralla & Elam
Attn: Bradley Anderle
6000 Western Place, Suite 200
Fort Worth, TX 76107

To Owner:

7.02 Recordation. Pursuant to the requirements of Section 212.172(c) of the Local Government Code, Owner shall record this Agreement, and all amendments to this Agreement, in the real property records of the county, and shall provide a file-marked copy of the recorded Agreement to the City Secretary within ten (10) days after its execution. **This Agreement shall be binding upon the City, Owner, the District (upon execution of a Development and Operating Agreement), any Lender that has become an Assignee, any other Assignee, and their respective successors and assigns.** The

Parties agree that this Agreement benefits and burdens the Property and touches and concerns the Property. The rights and obligations under this Agreement are intended to be covenants running with the Property.

7.03 No Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given.

7.04 Performance Requirements. Time is of the essence in the performance by the Parties of their respective obligations under this Agreement.

7.05 Severability. The provisions of this Agreement are severable. If any word, phrase, clause, sentence, paragraph, section, or other provision of this Agreement shall ever be held or determined to be invalid, illegal, or unenforceable for any reason, then such provision shall be deemed severed from this Agreement without invalidating the remainder of this Agreement, and a new provision shall be deemed substituted in lieu of the severed provision which new provision shall, to the extent possible, accomplish the intent of the Parties evidenced by the severed provision.

7.06 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether written or oral, covering the subject matter of this Agreement.

7.07 Amendment. This Agreement may not be amended except in writing approved by the City Council and signed by the City and Owner.

7.08 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the City and Owner, and neither the City nor Owner intends by any provision of this Agreement to create any rights in any third-party beneficiaries or to confer any benefit or enforceable rights under this Agreement or otherwise upon anyone other than the City and Owner.

7.09 Takings Impact Assessment. Owner expressly and unconditionally waives and releases the City from any obligation to perform a takings impact assessment under the Texas Private Real Property Rights Preservation Act, Texas Government Code Chapter 2007, as it may apply to this Agreement.

7.10 Exhibits. All exhibits attached to this Agreement are incorporated as part of this Agreement for the purposes set forth herein, as follows:

Exhibit A	Map of the Property
Exhibit B	Legal Description of the Property

ATTEST:

CITY OF NEW FAIRVIEW

City Secretary

By: _____
Joe Max Wilson, Mayor

Date: _____

APPROVED AS TO FORM AND
LEGALITY:

Bradley Anderle, City Attorney

STATE OF TEXAS §

§

COUNTY OF WISE §

This instrument was acknowledged before me, on the ____ day of _____,
20____, by Joe Max Wilson, Mayor of the City of New Fairview, Texas on behalf of said
city.

Notary Public, State of Texas
Printed Name: _____
My Commission Expires: _____
[SEAL]

OWNER

By: _____
Name: _____
Title: _____

STATE OF TEXAS §

COUNTY OF _____ §

 This instrument was acknowledged before me on _____, 20____, by
_____, _____ of _____, a
_____ company, on behalf of said _____ company.

Notary Public, State of Texas

Exhibit A
Map of the Property

Exhibit B
Legal Description of the Property



City Council Agenda December 14, 2020

Agenda Item:	Resolution	(Action Item)
---------------------	-------------------	----------------------

Agenda Description:

Consider a resolution accepting the fiscal year 2019-2020 annual audit report.

Background Information:

The Local Government Code requires that municipalities conduct an annual audit and prepare financial statements from an outside independent accountant. The audits review the accounts and financial activities of the City as well as review the controls, policies, and procedures in place to mitigate the possibility of theft and/or mismanagement of public funds.

Financial Information:

N/A

City Contact and Recommendation:

Ben Nibarger, City Administrator

Accept the audit report for fiscal year ending the 30th of September 2020.

Attachments:

Resolution

Audit Report (Delivered Under Separate Cover) The full audit reports will be added to the City website as soon as it is accepted by the Council.



City of New Fairview, Texas
Resolution No. _____

A RESOLUTION OF THE CITY OF NEW FAIRVIEW, TX ACCEPTING THE ANNUAL AUDIT REPORT PRESENTED BY WILLIAM C SPORE PC, FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018.

WHEREAS, the City of Fairview is an incorporated city in the State of Texas; and

WHEREAS, the City of New Fairview is a General Law city as classified by the Texas Municipal Code; and

WHEREAS, Section 103.001 of the Local Government Code requires a municipality to have its records and accounts audited annually and prepare an annual financial statement based upon the audit; and

WHEREAS, Section 10.002 of the Local Government Code requires that a municipality shall employ at its own expense a certified public accountant who is licensed in this state or a public accountant who holds a permit to practice from the Texas State Board of Public Accountancy to conduct an annual audit and prepare the financial statements; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
NEW FAIRVIEW:**

1. That, all matters stated in the recitals herein above are found to be true and correct and are incorporated herein by reference as if copied in their entirety.
2. That the City Council does hereby accept the Annual Audit Report from William C Spore PC, for the fiscal year ended September 30, 2020, attached as Exhibit "A".
3. That, if any portion of this resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determined that it would have adopted this Resolution

without the invalid provision.

4. That this Resolution shall become effective from and after its date of passage.

PRESENTED AND PASSED on this **14th day of September**, at a meeting of the New Fairview City Council.

APPROVED:

Joe Max Wilson
Mayor

ATTESTED:

Monica Rodriguez
City Secretary



City Council Agenda December 14, 2020

Agenda Item:	Resolution	(Action Item)
---------------------	-------------------	----------------------

Agenda Description:

Consider a resolution approving and authorizing publication of a notice intention to issue certificates of obligation and resolving other matters incident and related thereto.

Background Information:

The City Council directed staff to develop a plan, including a funding source, to repair the streets in New Fairview. Over the last three months, staff has been working with Pacheco Koch on the engineering and design of the roads, HilltopSecurities as our financial advisor, and Norton Rose Fulbright as our bond counsel to accomplish the goal of improving streets.

Over the next three months, staff will be presenting additional information to comply with requirements for issuing debt. Further, we anticipate the City Council will receive the final numbers related to the cost of borrowing these funds in February. In February, the City Council will be presented the final numbers and take action to either approve or deny the sale of the bonds for the repair of streets in New Fairview.

Financial Information:

We are still working on the final costs for the project, but we are presenting a not to exceed issue of \$3.2 million. This amount will most likely be lower as we get the final numbers but we are required to provide a not to exceed amount.

City Contact and Recommendation:

Ben Nibarger, City Administrator
Staff recommends approval as submitted.

Attachments:

Norton Rose Fulbright - Letter of Instruction
Resolution



December 7, 2020

BY EMAIL

cityadministrator@newfairview.org

citysecretary@newfairview.org

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-2784
United States

Robert D. Dransfield

Partner

Direct line +1 214 855 8068

robert.dransfield@nortonrosefulbright.com

Tel +1 214 855 8000

Fax +1 214 855 8200

nortonrosefulbright.com

Mr. Ben Nibarger
City Administrator
Ms. Monica Rodriguez
City Secretary
City of New Fairview
999 Illinois Lane
New Fairview, Texas 76078

Re: City of New Fairview, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2021

Dear Ben and Monica:

We have prepared and are enclosing herewith the following proceedings relating to the giving of notice of intention to issue certificates of obligation, to wit:

Please note the Attorney General of Texas has requested that bond documents be signed in **BLUE** ink. The City's seal may be in black ink.

1. A copy of the Resolution approving and authorizing publication of notice of intention to issue the certificates of obligation. Please print two (2) copies of the Resolution. After adoption and execution in blue ink, one original should be retained for the City's files and the other original should be returned to us.

2. A copy of the Certificate of City Secretary relating to the resolution referenced above. Please print three (3) copies of Certificate, to be executed in blue ink, sealed and return all originals us. Please let us know the names of any absent Council members and the vote to complete the blanks on the first page. An executed copy of such certificate will be furnished to the City in the final transcript of proceedings.

3. A copy of the "Notice of Intention to Issue City of New Fairview, Texas Certificates of Obligation" for you to:

(a) **Publish in a newspaper:** publish twice - once a week for two consecutive weeks, the date of the first publication to be at least forty-six (46) days prior to the date, but not counting the date, stated for the passage of the ordinance authorizing the issuance of the certificates of obligation, in a newspaper that (1) is of general circulation in the City, (2) devotes not less than twenty-five percent (25%) of its total column lineage to items of general interest, (3) is published not less frequently than once each week, (4) is entered

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

101435935.2/1001142172

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com

as second-class postal matter in the county where published and (5) has been published regularly and continuously for at least twelve (12) months before the date of the first publication of the notice; and

(b) **Post to the City's website:** post/publish on the City's internet website, continuously for at least forty-six (46) days prior to the date, but not counting the date, stated for the passage of the ordinance authorizing the issuance of the certificates of obligation and make sure it stays on the City's website until the ordinance is adopted.

As soon as the notice has been posted to the City's website, **please send us** (robert.dransfield@nortonrosefulbright.com, jordan.sawyer@nortonrosefulbright.com, jenny.hackler@nortonrosefulbright.com and sheila.hill@nortonrosefulbright.com) **a link to the posted notice** so that we can attach a screenshot of the posted version to the certification required by the Attorney General of Texas.

4. A copy of an Affidavit of Publication to be completed and executed by an official of the newspaper after the notice has been published two times as mentioned above. The newspaper representative will need to complete three (3) executed affidavits. Please attach to each affidavit an original clipping/newspaper page of the notice as it actually appeared in the newspaper for both publication dates. Two (2) originals are to be returned to us and one original is for the City's files.

Thank you for your assistance. Should you have any questions or if we can assist in the return of the executed documents, please do not hesitate to call me at the number referenced above or my associate, Jordan Sawyer, at (214) 855-7419.

Sincerely,


Robert D. Dransfield

RDD/jts
Enclosures

cc: Nick Bulaich (by email, with enclosures)

RESOLUTION NO. _____

A RESOLUTION approving and authorizing publication of notice of intention to issue certificates of obligation.

WHEREAS, the City Council (the "Council") of the City of New Fairview, Texas (the "City"), has determined that certificates of obligation should be issued under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) constructing and improving streets, including drainage, landscaping, streetscaping, retaining walls, curbs, gutters, sidewalks, signage, traffic signalization, street noise abatement, and utility system relocation incidental thereto and the acquisition of land and rights-of-way therefor, (b) acquiring, constructing, reconstructing, improving, installing, and equipping existing municipal facilities and the acquisition of land and rights-of-way therefor, (c) acquiring, constructing, reconstructing, improving, installing, and equipping park facilities and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in connection with the acquisition, construction and financing of such projects; and

WHEREAS, prior to the issuance of such certificates, the City Council is required to publish notice of its intention to issue the same in a newspaper of general circulation in the City and on the City's website, said notice stating (i) the time and place the Council tentatively set to pass the ordinance authorizing the issuance of the certificates, (ii) the maximum amount proposed to be issued, (iii) the purposes for which the certificates are to be issued and (iv) the manner in which the Council proposes to pay the certificates; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEW FAIRVIEW, TEXAS:

SECTION 1: The City Secretary is hereby authorized and directed to cause notice to be published of the Council's intention to issue certificates of obligation in a principal amount not to exceed the amount set forth in **Exhibit A** hereto for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) constructing and improving streets, including drainage, landscaping, streetscaping, retaining walls, curbs, gutters, sidewalks, signage, traffic signalization, street noise abatement, and utility system relocation incidental thereto and the acquisition of land and rights-of-way therefor, (b) acquiring, constructing, reconstructing, improving, installing, and equipping existing municipal facilities and the acquisition of land and rights-of-way therefor, (c) acquiring, constructing, reconstructing, improving, installing, and equipping park facilities and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in connection with the acquisition, construction and financing of such projects, and such certificates shall be payable from ad valorem taxes and a limited pledge of the net revenues of the City's solid waste disposal system. The notice hereby approved and authorized to be published shall read substantially in the form and content of **Exhibit A** hereto attached and incorporated herein by reference as a part of this resolution for all purposes.

SECTION 2: The City Secretary shall cause the aforesaid notice to be (i) published in a newspaper of general circulation in the City, once a week for two consecutive weeks, the date of the first publication to be at least forty-six (46) days prior to the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation and (ii) posted continuously on the City's website for at least forty-five (45) days before the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation.

SECTION 3: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 4: This Resolution shall be in force and effect from and after its passage on the date shown below.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED, this December 14, 2020.

CITY OF NEW FAIRVIEW, TEXAS

ATTEST:

Mayor

City Secretary

(City Seal)

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CITY OF NEW FAIRVIEW, TEXAS, CERTIFICATES OF OBLIGATION

TAKE NOTICE the City Council of the City of New Fairview, Texas, shall convene at 7:00 o'clock P.M. on February 1, 2021, at its regular meeting place in City Hall, 999 Illinois Lane, New Fairview, Texas, and, during such meeting, the City Council will consider the passage of one or more ordinances authorizing the issuance of certificates of obligation, in one or more series, in a principal amount not to exceed \$3,200,000 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) constructing and improving streets, including drainage, landscaping, streetscaping, retaining walls, curbs, gutters, sidewalks, signage, traffic signalization, street noise abatement, and utility system relocation incidental thereto and the acquisition of land and rights-of-way therefor, (b) acquiring, constructing, reconstructing, improving, installing, and equipping existing municipal facilities and the acquisition of land and rights-of-way therefor, (c) acquiring, constructing, reconstructing, improving, installing, and equipping park facilities and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in connection with the acquisition, construction and financing of such projects, and such certificates shall be payable from ad valorem taxes and a limited pledge of the net revenues of the City's solid waste disposal system. In accordance with Texas Local Government Code Section 271.049, (i) the current principal amount of all of the City's outstanding public securities secured by and payable from ad valorem taxes is \$0; (ii) the current combined principal and interest required to pay all of the City's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$0; (iii) the estimated combined principal and interest required to pay the certificates of obligation to be authorized on time and in full is \$4,409,325; (iv) the maximum interest rate for the certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the certificates to be authorized is August 15, 2040. The certificates are to be issued, and this notice is given, under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271.

City Secretary
City of New Fairview, Texas



City of New Fairview, Texas

Combination Tax and Limited Pledge Surplus Certificates of Obligation, Series 2021

Projected Schedule of Events

Nov-20						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Dec-20						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Jan-21						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Feb-21						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

Mar-21						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

By	Day	Event
18-Nov-20	Wednesday	Initial Draft of Preliminary Official Statement distributed to City and to Bond counsel for review
11-Dec-20	Friday	Receive Initial comments/information from City & Bond Counsel
14-Dec-20	Monday	Provide updated draft of Preliminary Official Statement and draft Notice of Sale to City and Bond Counsel for comments and modifications, Provide to credit rating agency
14-Dec-20	Monday	City Council approves Notice of Intent Resolution for Publication of Certificates of Obligation
TBD	TBD	First Publication of Notices of Intent to Issue Certificates (must be at least 45 days before sale date - <u>NO LATER THAN 12/17/2020</u>)
TBD	TBD	Second Publication of Notices of Intent to Issue Certificates (same day of the week following 1st publication; <u>EXACTLY one week later</u>)
4-Jan-21	Week of	Rating call
15-Jan-21	Friday	Receive credit rating and final comments to offering documents
20-Jan-21	Wednesday	Finalize Preliminary Official Statement Notice of Sale and distribute Electronically through i-Deal Prospectus to Potential Purchasers
1-Feb-21	Monday	Final Pricing for Certificates of Obligation City Council adopts Ordinance and approves bond sale
3-Mar-21	Wednesday	Closing and delivery of Funds to the City

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS	§
	§
COUNTY OF WISE	§
	§
CITY OF NEW FAIRVIEW	§

I, the undersigned, City Secretary of the City of New Fairview, Texas, DO HEREBY CERTIFY as follows:

1. On the 14th day of December, 2020, a regular meeting of the City Council (the "Council") of the City of New Fairview, Texas (the "City") was held at a meeting place in the City; the duly constituted members of the Council being as follows:

JOE MAX WILSON		MAYOR
JULIE ANN BURGER)	
PATRICK GUNTER)	
STEVE MISNER)	COUNCILMEMBERS
WALTER CLEMENTS)	
CONNIE STEWART)	

and all of said persons were present at said meeting, except the following: _____. Among other business considered at said meeting, the attached resolution entitled:

"RESOLUTION NO. _____"

A RESOLUTION approving and authorizing publication of notice of intention to
issue certificates of obligation"

was introduced and submitted to the Council for passage and adoption. After presentation and due consideration of the resolution, and upon a motion being made and seconded, the resolution was finally passed and adopted by the Council to be effective immediately by the following vote:

___ voted "For" ___ voted "Against" ___ abstained

all as shown in the official minutes of the Council for the meeting held on the aforesaid date.

2. The attached resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of the meeting was given to each member of the Council; and that said meeting and the deliberation of the aforesaid public business was open to the public and written notice of said meeting, including the subject of the above entitled resolution, was posted and given in advance thereof in compliance with the provisions of Texas Government Code, Chapter 551, as amended.

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of said City, this the 14th day of December, 2020.

City Secretary
City of New Fairview, Texas

(City Seal)

PRELIMINARY OFFICIAL STATEMENT

Dated January 1, 2021

Ratings:
S&P: "BBB"
(See "BOND INSURANCE" and
"OTHER INFORMATION –
Ratings" herein)-

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" herein.

THE CERTIFICATES WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS



\$3,000,000*
CITY OF NEW FAIRVIEW, TEXAS
(Wise and Denton Counties)
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2021

Dated Date: February 1, 2021
Interest Accrues from Delivery Date

Due: August 15, as shown on below

PAYMENT TERMS . . . Interest on the \$3,000,000* City of New Fairview, Texas Combination Tax and Revenue Certificates of Obligation, Series 2021 (the "Certificates") will accrue from the date of initial delivery, anticipated to be March 3, 2021 (the "Delivery Date"), will be payable August 15 and February 15 of each year commencing August 15, 2021, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Certificates will be made to the owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "The Certificates - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is BOKF, N.A., Dallas, Texas (see "The Certificates - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution, and general laws of the State of Texas (the "State"), including particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Subchapter B of Chapter 1502, Texas Government Code, as amended, and are direct obligations of the City of New Fairview, Texas (the "City"), payable from an annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law and a limited pledge (not to exceed \$1,000) of the net revenues of the City's Solid Waste System, as provided in the ordinance authorizing the Certificates (the "Ordinance") (see "The Certificates - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purposes of (i) [REDACTED]; and (ii) professional services rendered in relation to such projects and the financing thereof (See "Plan of Financing").

BOND INSURANCE . . . The City has submitted applications to municipal bond insurance companies to have the payment of the principal and interest on the Certificates insured by a municipal bond insurance policy (see "Bond Insurance" and "Bond Insurance – Bond Insurance Risk Factors" herein).

MATURITY SCHEDULE*

CUSIP Prefix ⁽¹⁾: _____

Principal Amount	Maturity	Interest Rate	Yield	CUSIP Suffix ⁽¹⁾	Principal Amount	Maturity	Interest Rate	Yield	CUSIP Suffix ⁽¹⁾
\$ 105,000	2021				\$ 160,000	2031			
55,000	2022				165,000	2032			
70,000	2023				170,000	2033			
90,000	2024				175,000	2034			
130,000	2025				175,000	2035			
135,000	2026				180,000	2036			
140,000	2027				195,000	2037			
140,000	2028				200,000	2038			
145,000	2029				205,000	2039			
155,000	2030				210,000	2040			

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the City, the Financial Advisor or the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth herein

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after August 15, 2030, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2029, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Certificates – Optional Redemption").

LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the Underwriter subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Underwriter by their counsel, [REDACTED], Dallas, Texas.

DELIVERY . . . It is expected that the Certificates will be available for delivery through the delivery of DTC on March 3, 2021.

* Preliminary, subject to change. See "THE CERTIFICATES - Adjustment of Principal Amounts and/or Types of Bids" in the "Notice of Sale and Bidding Instructions".

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the City with respect to the Bonds that has been "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

This Preliminary Official Statement, which includes the cover pages and the Schedule and Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation, promise or guarantee of the Financial Advisor or the Underwriter.

This Preliminary Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Preliminary Official Statement in its entirety and to each such document, copies of which may be obtained from the Financial Advisor. Any statements made in this Preliminary Official Statement or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

The Underwriter has reviewed the information in this Preliminary Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

NONE OF THE CITY, ITS FINANCIAL ADVISOR, OR THE UNDERWRITER MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY ONLY SYSTEM.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, IF ANY, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS PRELIMINARY OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENT.

TABLE OF CONTENTS

PRELIMINARY OFFICIAL STATEMENT	FINANCIAL INFORMATION..... 23
SUMMARY3	TABLE 8 - CHANGES IN NET ASSETS..... 23
CITY OFFICIALS, STAFF, AND CONSULTANTS....5	TABLE 8A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY 24
ELECTED OFFICIALS5	TABLE 9 - MUNICIPAL SALES TAX HISTORY 25
SELECTED ADMINISTRATIVE STAFF.....5	TABLE 10 - CURRENT INVESTMENTS 27
CONSULTANTS AND ADVISORS5	TAX MATTERS..... 28
INTRODUCTION6	CONTINUING DISCLOSURE OF INFORMATION 29
INFECTIOUS DISEASE OUTBREAK – COVID-19....6	OTHER INFORMATION..... 31
PLAN OF FINANCING.....7	RATINGS 31
THE CERTIFICATES.....7	LITIGATION 31
BOND INSURANCE12	REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR SALE 31
TAX INFORMATION13	LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS..... 31
TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT..... 17	LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE 31
TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY 18	AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION 32
TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY 19	FINANCIAL ADVISOR 32
TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY... 19	FORWARD-LOOKING STATEMENTS DISCLAIMER 32
TABLE 5 - TEN LARGEST TAXPAYERS 19	MISCELLANEOUS 32
TABLE 6 - ESTIMATED OVERLAPPING DEBT 20	APPENDICES
DEBT INFORMATION.....21	GENERAL INFORMATION REGARDING THE CITY A
TABLE 7 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS 21	EXCERPTS FROM THE ANNUAL FINANCIAL REPORT B
	FORMS OF BOND COUNSEL'S OPINION C

The cover pages hereof, this page, the appendices included herein and any addenda, supplement, or amendment hereto, are part of the Official Statement.

PRELIMINARY OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY	The City of New Fairview, Texas (the "City") is a political subdivision and municipal corporation of the State, located in Wise and Denton Counties, Texas. The City covers approximately 16 square miles (see "Introduction - Description of the City").
THE CERTIFICATES	The \$3,000,000* Combination Tax and Revenue Certificates of Obligation, Series 2021 are to mature on August 15 in the years 2021 through 2040 (see "The Certificates - Description of the Certificates").
PAYMENT OF INTEREST	Interest on the Certificates accrues from the Delivery Date, and is payable August 15, 2021, and each February 15 and August 15 thereafter until maturity or prior redemption (see "The Certificates - Description of the Certificates" and "The Certificates - Optional Redemption").
AUTHORITY FOR ISSUANCE	The Certificates are issued pursuant to the Constitution, and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and including Subchapter B of Chapter 1502, Texas Government Code, as amended, as provided in the ordinance authorizing the Certificates (the "Ordinance") (see "The Certificates - Authority for Issuance").
SECURITY FOR THE CERTIFICATES	The Certificates constitute direct obligations of the City, payable from an annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, and a limited pledge (not to exceed \$1,000) of the net revenues of the City's Solid Waste System, as provided in the Ordinance (see "The Certificates - Security and Source of Payment").
REDEMPTION	The City reserves the right, at its option, to redeem Certificates having stated maturities on and after August 15, 2030, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2029, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Certificates - Optional Redemption").
TAX EXEMPTION	In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "Tax Matters" herein.
QUALIFIED TAX-EXEMPT OBLIGATIONS	The Certificates will be designated as "qualified tax-exempt obligations" for financial institutions.
USE OF PROCEEDS	Proceeds from the sale of the Certificates will be used for (i) [REDACTED]; and (ii) professional services rendered in relation to such projects and the financing thereof (see "Plan of Financing").
RATINGS	The Certificates are rated "[REDACTED]" by S&P Global Ratings ("S&P"), a division of S&P Global Inc. See "Other Information - Ratings" herein.
MUNICIPAL BOND INSURANCE RATINGS	Applications have been made for a commitment for municipal bond guaranty insurance on the Certificates. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by any rating companies, other than S&P as a result of such insurance, will be at the option of the City.
BOOK-ENTRY-ONLY SYSTEM	The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Certificates will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates (see "The Certificates - Book-Entry-Only System").
PAYMENT RECORD	This is the first issuance of public securities by the City.

* Preliminary, subject to change.

SELECTED FINANCIAL INFORMATION

Fiscal						Ratio Funded	
Year	Estimated	Taxable	Per Capita	Funded	Per Capita	Tax Debt to	% of
Ended	City	Assessed	Taxable	Tax	Funded	Taxable	Total Tax
9/30	Population	Valuation ⁽³⁾	Assessed	Debt	Tax	Assessed	Collections
			Valuation		Debt	Valuation	
2017	1,435 ⁽¹⁾	\$ 100,608,482	\$ 70,110	\$ -	\$ -	0.00%	NA
2018	1,498 ⁽¹⁾	103,826,060	69,310	-	-	0.00%	NA
2019	1,544 ⁽¹⁾	143,250,205	92,779	-	-	0.00%	NA
2020	1,559 ⁽²⁾	146,431,609	93,900	-	-	0.00%	00.00% ⁽⁵⁾
2021	1,575 ⁽²⁾	156,573,319	99,409	3,000,000 ⁽⁴⁾	1,905 ⁽⁴⁾	1.92% ⁽⁴⁾	NA

(1) Source: U.S. Census Bureau.

(2) Estimated.

(3) Valuations shown are certified taxable assessed values reported by the Wise County and Denton County Appraisal Districts and to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal Districts updates records.

(4) Projected, includes the Certificates. Preliminary, subject to change.

(5) Preliminary information provided by City staff.

For additional information regarding the City, please contact:

Ben Nibarger
City Administrator
City of New Fairview
999 Illinois Lane
New Fairview, TX 76078
(817) 638-5366

or

Nick Bulaich
Hilltop Securities Inc.
777 Main Street, Suite 1525
Fort Worth, TX 76102
(817) 332-9710

CITY OFFICIALS, STAFF, AND CONSULTANTS

ELECTED OFFICIALS

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Joe Max Wilson Mayor		May 2021	
Julie Ann Burger Councilmember, Place 1	Newly Elected	May 2022 ⁽¹⁾	
Patrick Gunter Councilmember, Place 2	Newly Elected	May 2021 ⁽²⁾	
Steve Misner Councilmember, Place 3	Newly Elected	May 2022 ⁽¹⁾	
Walter Clements Councilmember, Place 4	Newly Elected	May 2021 ⁽²⁾	
Connie Stewart Councilmember, Place 5	Newly Elected	May 2022 ⁽¹⁾	

(1) Pursuant to the November 3, 2020 election, Ms. Burger has been elected to serve as the councilmember for Place 1, Mr. Misner has been elected to serve as the councilmember for Place 3, and Ms. Stewart has been elected to serve as the councilmember for Place 5.

(2) Pursuant to the November 3, 2020 election, Mr. Gunter has been elected to serve as the councilmember for Place 2 for the remainder of an unexpired term and Mr. Clements has been elected to serve as the councilmember for Place 4 for the remainder of an unexpired term.

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>
Ben Nibarger	City Administrator
Monica Rodriguez	City Secretary
Brooke Boller	City Clerk

CONSULTANTS AND ADVISORS

Auditors William C. Spore, P.C.
Keller, Texas

Bond Counsel Norton Rose Fulbright US LLP
Dallas, Texas

Financial Advisors Hilltop Securities Inc.
Fort Worth, Texas

PRELIMINARY OFFICIAL STATEMENT
RELATING TO
\$3,000,000*
CITY OF NEW FAIRVIEW, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021

INTRODUCTION

This Preliminary Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$3,000,000* City of New Fairview, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2021, (the "Certificates"). Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the ordinance to be adopted on the date of sale of the Certificates which will authorize the issuance of the Certificates (the "Ordinance"). .

There follow in this Official Statement descriptions of the Certificates and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Financial Advisor, Hilltop Securities Inc. ("HilltopSecurities"), Fort Worth, Texas.

DESCRIPTION OF THE CITY . . . The City is a political subdivision and Type A general law municipal corporation of the State, duly organized and existing under the laws of the State, including the laws of a General Law municipality. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and 5 Councilmembers. The 2010 Census population for the City was 1,258, while the estimated 2021 population is 1,575.

INFECTIOUS DISEASE OUTBREAK – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in Texas in response to the Pandemic. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness and mitigation.

The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. For example, the issuance of Executive Orders GA-29 and GA-32 on July 2, 2020 and October 7, 2020, collectively, required Texans to (i) operate bars at 50 percent of occupancy if such bars are not in high hospitalization areas and have complied with certain regulations and have receive certain local approvals; (ii) reduce maximum occupancy for businesses to no more than 75 percent of total listed occupancy; (iii) limit outdoor gatherings to 10 people, subject to certain exceptions and local approvals; and (iv) wear face coverings over the nose and mouth in public or places open to the public when it is not feasible to maintain six feet of social distance, subject to certain conditions. Executive Orders GA-29 and GA-32 will remain in effect and in full force unless modified, amended, rescinded, or superseded by the Governor. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <http://gov.texas.gov/>.

In addition to the actions by the state and federal officials, certain local officials, previously declared a local state of disaster and public health emergency and in many instances have issued "shelter-in-place" orders. Many of the federal, state and local actions and policies under the aforementioned disaster declarations and shelter-in-place orders have focused on limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and directly impacts the economy.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the City. These negative impacts may reduce or otherwise negatively affect future property values and/or the collection of sales and other excise taxes, charges, and fees within the City, as well as the assets of City pension funds. See "DEBT INFORMATION – Pension Fund". Actions taken to slow the Pandemic are expected to continue to reduce economic activity within the City and a reduction in the collection of taxes, System (hereinafter defined) revenues and other fees and charges collected by the City may negatively impact the City's operating budget and overall financial condition.

* Preliminary, subject to change. See the Notice of Sale and Bidding Instructions.

The financial and operating data contained herein are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the current financial condition or future prospects of the City. The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the City. While the potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition, and the effect could be material.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purposes of (i) [REDACTED]; and (ii) professional services rendered in relation to such projects and the financing thereof.

DESCRIPTION OF THE CITY . . . The proceeds from the sale of the Certificates will be applied approximately as follows:

<u>Sources of Funds</u>	
Par Amount of Certificates	\$ -
Reoffering Premium	-
Total Sources of Funds	<u>\$ -</u>
<u>Uses of Funds</u>	
Deposit to Project Construction Fund	\$ -
Costs of Issuance	-
Total Uses of Funds	<u>\$ -</u>

THE CERTIFICATES

DESCRIPTION OF THE CERTIFICATES . . . The Certificates are dated February 1, 2021, and mature on August 15 in each of the years and in the amounts shown on the cover page hereof. Interest on the Certificates will accrue from the Delivery Date and will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on August 15 and February 15 of each year, commencing August 15, 2021, until maturity or prior redemption. The definitive Certificates will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Certificates will be made to the owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "The Certificates - Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, including particularly Subchapter C of Chapter 271, Texas Local Government Code (the Certificate of Obligation Act of 1971), as amended, and subchapter B of Chapter 1502, Texas Government Code, as amended, and an Ordinance to be adopted by the City Council of the City.

SECURITY AND SOURCE OF PAYMENT . . . The principal of and interest on the Certificates is payable from a direct and continuing ad valorem tax levied by the City within the limits prescribed by law upon all taxable property in the City and a limited pledge (not to exceed \$1,000) of the net revenues of the City's Solid Waste System, as provided in the Ordinance.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limit prescribed by law. Article XI, Section 4, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$1.50 per \$100 Taxable Assessed Valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.00 of the \$1.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance and based on a 90% collection rate.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem the Certificates having stated maturities on and after August 15, 2030, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2029, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City may select the maturities of Certificates to be redeemed. If less than all the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Certificates, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Certificates to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and any other condition to redemption satisfied, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

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

DEFEASANCE . . . The Ordinance provides for the defeasance of the Certificates when the payment of the principal of and premium, if any, on the Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with the paying agent/registrars or other authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates being defeased, and thereafter, the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Government Securities. The Ordinance provides that "Government Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable Obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under the then applicable laws of the State of Texas. The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid. The City has reserved the option, however, to be exercised at the time of the defeasance of the Certificates, to call for redemption at an earlier date, Certificates which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Certificates. Because the Ordinance does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or those for any other defeasance security will be maintained at any particular rating category.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Certificates is to be transferred and how the principal of, premium, if any, and interest on the Certificates are to be paid to and accredited by DTC while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City considers the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC, New York, New York, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate for each maturity will be issued for the Certificates in the aggregate principal amount thereof and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities Note. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to collectively as the "Participants". DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participant to whose account such Certificates are credited, which may or may not be a Beneficial Owner. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to DTC is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants shall be

the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Participants.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the City and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Certificate or Note certificates, as applicable, are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinances will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City, the Financial Advisors or the Underwriter of the Certificates.

Effect of Termination of Book-Entry-Only System. In the event the Book-Entry-Only System with respect to the Certificates is discontinued by DTC, or the use of the Book-Entry-Only System with respect to the Certificates is discontinued by the City, printed securities certificates will be issued to the holders of the affected Certificates, and the applicable Certificates will be subject to transfer, exchange, and registration provisions as set forth in the Ordinances, summarized under "The Certificates - Transfer, Exchange, and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is BOKF, N.A., Dallas, Texas. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Certificates. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Certificates affected by the changes by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Interest on the Certificates shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States mail, first class, postage prepaid, to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Certificates will be paid to the registered owner at their stated maturity or earlier redemption upon presentation to the designated payment/transfer office of the Paying Agent/Registrar. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, the Certificates may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Certificates may be assigned by the execution of an assignment form on the Certificates or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Certificates will be delivered by the Paying Agent/Registrar, in lieu of the Certificates being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Certificates to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Certificates surrendered for exchange or transfer. See "The Certificates - Book-Entry-Only System" above for a description of the system to be utilized initially in regard to ownership and transferability of the Certificates. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the uncalled balance of a Certificate.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Certificates on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Certificate to be paid on the Special Payment Date that appears on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

REMEDIES . . . The Ordinance does not specify events of default with respect to the Certificates. If the City defaults in the payment of the principal of or interest on any of the Certificates when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Ordinance, any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of obligations set forth in the Certificates or the Ordinance and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so it rests with the discretion of the court, but it may not be arbitrarily refused. There is no acceleration of maturity of any of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Certificates upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) ("Wasson") that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. The Texas Supreme Court reviewed *Wasson* again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore in regard to municipal contract cases (as in tort claims) it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court has ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous language." Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, holders of the Certificates may not be able to bring such a suit against the City for breach of the Certificates or in the Ordinance. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates.

Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors, including holders of the Certificates, of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce remedies would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Certificates are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

Initially, the only registered owner of the Certificates will be Cede & Co., the nominee of DTC. See "The Certificates - Book-Entry-Only System" above for a description of the duties of DTC with regard to ownership of the Certificates.

BOND INSURANCE

GENERAL . . . The City has submitted applications with certain municipal bond insurance companies to have the payment of the principal of and interest on the Certificates insured by a municipal bond insurance policy. If qualified, the use of any such municipal bond insurance will be at the option and paid by the City. The final Official Statement shall disclose information provided by the insurer relating to any such financial guaranty insurance policy.

BOND INSURANCE RISK FACTORS . . . In the event of default of the scheduled payment of principal of or interest on the Certificates when all or a portion thereof becomes due, any owner of the Certificates shall have a claim under the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Certificates by the City which is recovered by the City from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the City (unless the Insurer chooses to pay such amounts at an earlier date).

Payment of principal of and interest on the Certificates is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist. The Insurer may reserve the right to direct the pursuit of available remedies, and, in addition, may reserve the right to consent to any remedies available to and requested by the owners.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Certificates are payable solely from the sources of funds pledged to the payment of the Certificates (see "The Certificates – Security and Source of Payment"). In the event the Insurer becomes obligated to make payments with respect to the Certificates, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Certificates. If a Policy is acquired, the long-term ratings on the Certificates will be dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the ratings on the Certificates, whether or not subject to a Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Certificates.

The obligations of the Insurer under a Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the City, the Financial Advisor or the Underwriter has made independent investigation into the claims-paying ability of any potential Insurer and no assurance or representation regarding the financial strength or projected financial strength of any potential Insurer is given.

TAX INFORMATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

VALUATION OF TAXABLE PROPERTY . . . The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the City is the responsibility of the central appraisal districts in Wise County and Denton County (collectively, the "Appraisal District") with respect to City property located within such counties. Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the City, in establishing their tax rolls and tax rates (see "Tax Information – City and Taxpayer Remedies").

STATE MANDATED HOMESTEAD EXEMPTIONS . . . State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

LOCAL OPTION HOMESTEAD EXEMPTIONS . . . The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

LOCAL OPTION FREEZE FOR THE ELDERLY AND DISABLED . . . The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

PERSONAL PROPERTY . . . Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

FREEPORT AND GOODS-IN-TRANSIT EXEMPTIONS . . . Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer's motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

OTHER EXEMPT PROPERTY . . . Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

TEMPORARY EXEMPTION FOR QUALIFIED PROPERTY DAMAGED BY A DISASTER . . . The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes, located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the date the taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the governor declares the area to be a disaster area. For more information on the exemption, reference is made to Section 11.35 of the Property Tax Code. Section 11.35 of the Property Tax Code was enacted during the 2019 legislative session, and there is no historical judicial precedent for how the statute will be applied. Texas Attorney General Opinion KP-0299, issued on April 13, 2020, concluded a court would likely find the Texas Legislature intended to limit the temporary tax exemption to apply to property physically harmed as a result of a declared disaster and would not apply to purely economic, non-physical damage to property such as economic losses caused by the Pandemic.

TAX INCREMENT REINVESTMENT ZONES . . . A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

TAX ABATEMENT AGREEMENTS . . . Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

For a discussion of how the various exemptions described above are applied by the City, see "Tax Information – City's Application of Property Tax Code" herein.

CITY AND TAXPAYER REMEDIES . . . Under certain circumstances, taxpayers and taxing units, including the City may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Beginning in the 2020 tax year, owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at \$50 million for the 2020 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda that could result in the repeal of certain tax increases (see "Tax Information – Public Hearing and Maintenance and Operations Tax Rate Limitations"). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

LEVY AND COLLECTION OF TAXES . . . The City is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the City. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the City may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

CITY'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the City are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the City having power to tax the property. The City's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the City is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

PUBLIC HEARING AND MAINTENANCE AND OPERATIONS TAX RATE LIMITATIONS . . . The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"special taxing unit" means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

"unused increment rate" means the cumulative difference between a municipality's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a municipality's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate".

The City's tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

A city must annually calculate its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-

collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Certificates.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

DEBT TAX RATE LIMITATIONS . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax-supported debt within the limits prescribed by law. Article XI, Section 4, of the Texas Constitution is applicable to the City and limits its maximum ad valorem tax rate to \$1.50 per \$100 of Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.00 of the \$1.50 maximum tax rate for all debt service on ad valorem tax-supported debt, as calculated at the time of issuance.

CITY APPLICATION OF TAX CODE . . . The City (grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$ _____; the disabled are also granted an exemption of \$ _____.) (does not grant an exemption to the market value of the residence homestead of persons 65 years of age or older or the disabled);

The City (has) (has not) granted an additional exemption of 20% of the market value of residence homesteads; minimum exemption of \$5,000.

See Table 1 for a listing of the amounts of the exemptions described above.

The City (has) (has not) adopted the tax freeze for citizens who are disabled or are 65 years of age or older, which became a local option and subject to local referendum on January 1, 2004.

Ad valorem taxes (are) (are not) levied by the City against the exempt value of residence homesteads for the payment of debt.

The City **does/does not** tax nonbusiness personal property; and **_**collects taxes for the City.

The City **does/does not** permit split payments, and discounts **are (not)** allowed.

The City **(does)** **(does not)** tax freeport property.

The City **(does)** **(does not)** tax goods-in-transit.

The City **(does or does not)** collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City **(has)** **(has not)** adopted a tax abatement policy.

TAX ABATEMENT POLICY . . . The City has established a tax abatement program to encourage economic development. In order to be considered for tax abatement, a project must meet several criteria pertaining to job creation and property value enhancement. Generally, projects are eligible for a tax abatement of up to _____% for a period of _____ years. The value of property subject to abatement is shown in Table 1.

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2020/21 Market Valuation Established by Wise and Denton County Appraisal Districts (excluding totally exempt property)		\$ 232,199,793
Less Exemptions/Reductions at 100% Market Value		
Disabled Veterans	\$ 955,977	
Miscellaneous	24,768	
Homestead Cap Adjustment	7,547,495	
Productivity Loss	67,098,234	
Prorated Exemptions	-	75,626,474
2020/21 Net Taxable Assessed Valuation		\$ 156,573,319
General Obligation Debt Payable From Ad Valorem Taxes (as of 11/1/20)		
General Obligation Debt	\$ -	
The Certificates	3,000,000 ⁽¹⁾	
City Funded Debt Payable From Ad Valorem Taxes		\$ 3,000,000
Interest and Sinking Fund (as of 11/1/20)		\$ -
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.92%

2021 Estimated Population - 1,575
Per Capita Taxable Assessed Valuation - \$99,409
Per Capita Funded Debt - \$1,905

(1) Preliminary, subject to change.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2021		2020		2019	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 76,695,994	33.03%	\$ 54,592,792	25.50%	\$ 46,750,270	23.03%
Real, Residential, Multi-Family	-	0.00%	-	0.00%	-	0.00%
Real, Vacant Lots/Tracts	11,589,904	4.99%	1,918,021	0.90%	1,041,290	0.51%
Real, Acreage (Land Only)	68,522,830	29.51%	62,885,245	29.37%	56,676,500	27.92%
Real, Farm and Ranch Improvements	12,214,918	5.26%	10,265,476	4.80%	9,374,914	4.62%
Real, Commercial / Industrial	12,669,072	5.46%	10,781,982	5.04%	10,287,600	5.07%
Real, Oil and Gas	33,179,631	14.29%	58,232,585	27.20%	65,040,975	32.04%
Real and Tangible Personal, Utilities	7,466,413	3.22%	6,616,533	3.09%	5,949,529	2.93%
Tangible Personal, Business	7,475,681	3.22%	7,053,988	3.30%	6,842,505	3.37%
Real Property, Inventory	2,385,350	1.03%	1,731,360	0.81%	1,011,695	0.50%
Total Appraised Value Before Exemptions	\$ 232,199,793	100.00%	\$ 214,077,982	100.00%	\$ 202,975,278	100.00%
Less: Total Exemptions/Reductions	(75,626,474)		(67,646,373)		(59,725,073)	
Taxable Assessed Value	<u>\$ 156,573,319</u>		<u>\$ 146,431,609</u>		<u>\$ 143,250,205</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2018		2017	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 38,404,520	25.73%	\$ 32,725,410	23.09%
Real, Residential, Multi-Family	-	0.00%	-	0.00%
Real, Vacant Lots/Tracts	979,130	0.66%	957,510	0.68%
Real, Acreage (Land Only)	43,727,480	29.30%	39,965,310	28.19%
Real, Farm and Ranch Improvements	8,912,110	5.97%	8,006,950	5.65%
Real, Commercial / Industrial	9,109,230	6.10%	8,185,930	5.77%
Real, Oil and Gas	35,478,570	23.77%	37,672,180	26.57%
Real and Tangible Personal, Utilities	6,522,610	4.37%	7,209,910	5.09%
Tangible Personal, Business	5,042,840	3.38%	6,326,610	4.46%
Real Property, Inventory	1,056,570	0.71%	710,550	0.50%
Total Appraised Value Before Exemptions	\$ 149,233,060	100.00%	\$ 141,760,360	100.00%
Less: Total Exemptions/Reductions	(45,407,000)		(41,151,878)	
Taxable Assessed Value	<u>\$ 103,826,060</u>		<u>\$ 100,608,482</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Wise and Denton County Appraisal Districts to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Population	Taxable Assessed Valuation ⁽³⁾	Per Capita Taxable Assessed Valuation	Tax Supported Debt At End of Fiscal Year	Per Capita Funded Tax Debt	Ratio Tax Debt to Taxable Assessed Valuation
2017	1,435 ⁽¹⁾	\$ 100,608,482	\$ 70,110	\$ -	\$ -	0.00%
2018	1,498 ⁽¹⁾	103,826,060	69,310	-	-	0.00%
2019	1,544 ⁽¹⁾	143,250,205	92,779	-	-	0.00%
2020	1,559 ⁽²⁾	146,431,609	93,900	-	-	0.00%
2021	1,575 ⁽²⁾	156,573,319	99,409	3,000,000 ⁽⁴⁾	1,905 ⁽⁴⁾	1.92% ⁽⁴⁾

(1) Source: U.S. Census Bureau.

(2) Estimated.

(3) Valuations shown are certified taxable assessed values reported by the Wise and Denton County Appraisal Districts to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

(4) Projected, includes the Certificates. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rates	Tax Rate Distribution			Tax Levy	% of Current Collections	% of Total Collections
		General Fund	Interest and Sinking Fund				
2017	\$ - ⁽¹⁾	\$ -	\$ -	\$ -	-	NA	NA
2018	- ⁽¹⁾	-	-	-	-	NA	NA
2019	- ⁽¹⁾	-	-	-	-	NA	NA
2020	0.300000	0.300000	-	487,192			
2021	0.300000	0.300000	-	476,743		In Process of Collection	

(1) No tax was levied prior to the Fiscal Year ended September 30, 2020.

(2) Preliminary information provided by City staff.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2020/21 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Devon Energy Production Company	Oil and Natural Gas Production	\$ 21,989,303	14.04%
FM 407 Development LLC	Real Estate/Development	3,663,546	2.34%
PTCAA Texas LP	Gas Station/Travel Centers	3,588,020	2.29%
Enlink Midstream Services LLC	Oil and Natural Gas Production	3,263,804	2.08%
Pilot Travel Centers #1140	Gas Station/Travel Centers	2,906,510	1.86%
Dodson Living Trust	Attorney	2,495,007	1.59%
Royal Crest Custom Homes LTD	Real Estate	1,957,206	1.25%
Top Flight Steel Inc.	Steel Manufacturing	1,724,940	1.10%
Clarity Homes LTD	Real Estate	1,265,417	0.81%
Oxalis Properties Inc.	Real Estate	1,058,752	0.68%
		<u>\$ 43,912,505</u>	<u>28.05%</u>

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law (see "The Certificates – Tax Rate Limitation").

TABLE 6 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	2020/21 Taxable Assessed Value	2020/21 Tax Rate	Total Funded Debt as of 11/1/20	Estimated % Applicable	City's Overlapping Funded Debt 11/1/2020
City of New Fairview	\$ 156,573,319	\$0.30000	\$ 3,000,000 ⁽¹⁾	100.00%	\$ 3,000,000
Boyd Independent School District	742,885,535	1.15640	20,058,000	0.03%	6,017
Decatur Independent School District	2,533,590,458	1.20010	50,558,659	2.07%	1,046,564
Northwest Independent School District	22,673,966,737	1.46630	1,065,295,272	0.47%	5,006,888
Denton County	115,693,123,870	0.22500	611,835,000	0.01%	61,184
Wise County	7,978,506,613	0.30750	9,045,000	1.77%	160,097
Total Direct and Overlapping Funded Debt					\$ 9,280,749
Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation					5.93%
Per Capita Overlapping Funded Debt					\$ 5,892

(1) Includes the Certificates. Preliminary, subject to change.

DEBT INFORMATION

TABLE 7 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 30-Sep	The Certificates ⁽¹⁾			% of Principal Retired
	Principal	Interest	Total	
2021	\$ 105,000	\$ 43,875	\$ 148,875	
2022	55,000	94,088	149,088	
2023	70,000	92,300	162,300	
2024	90,000	90,025	180,025	
2025	130,000	87,100	217,100	15.00%
2026	135,000	82,875	217,875	
2027	140,000	78,488	218,488	
2028	140,000	73,938	213,938	
2029	145,000	69,388	214,388	
2030	155,000	64,675	219,675	38.83%
2031	160,000	59,638	219,638	
2032	165,000	54,438	219,438	
2033	170,000	49,075	219,075	
2034	175,000	43,550	218,550	
2035	175,000	37,863	212,863	67.00%
2036	180,000	32,175	212,175	
2037	195,000	26,325	221,325	
2038	200,000	19,988	219,988	
2039	205,000	13,488	218,488	
2040	210,000	6,825	216,825	100.00%
	<u>\$ 3,000,000</u>	<u>\$ 1,120,113</u>	<u>\$ 4,120,113</u>	

(1) Average life of the Certificates – 11.488 years. Interest calculated at 3.25% for purposes of illustration. Preliminary, subject to change.

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS . . . The City has no authorized but unissued general obligation bonds.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . The City does not anticipate issuing additional general obligation debt within the next twelve months.

OTHER OBLIGATIONS . . . The City currently has no other obligations outstanding.

PENSION FUND . . . The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System ("TMRS"). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided . . . TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2017	\$ 148,380	\$ 90,909	\$ 57,471
Service cost	6,524	-	6,524
Interest	10,186	-	10,186
Difference between expected and actual experience	2,608	-	2,608
Change in Assumptions	-	-	-
Contributions - employer	-	6,998	(6,998)
Contributions - employee	-	5,673	(5,673)
Net investment income	-	(2,731)	2,731
Benefit payments, including refunds of employee contributions	(1,478)	(1,478)	-
Administrative expense	-	(53)	53
Other changes	-	(3)	3
Net changes	17,840	8,406	9,434
Balance at 12/31/2018	\$ 166,220	\$ 99,315	\$ 66,905

For more detailed information concerning the retirement plan, see APPENDIX B, "EXCERPTS FROM THE CITY'S ANNUAL FINANCIAL REPORT".

OTHER POST-EMPLOYMENT BENEFITS . . . The City also participates in the cost sharing multi-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund ("SDBF"). For more detailed information concerning the death benefits plan, see APPENDIX B, "EXCERPTS FROM THE CITY'S ANNUAL FINANCIAL REPORT".

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

FINANCIAL INFORMATION

TABLE 8 - CHANGES IN NET ASSETS

	Fiscal Year Ending September 30,				
	2020 ⁽¹⁾	2019	2018	2017	2016
<u>Revenues:</u>					
Program revenues:					
Charges For Services	\$ -	\$ 190,132	\$ 73,714	\$ 20,780	\$ 37,085
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
General revenues:					
Ad valorem Taxes	-	-	-	-	-
Sales Tax	-	156,982	134,966	109,678	154,775
Franchise Taxes	-	44,244	46,234	45,110	32,349
Investment Earnings	-	50	52	120	130
Total Revenues	<u>\$ -</u>	<u>\$ 391,408</u>	<u>\$ 254,966</u>	<u>\$ 175,688</u>	<u>\$ 224,339</u>
<u>Expenses:</u>					
Governmental Activities:					
General Government	\$ -	\$ 356,590	\$ 228,811	\$ 200,039	\$ 212,155
Public Safety	-	29,605	27,239	25,535	23,251
Public Works	-	44,706	32,610	30,401	49,608
Interest on Long-Term Debt	-	1,543	1,832	2,321	2,866
Total Expenses	<u>\$ -</u>	<u>\$ 432,444</u>	<u>\$ 290,492</u>	<u>\$ 258,296</u>	<u>\$ 287,880</u>
Excess (Deficiency) Before Transfers	\$ -	\$ (41,036)	\$ (35,526)	\$ (82,608)	\$ (63,541)
Net Assets - Beginning Balance	1,164,385	1,205,421	1,246,032	1,328,640	1,392,181
Prior Period Adjustment	-	-	(5,085)	-	-
Net Assets - Ending Balance	<u>\$ 1,164,385</u>	<u>\$ 1,164,385</u>	<u>\$ 1,205,421</u>	<u>\$ 1,246,032</u>	<u>\$ 1,328,640</u>

(1) Preliminary information provided by City staff.

TABLE 8A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Years Ended September 30,				
	2020 ⁽¹⁾	2019	2018	2017	2016
<u>Revenues:</u>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	156,982	134,966	109,678	154,775
Franchise Taxes	-	44,244	46,234	45,110	32,349
Municipal Court	-	20,321	8,320	1,903	9,687
Permits and Fees	-	168,828	65,025	18,292	25,450
Other Revenues	-	983	369	585	1,948
Interest Income	-	50	52	120	130
Total Revenues	<u>\$ -</u>	<u>\$ 391,408</u>	<u>\$ 254,966</u>	<u>\$ 175,688</u>	<u>\$ 224,339</u>
<u>Expenditures:</u>					
Current:					
General Government	\$ -	\$ 335,121	\$ 206,536	\$ 174,656	\$ 182,334
Public Safety	-	29,605	27,239	25,535	23,251
Public Works	-	21,322	9,226	7,017	26,224
Debt Service	-	16,729	12,060	12,587	22,866
Capital Outlay	-	-	-	2,069	4,667
Total Expenditures	<u>\$ -</u>	<u>\$ 402,777</u>	<u>\$ 255,061</u>	<u>\$ 221,864</u>	<u>\$ 259,342</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ (11,369)	\$ (95)	\$ (46,176)	\$ (35,003)
Other Financing Sources (Uses) Transfers	-	-	-	-	-
Net Increase (Decrease)	\$ -	\$ (11,369)	\$ (95)	\$ (46,176)	\$ (35,003)
Beginning Fund Balance	10,421	21,790	21,885	68,061	103,064
Prior Period Adjustment	-	-	-	-	-
Ending Fund Balance	<u>\$ 10,421</u>	<u>\$ 10,421</u>	<u>\$ 21,790</u>	<u>\$ 21,885</u>	<u>\$ 68,061</u>

(1) Preliminary information provided by City staff.

TABLE 9 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. The City has enacted an additional one-half of one percent ($\frac{1}{2}$ of 1%) sales and use tax to be collected by the City for property tax reduction. Beginning October 1, 1998, the City began to collect the one-half of one percent ($\frac{1}{2}$ of 1%) sales and use tax.

Fiscal Year Ended 9/30	Collections	% of AD Valorem Tax Levy	Equivalent of AD Valorem Tax Rate	Per Capita
2016	\$ 154,775	NA	\$ 0.1538	\$ 110.79
2017	109,678	NA	0.1056	76.43
2018	134,966	NA	0.0942	90.10
2019	156,982	NA	0.1072	101.67
2020	- ⁽¹⁾	0.00%	-	-

(1) Preliminary information provided by City staff.

The sales tax breakdown for the City is as follows:

Property Tax Relief	0.500¢
City Sales & Use Tax	1.000¢
State Sales & Use Tax	<u>6.250¢</u>
Total	<u>7.750¢</u>

FINANCIAL POLICIES

Basis of Accounting . . . All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collection governments and are recognized as revenues at that time. All major revenues are susceptible to accrual.

Expenditures are generally recognized under the modified basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid vacation which are not accrued and principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgetary Procedures . . . The City follows these procedures in establishing the budgetary data reflected in the financial statements: Prior to July 1, the City Secretary submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through the passage of an ordinance. The City Secretary is authorized to transfer budgeted amounts between departments within any fund: any revisions that alter the total expenditures of any fund must be approved by the City Council. Budgets for the General and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Unused appropriations for all the above annually budgeted funds lapse at the end of the fiscal year.

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law and in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law, the City is authorized to invest in obligations meeting the requirements of the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended (the "PFIA"), which may include: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, and are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1), require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with Federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; and (15) for bond proceeds, guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or Aaam or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its

assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Except as stated above or inconsistent with its investment policy, the City may invest in obligations of any duration without regard to their credit rating, if any. If an obligation ceases to qualify as an eligible investment after it has been purchased, the City is not required to liquidate the investment unless it no longer carries a required rating, in which case the City is required to take prudent measures to liquidate the investment that are consistent with its investment policy.

INVESTMENT POLICIES . . . Under State law, the City is required to adopt and annually review written investment policies and must invest its funds in accordance with its policies. The policies must identify eligible investments and address investment diversification, yield, maturity, and the quality and capability of investment management. For investments whose eligibility is rating dependent, the policies must adopt procedures to monitor ratings and liquidate investments if and when required. The policies must require that all investment transactions settle on a delivery versus payment basis. The City must adopt a written investment strategy for each fund group to achieve investment objectives in the following order of priority: (1) suitability, (2) preservation and safety of principal, (3) liquidity, (4) marketability, (5) diversification, and (6) yield.

State law requires the City's investments be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." The City is required to perform an annual audit of the management controls on investments and compliance with its investment policies and provide regular training for its investment officers.

Under Texas law, the City is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the City's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 10 - CURRENT INVESTMENTS

As of November 1, 2020, the City's investable funds were invested in the following categories:

Description	% of Portfolio	Book Value	Market Value
	100.00%	\$ -	\$ -
	100.00%		
		\$ -	\$ -

TAX MATTERS

TAX EXEMPTION . . . The delivery of the Certificates is subject to the opinions of Bond Counsel to the effect that interest on the Certificates for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinions (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. A form of Bond Counsel's opinion is reproduced as Appendix C. The statutes, regulations, rulings, and court decisions on which such opinions are based are subject to change.

In rendering the foregoing opinion, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Certificates pertaining to the use, expenditure, and investment of the proceeds of the Certificates and will assume continuing compliance by the City with the provisions of the Ordinance subsequent to the issuance of the Certificates. The Ordinance contains covenants by the City with respect to, among other matters, the use of the proceeds of the Certificates and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Certificates are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Certificates to be includable in the gross income of the owners thereof from the date of the issuance of the Certificates.

Bond Counsel's opinions are not a guarantee of a result, but represent its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt Certificates. If an audit of the Certificates is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Certificates would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Certificates, the City may have different or conflicting interests from the owners of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt Certificates such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt Certificates. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Certificates from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Certificates. Prospective purchasers of the Certificates should consult with their own tax advisors with respect to any proposed or future changes in tax law.

TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN CERTIFICATES . . . The initial public offering price of certain Certificates (the "Discount Certificates") may be less than the amount payable on such Certificates at maturity. An amount equal to the difference between the initial public offering price of a Discount Certificate (assuming that a substantial amount of the Discount Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Certificate. A portion of such original issue discount allocable to the holding period of a Discount Certificate by the initial purchaser will, upon the disposition of such Discount Certificate (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Certificates described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Certificate, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Certificate and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt Certificates. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Certificate by the initial owner prior to maturity, the

amount realized by such owner in excess of the basis of such Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount and, allocable to the period for which such Discount Certificate was held) is includable in gross income.

Owners of Discount Certificates should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Certificates for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Certificates. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Certificates (the "Premium Certificates") may be greater than the amount payable on such Certificates at maturity. An amount equal to the difference between the initial public offering price of a Premium Certificate (assuming that a substantial amount of the Premium Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Certificates. The basis for federal income tax purposes of a Premium Certificate in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Certificate. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Certificates should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Certificates for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Certificates.

QUALIFIED TAX-EXEMPT OBLIGATIONS FOR FINANCIAL INSTITUTIONS . . . Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code generally disallows 100% of any deduction for interest expense which is incurred by "financial institutions" described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. Section 265(b) of the Code provides an exception to this interest disallowance rule for interest expense allocable to tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which are designated by an issuer as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) obligations and other than certain refunding bonds) issued or reasonably anticipated to be issued during the same calendar year, does not exceed \$10,000,000.

The City will designate the Certificates as "qualified tax-exempt obligations" and will certify its expectation that the above-described \$10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Certificates will not be subject to the 100% disallowance of interest expense allocable to interest on the Certificates under section 265(b) of the Code. However, the deduction for interest expense incurred by a financial institution which is allocable to the interest on the Certificates will be reduced by 20% pursuant to section 291 of the Code.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance the City has made the following undertakings for the benefit of the holders and beneficial owners of the Certificates. The City is required to observe the undertakings while it remains obligated to advance funds to pay such Certificates. Under the undertakings the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

ANNUAL REPORTS . . . The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2021, financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 5 and 7 through 10 and (2) if not provided as part of such financial information and operating data, audited financial statements of the City within the twelve months after the end of each fiscal year, ending in or after 2021 when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in the Appendix B hereto or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and 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 such 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.

The City's current fiscal year end is September 30. Accordingly, the City must provide updated information included in the above-referenced tables by March 31 in each year, and the City must provide audited financial statements, unless the audited of such financial statements is not yet available, in which case the City will provide unaudited financial statements by the required time and audited final statements when and if available for the preceding fiscal year by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal

year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

NOTICE OF CERTAIN EVENTS . . . The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation (as defined below), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such Financial Obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in (12) in the immediately preceding paragraph 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 the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the 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 an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. "Financial Obligation" means, for purposes of the events in clauses (15) and (16), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. Additionally, the City intends the words used in clauses (15) and (16) of the preceding paragraph to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

AVAILABILITY OF INFORMATION . . . The City has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Certificates may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement 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, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein 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 (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Certificates consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The City may also amend or repeal the provisions of this continuing disclosure agreement 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, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . The City has not previously made a continuing disclosure agreement in accordance with SEC Rule 15c2-12.

OTHER INFORMATION

RATINGS

The Certificates are rated "[REDACTED]" by S&P. An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the view of such organization and the City makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Certificates.

LITIGATION

It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR SALE

The sale of the Certificates has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Certificates are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Certificates be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "Other Information - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE

The City will furnish complete transcripts of proceedings had incident to the authorization and issuance of each respective series of the Bonds, including the unqualified approving legal opinions of the Attorney General of Texas approving the Initial Bonds and to the effect that each series of the Bonds, respectively, are valid and legally binding Bonds of the City, and based upon examination of such transcripts of proceedings, the approving legal opinions of Bond Counsel with respect to each respective series of Bonds, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein. Though it may represent the Financial Advisor and the Underwriter from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by and only represents the City in connection with the issuance of the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under the captions "PLAN OF FINANCING" (exclusive of the subcaptions "Sources and Uses of Proceeds"), "THE BONDS" (exclusive of the subcaptions "Book-Entry-Only System" and "Remedies"), "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" (exclusive of the subcaption "Compliance with Prior Undertakings") and the subcaptions "Registration and Qualification of Bonds for Sale," "Legal Opinions" (exclusive of the last sentence of the first paragraph thereof) and "Legal Investments and Eligibility to Secure Public Funds in Texas" under the caption "OTHER INFORMATION" in the Official Statement and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Ordinances. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinions will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriter by their counsel, [REDACTED], Dallas, Texas.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents and ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR

Hilltop Securities Inc. ("HilltopSecurities") is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. HilltopSecurities, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

UNDERWRITING

The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the City, at an underwriting discount of \$ _____. The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter have provided the following sentence for inclusion in this Preliminary Official Statement. The Underwriter has reviewed the information in this Preliminary Official Statement in accordance with, and as part of, their respective responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of the information.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS

The Ordinance authorizing the issuance of the Certificates will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Certificates by the Underwriter.

JOE MAX WILSON
Mayor
City of New Fairview, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

LOCATION AND HISTORY . . . The City of New Fairview, Texas (the "City") is located in the northwest portion of the Dallas-Fort Worth Metroplex in Wise and Denton Counties along U.S. Highway 287 and Farm to Market Road 407. The 2000 Census Population for the City was 1,258 while the estimated 2021 population is 1,575. The City covers approximately 16 square miles.

EDUCATION

The City is served by the Northwest Independent School District. The Northwest Independent School District encompasses 232 square miles and is situated northwest of the Dallas-Fort Worth Metroplex in the counties of Wise, Tarrant, and Wise. Within its boundaries are the communities of Haslet, New Fairview, Newark, Rhome, Roanoke, Trophy Club, Aurora, Avondale, Drop, Marshal Creek and Northlake. Portions of Flower Mound, Fort Worth, Southlake and Westlake are also in the Northwest Independent School District.

WISE COUNTY – LABOR FORCE

Wise County				
Year	Labor Force	Total Employment	Total Unemployed	Unemployment Rate
2016	29,413	28,025	1,388	4.7%
2017	30,173	28,965	1,208	4.0%
2018	31,252	30,184	1,068	3.4%
2019	31,891	30,864	1,027	3.2%
2020 ⁽¹⁾	31,854	29,655	2,199	6.9%

Denton County				
Year	Labor Force	Total Employment	Total Unemployed	Unemployment Rate
2016	451,787	436,317	15,470	3.4%
2017	471,180	455,462	15,718	3.3%
2018	483,765	468,392	15,373	3.2%
2019	494,624	480,005	14,619	3.0%
2020 ⁽¹⁾	503,704	470,315	33,389	6.6%

(1) As of September 2020. Unadjusted.

APPENDIX B

EXCERPTS FROM THE
CITY OF NEW FAIRVIEW, TEXAS
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2019

The information contained in this Appendix consists of excerpts from the City of New Fairview, Texas Annual Financial Report for the Year Ended September 30, 2019, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

The information contained in this report is provided as of the respective dates and for the periods specified herein and is subject to change without notice, and the filing of this report does not, under any circumstances, imply that there has been no change in the affairs of the City since the specified date as of which such information is provided. In particular, the dates as of and periods for which information is provided occurred before the worldwide COVID-19 pandemic and before realizing the economic impact of measures instituted to slow it. Accordingly, the historical information set forth in this report is not indicative of future results or performance due to these and other factors, including those discussed in the Official Statement.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

CITY OF NEW FAIRVIEW
999 Illinois Lane
New Fairview, TX 76078
Phone: 817-638-5366
Fax: 817-638-5369

**ANNEXATION PETITION INTO CITY LIMITS
OWNERS CONSENT AND DESIGNATION OF AGENCY
(This form must be completed by ALL property owners)**

I Taylor & Norvell, LLC. the owner of the following described property
(give legal description): 22.22 acre tract in the J.B. Atkinson Survey, Abstract Number 2,
Wise County, Texas, being a certain called 22.22 acre tract described in Clerk's File Number
201911010, Official Records, Wise County, Texas

Hereby petition the City of New Fairview to annex into the City of New Fairview limits the
above described property subject to the Residential zoning district and affirm
that Taylor & Norvell, LLC. (Applicant/Agents Name) is hereby
designated to act as agent on my behalf to accomplish the above.

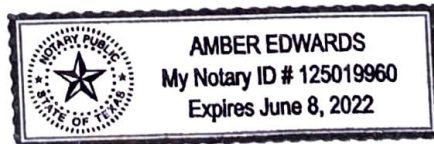
I certify that I have examined the application and that all statements and diagrams submitted are
true and accurate to the best of my knowledge. Further, I understand that this application,
attachments and fees become part of the Official Records of the City of New Fairview, Texas and
are not returnable.

[Signature]
(Owners Signature)

The foregoing instrument was acknowledged before me this 3, day of
November, 2020 by Robert Taylor, who is
personally known to me or has produced Texas DL (type of
identification) as identification and who did take an oath.

Amber Edwards
Printed Name of Notary Public

[Signature]
Signature of Notary Public



Commission # 125019960, My Commission Expires 6/8/22

(Notary Seal)

October 23, 2020

Taylor & Norvell, LLC.
PO BOX 1482
Graham, TX 76450

City of New Fairview
999 Illinios Lane
New Fairview, TX 76078

Letter of Request for Annexation Petition Into City Limits

Taylor & Norvell, LLC., the owner of the following described property 22.22 acre tract in the J.B. Atkinson survey, Abstract Number 2 in Wise County, Texas being described in the Clerk's File Number 201911010, request the City of New Fairview to annex into the City of New Fairview's limits the described property of a 9 lot residential subdivision known as Sunset Mesa and included improvements. Taylor & Norvell, LLC., owner of described property, have unanimously consented to the request of annexation from its managing partners. Partners include: Richard Norvell, Stacie Norvell, Robert Taylor, Andrew Taylor, and Aaron Taylor.

X 
Richard Norvell

X 
Stacie Norvell

X 
Robert Taylor

X 
Andrew Taylor

X 
Aaron Taylor

Taylor & Norvell, LLC.

CITY OF NEW FAIRVIEW

**999 Illinois Lane
New Fairview, TX 76078
Phone: 817-638-5366
Fax: 817-638-5369**

ANNEXATION APPLICATION CITY LIMITS

Applicant/Agent: Taylor & Norvell, LLC.

Address: PO Box 1482 Phone: 254-485-8160

City: Graham State: TX Zip Code: 76450

Property Owner: same

Address: _____ Phone: _____

City: _____ State: _____ Zip Code: _____

The size of the property

is: 22.22 acres

The proposed use of the property is: Residential

Is the petition being initiated by the owner(s) or majority of registered voters in area of request? Owners

Submittal requirements:

_____ Petition.

_____ A letter of request bearing original signatures and signed by the property owner(s).

_____ Metes and bounds of the total area to be annexed.

_____ A scaled map showing where the property is located.

_____ \$500.00 fee.

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR THE ANNEXATION INTO THE CITY OF NEW FAIRVIEW OF PROPERTY DESCRIBED BELOW AND DEPICTED ON EXHIBIT “B”, LOCATED WITHIN THE CURRENT ETJ OF THE CITY OF NEW FAIRVIEW, TEXAS, FOR ALL MUNICIPAL PURPOSES; DIRECTING AMENDMENT OF THE OFFICIAL MAPS; ESTABLISHING THE RIGHTS AND DUTIES OF INHABITANTS IN THE ANNEXED AREA; PROVIDING FOR FILING NOTICE OF THIS ANNEXATION IN DEED RECORDS OF WISE COUNTY AND WITH THE WISE COUNTY APPRAISAL DISTRICT; APPROVING A SERVICE AGREEMENT FOR SUCH TERRITORY; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR THE EXCLUSION OF AREAS EXCEPTED FROM ANNEXATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of New Fairview, Texas is a Type A general-law municipality located in Wise and Denton Counties, created in accordance with the provisions of Chapter 6 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the property owner has submitted a proper petition requesting the annexation of the hereinafter described property; and

WHEREAS, after proper notice was provided in accordance with Chapter 43 of the Texas Local Government Code and a public hearing on the proposed annexation was held before the City Council of the City of New Fairview; and

WHEREAS, all of the property described herein is adjacent to and within the exclusive extraterritorial jurisdiction of the City of New Fairview; and

WHEREAS, an Annexation Services Agreement has been negotiated and entered into with the owner of the property for the provision of services in the area.

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

**SECTION 1.
ANNEXATION**

That all portions of the following parcel (the “Territory”) located in Wise County, Texas, are hereby annexed to the City of New Fairview as a part of the city for all municipal purposes, and the city limits are extended to include such Territory: being approximately 22.22 acres of land located on the J.B. Atkinson Survey, Abstract Number 2, Wise County, Texas, being a

certain called 22.22 acre tract described in Clerk's file Number 201911010, Official Records, Wise County, Texas, as more particularly described in Exhibit "A" and depicted on Exhibit "B," attached to and incorporated in this Ordinance for all purposes.

**SECTION 2.
RIGHTS AND DUTIES OF OWNERS AND
INHABITANTS IN NEWLY ANNEXED AREA**

The owners and inhabitants of the Territory are entitled to all of the rights and privileges of all other citizens and property owners of the City of New Fairview, and are bound by all acts, ordinances, and all other legal action now in full force and effect and all those which may be subsequently adopted.

**SECTION 3.
OFFICIAL MAP**

The official map and boundaries of the City, previously adopted, are amended to include the Territory as a part of the City of New Fairview, Texas. The City Secretary is directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the city to add the territory annexed as required by law. A copy of the revised map shall be filed with the Wise and Denton County Appraisal Districts.

**SECTION 4.
FILING CERTIFIED COPY**

The City Secretary is directed to file or cause to be filed a certified copy of this ordinance in the office of the county clerk of Wise County, Texas and with the Wise County Appraisal Districts.

**SECTION 5.
SERVICE AGREEMENT**

The City has entered into a Service Agreement with Taylor & Norvell, LLC concerning the services to be provided in the Territory.

**SECTION 6.
CUMULATIVE CLAUSE**

This ordinance shall be cumulative of all provisions of ordinances of the City of New Fairview, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

**SECTION 7.
SEVERABILITY CLAUSE**

Should any section or part of this ordinance be held unconstitutional, illegal or invalid, or the application thereof, the unconstitutionality, illegality, invalidity or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof, but as to such remaining portions, the same shall be and remain in full force and effect.

SECTION 8. AREAS EXCEPTED FROM ANNEXATION

Should this ordinance for any reason be ineffective as to any part of the area hereby annexed to the City of New Fairview, such ineffectiveness of this ordinance as to any such part or parts of any such area shall not affect the effectiveness of this ordinance as to the remainder of such area. The City Council hereby declares it to be its purpose to annex to the City of New Fairview every part of the area described in Section 1 of this ordinance, regardless of whether any part of such described area is hereby not effectively annexed to the City. Provided, further, that if there is included within the general description of territory set out in Section 1 of this ordinance to be hereby annexed to the City of New Fairview any lands or area which are presently part of and included within the limits of any other City, Town or Village, for which permission is not granted for New Fairview to annex the same is hereby excluded and excepted from the territory to be annexed hereby as fully as if such excluded and excepted area were expressly described herein, if permission has not been granted.

SECTION 9. ENGROSS AND ENROLL

The City Secretary of the City of New Fairview is directed to engross and enroll this ordinance by copying the caption, publication clause and effective date clause in the minutes of the City Council and by filing the ordinance in the ordinance records of the City.

SECTION 10. EFFECTIVE CLAUSE

This ordinance shall be in full force and effect from and after its passage, and it is so ordained.

PASSED AND APPROVED ON THIS 14TH DAY OF DECEMBER, 2020.

Joe Max Wilson, Mayor

ATTEST:

Monica Rodriguez, City Secretary

EXHIBIT "A"
DESCRIPTION

22.22 acre tract in the J.B. Atkinson Survey, Abstract Number 2, Wise County, Texas, being a certain called 22.22 acre tract described in Clerk's File Number 201911010, Official Records, Wise County, Texas and being described by metes and bounds as follows:

BEGINNING at a PK nail found in the centerline of CR 4421 for the Southwest corner of said 22.22 acre tract;

THENCE North $00^{\circ} 56' 44''$ West for a distance of 1543.14 feet to a $\frac{1}{2}$ " iron rod found;

THENCE North $30^{\circ} 41' 48''$ East for a distance of 256.66 feet to a $\frac{1}{2}$ " iron rod found;

THENCE North $65^{\circ} 06' 37''$ East for a distance of 355.92 feet to a $\frac{1}{2}$ " iron rod found;

THENCE South $05^{\circ} 29' 38''$ East for a distance of 1926.09 feet to PK nail found in center of CR 4421;

THENCE continuing along centerline of CR 4421, North $89^{\circ} 38' 35''$ West for a distance of 612.83 feet to the POINT OF BEGINNING and containing 22.22 acres of land and designated herein as Block 1, Lots 1-9, Sunset Mesa, an addition to Wise County, Texas and whose name is subscribed hereto, hereby dedicate to the use of the public forever all streets, alleys, parks, water courses, drains, easements, right-of-way and public places thereon shown for the purpose and consideration therein expressed.

ANNEXATION SERVICE AGREEMENT BETWEEN THE CITY OF NEW FAIRVIEW AND TAYLOR & NORVELL, LLC

As required by Section 43.6072 of the Texas Local Government Code, this shall serve as a written agreement between the City of New Fairview and Taylor & Norvell, LLC concerning the provision of services to the territory described in the attached and incorporated Exhibit "A" and depicted in the attached and incorporated Exhibit "B."

The Parties agree as follows concerning the services that are to be provided on the effective date of the annexation and the schedule of the period within which the City will provide each service that is not provided on the effective date of the annexation:

1. POLICE PROTECTION

The City of New Fairview, Texas does not provide police protection within the City. The City contracts for limited police service with the Wise County Sheriff's Department. Outside of the limited police protection that the City contracts for with Wise County Sheriff's Department, police protection is available to the property through the Denton County Sheriff's Department.

2. FIRE PROTECTION AND AMBULANCE SERVICE

The City of New Fairview, Texas does not provide fire or EMS service protection. Fire protection and EMS service protection may be available to the property through Denton County or the Justin Community Volunteer Fire Department.

3. SOLID WASTE COLLECTION

At the present time the City of New Fairview, Texas, is using a designated, specified contractor for collection of solid waste and refuse within the city limits of the City of New Fairview, Texas. Upon payment of any required deposits and the agreement to pay lawful service fees and charges, solid waste collection will be provided to citizens in the newly annexed area to the extent that the City's contractor has access to the area to be serviced.

The City of New Fairview, Texas may not prohibit the collection of solid waste in the annexed area by a privately owned solid waste management service provider until the second anniversary of the date of annexation. The City of New Fairview, Texas, is not required to provide solid waste collection services to a person who continues to use the

services of a privately owned solid waste management service provider that continues in operation in the area proposed to be annexed.

4. MAINTENANCE OF WATER AND WASTE WATER FACILITIES

The City does not own or maintain any water or wastewater facilities. Water service and wastewater service may be available through other providers.

5. MAINTENANCE OF ROADS AND STREETS

Any and all public roads, streets or alleyways which have been dedicated to the City of New Fairview, Texas, or which are owned by the City of New Fairview, Texas, shall be maintained to the same degree and extent that other roads, streets and alleyways are maintained in areas with similar topography, land use, and population density. Any and all lighting of roads, streets and alleyways which may be positioned in a right-of-way, roadway or utility company easement shall be maintained by the applicable utility company servicing the City of New Fairview, Texas, pursuant to the rules, regulations and fees of such utility.

6. MAINTENANCE OF PARKS, PLAYGROUNDS AND SWIMMING POOLS

The City Council of the City of New Fairview, Texas, is not aware of the existence of any parks, playgrounds or swimming pools now located in the area proposed for annexation. In the event any such parks, playgrounds or swimming pools do exist and are public facilities, the City of New Fairview, Texas, will maintain such areas to the same extent and degree that it maintains parks, playgrounds, swimming pools and other similar areas of the City now incorporated in the City of New Fairview, Texas.

7. MAINTENANCE OF MUNICIPALLY OWNED FACILITY, BUILDING OR MUNICIPAL SERVICE

The City Council of the City of New Fairview, Texas, is not aware of the existence of any municipally owned facility, building or other municipal service now located in the area proposed for annexation. In the event any such municipally owned facility, building or municipal service does exist and are public facilities, the City of New Fairview, Texas, will maintain such areas to the same extent and degree that it maintains publicly owned facilities, buildings or municipal services of the City now incorporated in the City of New Fairview, Texas.

The Parties agree that the terms of this Service Agreement will not provide any fewer services, and it will not provide a lower level of service in the area proposed to be annexed than were in existence in the proposed area at the time immediately preceding the annexation process.

The Parties also agree that because of the differing characteristics of topography, land utilization and population density, the service levels which may ultimately be provided in the newly annexed area may differ somewhat from services provided other areas of the City of New Fairview, Texas. These differences are specifically dictated because of differing characteristics of the property, and the City of New Fairview, Texas will undertake to perform consistent with this contract so as to provide the newly annexed area with the services anticipated by this agreement.

The Parties agree that the City of New Fairview, Texas is not required to provide a service in the annexed area that is not included in this agreement.

EXECUTED ON THIS ____ DAY OF _____, 2020.

City of New Fairview, Texas

Mayor

ATTEST:

City Secretary

Taylor & Norvell, LLC

By: _____



City Council Agenda December 14, 2020

Agenda Item:	Ordinance	(Action Item)
---------------------	------------------	----------------------

Agenda Description:

Conduct a public hearing and consider the Proposed Zoning by the City of New Fairview approximately 22.22 acres of land located on the J.B. Atkinson Survey, Abstract Number 2, Wise County, Texas, being a certain called 22.22 acre tract described in Clerk's file Number 201911010, Official Records, Wise County, Texas; being contiguous to the current city limits of New Fairview in the City's Extraterritorial Jurisdiction.

Background Information:

The residential development, Sunset Mesa, located in New Fairview ETJ north of CR 4421 previously platted and received approval from the City Council. Initially, the developers had planned on dedicating the streets to Wise County, but upon further discussion with the County, they have refused dedication. Staff has met with the developers and stated that the only way that the city would consider dedication of the streets is upon successful annexation of the development into New Fairview. The developers have completed the appropriate application and are voluntarily requesting annexation of their development into New Fairview.

The zoning ordinance reflects the intended use of single family residential development.

Financial Information:

N/A

City Contact and Recommendation:

Ben Nibarger, City Administrator

Approve the voluntary annexation of the proposed residential development

Attachments:

Zoning Ordinance

**CITY OF NEW FAIRVIEW, TEXAS
ORDINANCE NO. ____**

AN ORDINANCE OF THE CITY OF NEW FAIRVIEW, TEXAS, AMENDING THE ZONING MAP OF THE CITY OF NEW FAIRVIEW ADOPTED BY ORDINANCE NO. 2010-01-149 BY DESIGNATING THE ZONING CLASSIFICATION OF A PARCEL OF LAND BEING APPROXIMATELY 22.22 ACRES OF LAND LOCATED ON THE J.B. ATKINSON SURVEY, ABSTRACT NUMBER 2, WISE COUNTY, TEXAS, WHICH WAS RECENTLY ANNEXED INTO THE CITY OF NEW FAIRVIEW FOR THE DEVELOPMENT OF SUNSET MESA, LOCATED NORTH OF CR 4421, EAST OF SH 287, AND WEST OF PR 4429 FOR SINGLE FAMILY RESIDENTIAL. THE PARCEL IS SHOWN GRAPHICALLY ON EXHIBIT "A" AND DESCRIBED BY THE LEGAL DESCRIPTION PROVIDED ON EXHIBIT "B"; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City is authorized by Section 211.005, "Districts" of the Texas Local Government Code to zone property into districts in accordance with a Comprehensive Plan; and

WHEREAS, the owner of the parcel of land within the extraterritorial jurisdiction of the City of New Fairview, being approximately 22.22 acres of land located on the J.B. Atkinson Survey, Abstract Number 2, Wise County, Texas, being a certain called 22.22 acre tract described in Clerk's file Number 201911010, Official Records, Wise County, Texas (the "Property"), initiated this amendment to the City of New Fairview Zoning map to assign a zoning classification to the Property; and,

WHEREAS, a public hearing was held by the City Council of the City of New Fairview, Texas, on the 14th day of December, 2020, with respect to the zoning described herein; and,

WHEREAS, the City Council of the City of New Fairview, Texas, finds that the proposed zoning changes are in accordance with the city's comprehensive plan; and,

WHEREAS, the City Council of the City of New Fairview, Texas, finds that the proposed zoning changes are necessary to lessen the congestion on streets, to secure safety from fire, panic, and other dangers; to promote health and the general welfare; to provide adequate light and air; to prevent overcrowding of land; and avoid undue concentration of population; to facilitate the adequate provisions of transportation, water, sewers, schools, parks and other public requirements; to conserve the value of property and to encourage the most appropriate use of land throughout the City.

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

Section 1

That the zoning for the Property, as described herein, is designated as SF - Single Family Residential. The Property consists of approximately 22.22 acres of land located on the J.B. Atkinson Survey, Abstract Number 2, Wise County, Texas, being a certain called 22.22 acre tract described in Clerk's file Number 201911010, Official Records, Wise County, Texas. The Property is shown graphically on Exhibit "A," which exhibit consists of 1 page and is incorporated into this ordinance for any and all purposes, and is described by legal description on Exhibit "B," which exhibit consists of 1 page and is incorporated into this ordinance for any and all purposes.

Development of the Property shall be in accordance with the standards set forth in the City of New Fairview Subdivision Ordinance.

Section 2

The City Secretary is hereby directed to amend the official zoning map to reflect the changes in zoning referenced in this ordinance.

Section 3

That this Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

Section 4

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

Section 5

All rights or remedies of the City of New Fairview, Texas, are expressly saved as to any and all violations of the city's zoning ordinance, as amended, or any other ordinance affecting zoning and land use thereto that have accrued at the time of the effective date of this Ordinance and as to such accrued violations and all pending litigation, both civil and criminal, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the Courts.

Section 6

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any person or circumstance, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of the Ordinance, and the City Council hereby declares it would have passed such remaining

portion of the Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 7

The City Secretary of the City of New Fairview, Texas, is hereby directed to publish in the official newspaper of the City of New Fairview, the caption, penalty clause, publication clause, and effective date clause of this Ordinance for two (2) days as required by section 52.012 of the Texas Local Government Code.

Section 8

This Ordinance shall take effect from and after its date of passage in accordance with law, and it is so ordained.

PASSED AND APPROVED ON THIS 14TH DAY OF DECEMBER, 2020.

Joe Max Wilson, Mayor

ATTEST:

Monica Rodriguez, City Secretary

Exhibit A

Property Depiction

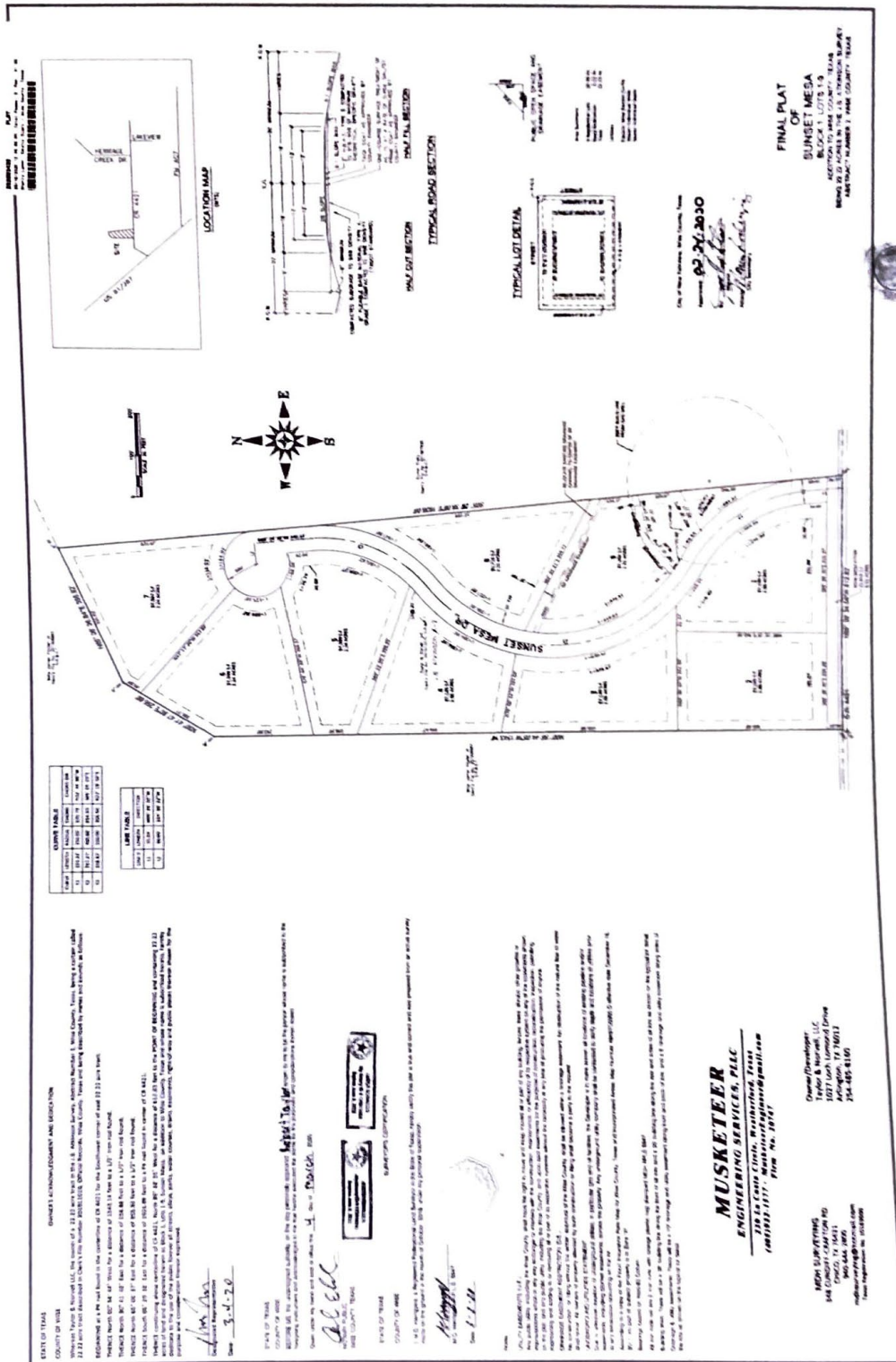


Exhibit B
Property Description

22.22 acre tract in the J.B. Atkinson Survey, Abstract Number 2, Wise County, Texas, being a certain called 22.22 acre tract described in Clerk's File Number 201911010, Official Records, Wise County, Texas and being described by metes and bounds as follows:

BEGINNING at a PK nail found in the centerline of CR 4421 for the Southwest corner of said 22.22 acre tract;

THENCE North $00^{\circ} 56' 44''$ West for a distance of 1543.14 feet to a $\frac{1}{2}$ " iron rod found;

THENCE North $30^{\circ} 41' 48''$ East for a distance of 256.66 feet to a $\frac{1}{2}$ " iron rod found;

THENCE North $65^{\circ} 06' 37''$ East for a distance of 355.92 feet to a $\frac{1}{2}$ " iron rod found;

THENCE South $05^{\circ} 29' 38''$ East for a distance of 1926.09 feet to PK nail found in center of CR 4421;

THENCE continuing along centerline of CR 4421, North $89^{\circ} 38' 35''$ West for a distance of 612.83 feet to the POINT OF BEGINNING and containing 22.22 acres of land and designated herein as Block 1, Lots 1-9, Sunset Mesa, an addition to Wise County, Texas and whose name is subscribed hereto, hereby dedicate to the use of the public forever all streets, alleys, parks, water courses, drains, easements, right-of-way and public places thereon shown for the purpose and consideration therein expressed.



City Council Agenda December 14, 2020

Agenda Item:	Presentation	(Discussion Item)
---------------------	---------------------	--------------------------

Agenda Description:

Consider a resolution authorizing the City Administrator to enter into a Development Agreement with Lackland Fairview, LLC, that reimburses the City of New Fairview for the survey, engineering and design of Pioneer Road and enter into an agreement with Pacheco Koch to complete the survey, engineering, and design of Pioneer Road from FM 407 heading south for approximately 10,500 linear feet, ending at the paved section of Pioneer Road, traveling east and west.

Background Information:

The city previously entered into a development agreement for the Fairview Meadows residential development. The development agreement states that the development or the New Fairview MUD #1 would improve Pioneer Rd adjacent to their project. Of the 10,500 linear feet, approximately 8,500 linear feet are adjacent to Fairview Meadows. Lackland Fairview, LLC has agreed to pay for the engineering and design work for this section of Pioneer Rd, understanding that they are not agreeing at this time to pay for the improvement of the 2,000 feet of Pioneer Rd that is not adjacent to the development.

Financial Information:

This agreement would pay approximately \$160,000 for the engineering and design of Pioneer Rd.

City Contact and Recommendation:

Ben Nibarger, City Administrator

Approve the agreement and authorize the City Administrator to amend the scope of work.

Attachments:

Resolution



City of New Fairview, Texas
Resolution No. _____

A RESOLUTION OF THE CITY OF NEW FAIRVIEW, TX APPROVING A DEVELOPMENT AGREEMENT WITH LACKLAND FAIRVIEW, LLC FOR PIONEER ROAD AND ENTER INTO AN AGREEMENT WITH PACHECO KOCH TO COMPLETE THE SURVEY, ENGINEERING, AND DESIGN OF PIONEER ROAD FROM FM 407 HEADING SOUTH FOR APPROXIMATELY 10,500 LINEAR FEET, ENDING AT THE PAVED SECTION OF PIONEER ROAD, TRAVELING EAST AND WEST.

WHEREAS, the City of Fairview is an incorporated city in the State of Texas; and

WHEREAS, the City of New Fairview is a General Law city as classified by the Texas Municipal Code; and

WHEREAS, the City of New Fairview has entered into a development agreement with Lackland Fairview, LLC or the New Fairview MUD #1 for the improvement of Pioneer Road; and

WHEREAS, the City of New Fairview has entered into an agreement with Pacheco Koch to complete engineering and design work in New Fairview; and

WHEREAS, the Pacheco Koch is willing and capable of amending the scope of work to include Pioneer Road; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
NEW FAIRVIEW:**

1. That, all matters stated in the recitals herein above are found to be true and correct and are incorporated herein by reference as if copied in their entirety.
2. That the City Council does hereby accept the development agreement and authorize the City Administrator to execute, attached as Exhibit "A".

3. That the City Council does hereby authorize the City Administrator to sign the amended scope of work agreement with Pacheco Koch.
4. That, if any portion of this resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determined that it would have adopted this Resolution without the invalid provision.
5. That this Resolution shall become effective from and after its date of passage.

PRESENTED AND PASSED on this **14th day of December**, at a meeting of the New Fairview City Council.

APPROVED:

Joe Max Wilson
Mayor

ATTESTED:

Monica Rodriguez
City Secretary

Resolution No. _____

A RESOLUTION OF THE CITY OF NEW FAIRVIEW, TX APPROVING A DEPOSITORY AGREEMENT WITH WILMINGTON TRUST FOR THE CONSTELLATION LAKE PUBLIC IMPROVEMENT DISTRICT (PID).

WHEREAS, the City of Fairview is an incorporated city in the State of Texas; and

WHEREAS, the City of New Fairview is a General Law city as classified by the Texas Municipal Code; and

WHEREAS, the City of New Fairview has entered into a development agreement regarding Constellation Lake and established a Public Improvement District (PID); and

WHEREAS, the City of New Fairview agreed to enter into a depository agreement for the deposit of the PID assessment; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY NEW FAIRVIEW:

1. That, all matters stated in the recitals herein above are found to be true and correct and are incorporated herein by reference as if copied in their entirety.
2. That the City Council does hereby accept the agreement and authorize the City Administrator to execute, attached as Exhibit "A".
3. That, if any portion of this resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determined that it would have adopted this Resolution without the invalid provision.
4. That this Resolution shall become effective from and after its date of passage.

PRESENTED AND PASSED on this **14th day of December**, at a meeting of the New Fairview City Council.

APPROVED:

ATTESTED:

Joe Max Wilson
Mayor

Monica Rodriguez
City Secretary

CONSTELLATION LAKE IMPROVEMENT DISTRICT DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT dated as of _____ (“Agreement”), is by and between City of New Fairview, a Texas Type A general law city (“Depositor”) and Wilmington Trust, National Association (“Bank”).

BACKGROUND

WHEREAS, Depositor desires to deposit funds with Bank from time to time in connection with the creation and implementation of certain public improvement districts established and to be established by City of New Fairview pursuant to Texas Local Government Code Chapter 372, (collectively, the “PID”); and

WHEREAS, Bank has agreed to accept, hold, and disburse the funds deposited with it and the earnings thereon in accordance with the terms of this Agreement.

STATEMENT OF AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Definitions. The following terms shall have the following meanings when used herein:

“Depositor Representative” shall mean the person(s) so designated on Schedule A attached hereto or any other person designated in writing, signed by Depositor and delivered to Bank in accordance with the notice provisions of this Agreement, to act as its representative under this Agreement.

“Funds” shall mean the funds deposited with Bank pursuant to Section 3 of this Agreement, together with any interest and other income thereon.

“Period” shall mean the period commencing on the date hereof and ending on the applicable termination date set forth on Schedule A attached hereto.

“Written Direction” shall mean a written direction executed by a Depositor Representative and directing Bank to disburse all or a portion of the Funds or to take or refrain from taking an action pursuant to this Agreement.

2. Appointment of and Acceptance by Bank. Depositor hereby appoints Bank to serve hereunder. Bank hereby accepts such appointment and, upon receipt of Funds in accordance with Section 3 below, agrees to hold and disburse the Funds in accordance with this Agreement.

3. Deposit of Funds. After the execution and delivery of this Agreement, Depositor will transfer Funds from time to time to Bank, by wire transfer of immediately available funds or some other customary method, along with Written Direction as to the PID collection account in which such Funds should be deposited.

4. Disbursements of Funds. Bank shall disburse Funds at any time and from time to time, upon receipt of, and in accordance with, Depositor's Written Direction. Such Written Direction shall contain wiring instructions or an address to which a check shall be sent. Upon the expiration of the Period, Bank

shall distribute, as promptly as practicable, the Funds in the manner described on Schedule A, without any further instruction or direction.

All disbursements of Funds from the relevant account shall be subject to the fees and claims of Bank and the Indemnified Parties (as defined below) pursuant to Section 9 and Section 10 below.

5. Suspension of Performance: Disbursement into Court. If, at any time, Bank is unable to determine, to Bank's sole satisfaction, the proper disposition of all or any portion of the Funds or Bank's proper actions with respect to its obligations hereunder, then Bank may, in its sole discretion, take either or both of the following actions:

- a. suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of Bank;
- b. petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction in Denton County, Texas, for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all Funds, after deduction and payment to Bank of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by Bank in connection with the performance of its duties and the exercise of its rights hereunder.

Bank shall have no liability to Depositor or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of the Funds or any delay in or with respect to any other action required or requested of Bank.

6. Investments. Funds on deposit hereunder shall be invested in permitted investments, as provided in the Texas Public Funds Investment Act, at the written direction of Depositor. In the absence of written direction, the Bank shall invest the funds in the Blackrock Fed Fund (Govt), Dollar Share Class. Bank shall not be liable or responsible for monitoring or ensuring that any investment is a Permitted Investment as described under any other document or agreement relating to the relevant PID transaction.

Any income or interest earned, or any losses, on any Funds shall accrue to and be deposited in the account from which said Funds were deposited or invested or be debited against such account.

All money deposited with Bank hereunder shall be secured in the manner and to the fullest extent required by law for the security of funds of Depositor. Any Funds held by Bank in excess of the deposit insurance provided by the Federal Deposit Insurance Corporation will be fully collateralized with obligations that are eligible under the laws of the State of Texas.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that Bank may serve as depository for other funds of Depositor, act as trustee under resolutions authorizing other transactions of Depositor, or act in any other capacity not in conflict with its duties hereunder. In particular, but without limiting the generality of the foregoing, Bank may serve as "Bond Trustee" and "Escrow Agent" in regard to the PID transaction.

7. Resignation or Removal of Bank. Bank may resign and be discharged from the performance of its duties hereunder at any time by giving thirty (30) days prior written notice to Depositor specifying a date when such resignation shall take effect and after such specified date, notwithstanding any

other provision of this Agreement, Bank's sole obligation will be to hold the Funds pending appointment of a successor Bank. Similarly, Bank may be removed at any time by Depositor giving at least thirty (30) days prior written notice to Bank specifying the date when such removal shall take effect. Upon the effective date of any such resignation or removal, Bank shall return the Funds to or at the direction of Depositor after deduction and payment to Bank of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by Bank in connection with the performance of its duties and the exercise of its rights hereunder. After Bank's resignation or removal, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was acting under this Agreement.

8. Liability of Bank. Bank undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. Bank has no fiduciary or discretionary duties of any kind. Bank shall have no liability under the provisions of any agreement other than this Agreement. Bank will not be responsible or liable for the failure of any Party to perform in accordance with this Agreement. Bank shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Agreement, whether or not an original or a copy of such agreement has been provided to Bank; and Bank shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Agreement to any other agreement, instrument, or document are for the convenience of the parties, and Bank has no duties or obligations with respect thereto. This Agreement sets forth all matters pertinent to the deposit contemplated hereunder, and no additional obligations of Bank shall be inferred or implied from the terms of this Agreement or any other agreement. Bank shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that Bank's negligence or willful misconduct was the cause of any loss to Depositor. Bank's sole responsibility shall be for the safekeeping of the Funds in accordance with Bank's customary practices and disbursement of the Funds in accordance with the terms of this Agreement. Bank shall have no implied duties or obligations and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. Bank may rely upon any notice, instruction, request or other instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which Bank believes to be genuine and to have been signed or presented by the person or parties purporting to sign the same. In no event shall Bank be liable for incidental, indirect, special, consequential or punitive damages (including, but not limited to lost profits), even if Bank has been advised of the likelihood of such loss or damage and regardless of the form of action. Bank shall not be obligated to take any legal action or commence any proceeding in connection with the Funds, any account in which Funds are deposited, or this Agreement, or to appear in, prosecute or defend any such legal action or proceeding or to take any other action that in Bank's sole judgment may expose it to potential expense or liability. Bank shall not be responsible or liable in any manner for the performance by any party of their respective obligations under any other agreement. Bank may consult legal counsel with expertise related to the issue in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving any party hereto, and shall incur no liability and shall be fully indemnified from any liability whatsoever in acting in accordance with the written opinion or instruction of such counsel.

Bank is authorized, in its sole discretion, to comply with orders issued or process entered by any court of competent jurisdiction with respect to the Funds. If any portion of the Funds is at any time attached, garnished or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, Bank is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if Bank complies with any such order, writ, judgment or decree, it

shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

9. Indemnification of Bank. From and at all times after the date of this Agreement, Depositor shall, to the fullest extent permitted by law, defend, indemnify and hold harmless Bank and each director, officer, employee, attorney, agent and affiliate of Bank (each, an “Indemnified Party”) against any and all actions, claims (whether or not valid), losses, damages, liabilities, costs and expenses of any kind or nature whatsoever (including without limitation reasonable attorneys' fees, costs and expenses) incurred by or asserted against any Indemnified Party from and after the date hereof, whether direct, indirect or consequential, as a result of or arising from or in any way relating to any claim, demand, suit, action or proceeding (including any inquiry or investigation) by any third party, whether threatened or initiated, asserting a claim for any legal or equitable remedy against any person under any statute or regulation, including, but not limited to, any federal or state securities laws) or under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance of this Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such action, proceeding, suit or the target of any such inquiry or investigation: *provided, however*, that no Indemnified Party shall have the right to be indemnified hereunder for any liability finally determined by a court of competent jurisdiction, which determination is not subject to appeal, to have resulted solely from the negligence or willful misconduct of such Indemnified Party. The obligations of Depositor under this Section 9 shall survive any termination of this Agreement and the resignation or removal of Bank.

10. Compensation to Bank.

a. Fees and Expenses. Depositor shall compensate Bank for its services hereunder in accordance with Schedule A attached hereto and, in addition, shall reimburse Bank for all of its reasonable out-of-pocket expenses, including attorneys' fees, travel expenses, telephone and facsimile transmission costs, postage (including express mail and overnight delivery charges), copying charges and the like. The additional provisions and information set forth in Schedule A are hereby incorporated by this reference, and form a part of this Agreement. All of the compensation and reimbursement obligations set forth in this Section 10 shall be payable by Depositor upon demand by Bank. The obligations of Depositor under this Section 10 shall survive any termination of this Agreement and the resignation or removal of Bank.

b. Disbursements from Funds to Pay Bank. Bank is authorized to, and may, disburse to itself from the Funds, from time to time, the amount of any compensation and reimbursement of out-of-pocket expenses due and payable hereunder (including any amount to which Bank is entitled to seek indemnification pursuant to Section 9 hereof).

c. Security and Offset. Depositor hereby grants to Bank and the Indemnified Parties a security interest in and lien upon the Funds to secure all obligations hereunder, and Bank and the Indemnified Parties shall have the right to offset the amount of any compensation or reimbursement due any of them hereunder (including any claim for indemnification pursuant to Section 9 hereof) against the Funds.

11. Representations and Warranties. Depositor makes the following representations and warranties to Bank:

(a) It is duly organized, validly existing, and in good standing under the laws of the State of Texas, and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(b) This Agreement has been duly approved by all necessary action, has been executed by its duly authorized officers, and constitutes its valid and binding agreement enforceable in accordance with its terms.

(c) The execution, delivery, and performance of this Agreement will not violate, conflict with, or cause a default under its articles of incorporation, articles of organization, bylaws or other organizational document, as applicable, any applicable law or regulation, any court order or administrative ruling or decree to which it is a party or any of its property is subject, or any agreement, contract, indenture.

(d) The applicable persons designated on Schedule A attached hereto have been duly appointed to act as its representatives hereunder and have full power and authority to execute and deliver any Written Direction, to amend, modify or waive any provision of this Agreement and to take any and all other actions under this Agreement, all without further consent or direction from, or notice to, it or any other party.

(v) No party other than the parties hereto has, or shall have, any lien, claim or security interest in the Funds or any part thereof. No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Funds or any part thereof.

(vi) All of its representations and warranties contained herein are true and complete as of the date hereof and will be true and complete at the time of any disbursement of the Funds.

12. Patriot Act/Identifying Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a nonindividual person such as a business entity, a charity, a trust, or other legal entity, Bank requires documentation to verify its formation and existence as a legal entity. Bank may ask to see financial statements, licenses, or identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. Depositor acknowledges that a portion of the identifying information set forth herein is being requested by Bank in connection with the USA Patriot Act, Pub.L. 107-56 (the "Act"), and agrees to provide any additional information requested by Bank in connection with the Act or any other legislation or regulation to which Bank is subject, in a timely manner. Depositor represents that all identifying information set forth on Schedule A or otherwise provided to Bank, including without limitation, its Taxpayer Identification Number assigned by the Internal Revenue Service or any other taxing authority, is true and complete on the date hereof and will be true and complete at the time of any disbursement of the Funds.

13. Consent to Jurisdiction and Venue. In the event that any party hereto commences a lawsuit or other proceeding relating to or arising from this Agreement, the parties hereto agree that the U.S. District Court for the Western District of Texas shall have jurisdiction over any such proceeding. If such court lacks federal subject matter jurisdiction, the parties agree that the Denton County District Court shall have jurisdiction. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts.

14. Notice. All notices, approvals, consents, requests, and other communications hereunder shall be in writing (provided that each such communication to Bank must be manually signed by the sender) and shall be deemed to have been given when the writing is delivered if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt) to the address or facsimile number set forth on Schedule A attached hereto, or to such other address as each party may designate for itself by like notice, and shall be deemed to have been given on the date deposited in the mail, if mailed, by first-class, registered or certified mail, postage prepaid, addressed as set forth on Schedule A attached hereto, or to such other address as each party may designate for itself by like notice.

15. Amendment, Waiver and Assignment. This Agreement may be changed, waived, discharged or terminated only by a writing signed by the parties hereto. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. Except as provided in Section 19, this Agreement may not be assigned by any party without the written consent of the other party.

16. Severability. To the extent any provision of this Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

17. Governing Law. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Texas without giving effect to the conflict of laws principles thereof.

18. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the holding, investment and disbursement of the Funds and sets forth in their entirety the obligations and duties of Bank with respect to the Funds. Nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the signatory parties hereto any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

19. Binding Effect: Successors. All of the terms of this Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective successors and assigns of Depositor and Bank. If Bank consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including the account contemplated by this Agreement) to another entity, the successor or transferee entity without any further act shall be the successor Bank.

20. Execution in Counterparts. This Agreement and any Written Direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

21. Termination. Upon the first to occur of the termination of the Period, the disbursement of all amounts in the Funds pursuant to Written Directions or the disbursement of all amounts in the Funds into court pursuant to Section 5 or Section 8 hereof, this Agreement shall terminate, Bank shall be released from its obligations hereunder and Bank shall have no further liability with respect to the Funds, this Agreement, or any action or refusal to take action hereunder.

22. Dealings. Bank and any stockholder, director, officer or employee of Bank may buy, sell, and deal in any of the securities of Depositor and become financially interested in any transaction in which

Depositor may be interested, and contract and lend money to Depositor and otherwise act as fully and freely as though it were not acting as the depository bank under this Agreement. Nothing herein shall preclude Bank from acting in any other capacity for Depositor or for any other person or entity.

23. Optional Security Procedures. In the event funds transfer instructions, address changes or change in contact information are given (other than in writing at the time of execution of this Agreement), whether in writing, by facsimile or otherwise, Bank is authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to the person or persons designated on Schedule A attached hereto, and Bank may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by Bank and shall be effective only after Bank has a reasonable opportunity to act on such changes. If Bank is unable to contact any of the designated representatives identified in Schedule A, Bank is hereby authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to any one or more of Depositor's officers ("Officers"), as the case may be, which shall include the titles of City Administrator and City Secretary as Bank may select. Such Officer shall deliver to Bank proof of appointment as such officer, and Bank may rely upon the confirmation of anyone purporting to be any such officer. Depositor agrees that Bank may at its option record any telephone calls made pursuant to this Section. Bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Depositor to identify (a) the beneficiary, (b) the beneficiary's bank, or (c) an intermediary bank. Bank may apply any of the Funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. Depositor acknowledges that these optional security procedures are commercially reasonable.

24. Tax Reporting. Depositor agrees to assume all obligations imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement. Upon Bank's request, Depositor shall provide Bank with a Form W-9 or Form W-8, as applicable, for each payee, together with any other documentation and information requested by Bank in connection with Bank's reporting obligations under the United States Internal Revenue Code and related regulations (the "Code"). If such tax documentation is not so provided, Bank is authorized to withhold taxes as required by the Code. Depositor shall accurately provide Bank with all information requested by Bank in connection with the preparation of all applicable Form 1099 and Form 1042-S documents with respect to all distributions as well as in the performance of Bank's reporting obligations under the Foreign Account Tax Compliance Act or other applicable law or regulation. To the extent that Bank becomes liable for the payment of any taxes in respect of income derived from the investment of the Funds, Bank shall satisfy such liability to the extent possible from the Funds. To the extent permitted by law, Depositor shall indemnify, defend and hold Bank harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against Bank on or with respect to the Funds and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the negligence or willful misconduct of Bank. The indemnification provided by this Section 24 is in addition to the indemnification provided in Section 9 and shall survive the resignation or removal of Bank and the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

CITY OF NEW FAIRVIEW

By: _____

Title: _____

WILMINGTON TRUST, NATIONAL ASSOCIATION

By: _____

Title: _____

SCHEDULE A

1. Account.

Wilmington Trust, National Association

[ABA#

ATTN:

Re: [_____ PID Assessment Account, # _____]

2. Bank Fees.

Acceptance Fee:	\$ _____
Annual Fee:	\$ _____
Out-of-Pocket Expenses:	\$ _____
[Transactional Costs]:	\$ _____
[Other Fees/Attorney, etc.]:	\$ _____
TOTAL	\$ _____

The Acceptance Fee and the Annual Fee are payable upon execution of the Agreement. In the event the account is not funded, the Acceptance Fee and all related expenses, including attorneys' fees, remain due and payable, and if paid, will not be refunded. Annual fees cover a full year in advance, or any part thereof, and thus are not pro-rated in the year of termination.

The fees quoted in this schedule apply to services ordinarily rendered in the administration of an account and are subject to reasonable adjustment based on final review of documents, or when Bank is called upon to undertake unusual duties or responsibilities, or as changes in law, procedures, or the cost of doing business demand. Services in addition to and not contemplated in the Agreement, including, but not limited to, document amendments and revisions, non-standard cash and/or investment transactions, calculations, notices and reports, and legal fees, will be billed as extraordinary expenses.

Unless otherwise indicated, the above fees relate to the establishment of one account. Additional sub-accounts governed by the same Agreement may incur an additional charge. Transaction costs include charges for wire transfers, checks, internal transfers and securities transactions.

3. Taxpayer Identification Numbers.

Depositor: _____

4. Termination and Disbursement. Unless earlier terminated by the provisions of the Agreement, the Period will terminate upon the termination of the respective PIDs as provided by Depositor in writing to Bank. Any Funds remaining on such date shall be distributed to Depositor.

5. Notice Addresses.

If to Depositor, at:

City of New Fairview
999 Illinois Lane
New Fairview, Texas 76078
Attn: Ben Nibarger, City Administrator
Bradley Anderle, City Attorney
Telephone: (817) 638-5366
Facsimile: (817) 638-5369

If to Bank, at:

Wilmington Trust, National Association
Corporate Client Services
15950 N. Dallas Parkway, Suite 550
Dallas, Texas 75248
Attn: Dayna L. Smith
Telephone: (972) 383-3154
Facsimile: (972) 385-0844