

# City of Carrollton

1945 E. Jackson Road  
Carrollton, TX 75006



## REGULAR WORKSESSION & MEETING

Tuesday, April 16, 2024

5:45 PM

CITY HALL, 2nd Floor

### City Council

*Mayor Steve Babick*  
*Mayor Pro Tem Nancy S. Cline*  
*Deputy Mayor Pro Tem H.A. "Rusty" Pendleton*  
*Councilmember Christopher Axberg*  
*Councilmember Jason Carpenter*  
*Councilmember Richard Fleming*  
*Councilmember Andrew Palacios*  
*Councilmember Daisy Palomo*

**\*\*\*PRE-MEETING / EXECUTIVE SESSION\*\*\*****5:45 P.M. – COUNCIL BRIEFING ROOM**

1. Receive **information and discuss Agenda.**
2. Council will convene in **Executive Session** pursuant to Texas Government Code:
  - **Section 551.071** for private consultation with the City Attorney to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the City Attorney has a duty under the Texas Rules of Discipline and Professional Conduct regarding confidential communication with the City Council.
3. Council will **reconvene in open session** to consider action, if any, on matters discussed in the Executive Session.

**\*\*\*WORKSESSION\*\*\***

4. Receive **Briefing From The Denton County Transportation Authority (DCTA) On Project Status And Operations.**
5. Receive **Briefing On Modifications To The Tree Removal And Replacement Program To Include Trees On Private Property That Are Under Overhead Electricity Or Utility Lines.**
6. **Mayor And Council Reports And Information Sharing.**

**\*\*\*REGULAR MEETING 7:00 PM\*\*\*****INVOCATION - Councilmember Andrew Palacios****PLEDGE OF ALLEGIANCE - Councilmember Richard Fleming****PRESENTATIONS**

7. Present **Proclamation To Western Extrusions Employees For Life-Saving Efforts.**
8. Present **Proclamation Recognizing Records Awareness Month.**
9. Proclamation **Designating The Month Of May 2024 As Building Safety Month In Carrollton.**

**PUBLIC COMMENT**

- 10. Hearing of any citizen/visitor on items listed on the regular meeting agenda. Citizens wishing to address the Council regarding items not on the posted agenda will be called to speak during the Public Forum.**
- Citizens/visitors should complete an appearance card located on the table at the entrance to the City Council Chambers. Speakers must address their comments to the presiding officer rather than to individual Council members or staff; Stand at the podium, speak clearly into the microphone and state your name and address prior to beginning your remarks; Speakers will be allowed between 2 and 5 minutes for testimony; Speakers making personal, impertinent, profane or slanderous remarks may be removed from the room; Unauthorized remarks from the audience, stamping of feet, whistles, yells, clapping, and similar demonstrations will not be permitted; No placards, banners or signs will be permitted in the Chambers or in any other room in which the Council is meeting. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

**CONSENT AGENDA**

*(\*All items marked with a single asterisk are part of a Consent Agenda and require no deliberation by the Council. Each Council member has the prerogative of removing an item from this agenda so that it may be considered separately. Contracts and agreements are available in the City Secretary's Office.)*

**MINUTES**

- \*11. Consider Approval Of The April 2, 2024 Regular Meeting Minutes.**

**BIDS & PURCHASES**

- \*12. Consider Approval Of BID #24-027 For The Purchase Of Rebar And Accessories From CF Metals In An Amount Not To Exceed \$275,000.00 Annually For A Total Three-Year Contract Amount Not To Exceed \$825,000.00.**
- \*13. Consider Approval Of Contract Amendment No. 1 To RFP #22-008 For Boring And Trenching Services For Multiple Departments From Tejas Utilities, LLC In An Amount Not To Exceed \$278,304.60, For A New Total Contract Amount Not To Exceed \$411,304.60.**
- \*14. Consider Approval Of The Renovations To Two (2) Indian Creek Golf Course Comfort Stations By Dallas Harmony Construction Through An Inter-Local Agreement With BuyBoard In An Amount Not To Exceed \$82,452.00.**

- \*15.** Consider Approval Of #24-041 For Biller Agreement Renewal To InvoiceCloud In The Amount Of \$10,000.00 Annually, With A Total Contract Value Not To Exceed \$60,000.00.
- \*16.** Consider Approval Of BID #24-030 From HD Way Concrete Service, LLC For The Arterial Street Panel Replacement Projects On Keller Springs Road From Marsh Lane To Denton Drive And On Plano Parkway From Charles Road To Parker Road/FM 544 In An Amount Not To Exceed \$2,000,000 Annually, For A Three-Year Total Contract Amount Not To Exceed \$6,000,000.00.

## **ORDINANCES**

- \*17.** Consider An Ordinance of the City Council of the City of Carrollton, Texas, Authorizing the Issuance of “City of Carrollton, Texas, General Obligation Improvement and Refunding Bonds, Series 2024”; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Said Bonds; Resolving Other Matters Incident and Related to the Issuance, Sale, Payment, and Delivery of Said Bonds; Establishing Procedures for the Sale and Delivery of the Bonds; Delegating Matters Relating to the Sale and Issuance of the Bonds to Authorized City Representatives; and Providing for an Effective Date.
- \*18.** Consider An Ordinance of the City Council of the City of Carrollton, Texas, Authorizing the Issuance of “City of Carrollton, Texas, Waterworks and Sewer System Revenue Bonds, Series 2024”; Pledging the Net Revenues of the City’s Combined Waterworks and Sewer System to the Payment of the Principal of and Interest on Said Bonds; and Resolving Other Matters Incident and Related to the Issuance, Sale, Payment, and Delivery of Said Bonds; Establishing Procedures for the Sale and Delivery of the Bonds; and Delegating Matters Relating to the Sale and Issuance of the Bonds to Authorized City Representatives.
- \*19.** Consider An Ordinance Amending The Operating Budgets And Capital Budgets For Fiscal Year October 1, 2023, Through September 30, 2024.

## **RESOLUTIONS**

- \*20.** Consider A Resolution Authorizing The City Manager To Negotiate And Execute An Economic Development Incentive Agreement With Prescott Interests LTD For The Renovation Of 1014 South Broadway, Suite 100, In An Amount Not To Exceed \$43,060.00.

- \*21.** Consider A Resolution Adopting The Tree Removal And Replacement Program Policy.
- \*22.** Consider A Resolution Authorizing The City Manager To Execute An Agreement Between The City Of Carrollton And The City Of Dallas, As Fiscal Agent, And Various Other Texas Cities Providing For The FY 2022-23 Byrne Justice Assistance Grant Program Award Agreement.
- \*23.** Consider A Resolution Authorizing The City Manager To Execute An Agreement Between The City Of Carrollton And The City Of Dallas, As Fiscal Agent, And Various Other Texas Cities Providing For The FY 2023-24 Byrne Justice Assistance Grant Program Award Agreement.
- \*24.** Consider A Resolution Authorizing The City Manager To Enter Into A Contract With FORVIS, LLP For Independent Auditing Services In An Amount Not to Exceed \$130,000.
- \*25.** Consider A Resolution Authorizing The City To Participate In The State Of Texas Events Trust Fund Program To Support A Request From LIV Golf For A Golf Event At The Maridoe Golf Course In September 2024, With A Local Funding Match From The City Of Carrollton In The Amount Of \$124,110.00.

## **OTHER BUSINESS**

- 26.** Consider Adopting The Community Funding Policy.

## **PUBLIC FORUM**

- 27.** **Hearing of any citizen/visitor on items not listed on the regular meeting agenda. Citizens wishing to address the Council regarding items on the posted agenda will be called to speak during the Council's consideration of such items.**

Citizens/visitors should complete an appearance card located on the table at the entrance to the City Council Chambers. Speakers must address their comments to the presiding officer rather than to individual Council members or staff; Stand at the podium, speak clearly into the microphone and state your name and address prior to beginning your remarks; Speakers will be allowed between 2 and 5 minutes for testimony; Speakers making personal, impertinent, profane or slanderous remarks may be removed from the room; Unauthorized remarks from the audience, stamping of feet, whistles, yells, clapping, and similar demonstrations will not be permitted; No placards, banners or signs will be permitted in the Chambers or in any other room in which the Council is meeting. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

**ADJOURNMENT**

*CERTIFICATE - I certify that the above agenda giving notice of meeting was posted on the bulletin board at the City Hall of Carrollton, Texas on the 12th day of April 2024 at 12:00pm.*

*Chloe Sawatzky*

\_\_\_\_\_  
*Chloe Sawatzky, City Secretary*

*This building is wheelchair accessible. For accommodations or sign interpretive services, please contact City Secretary's Office at least 72 hours in advance at 972-466-3001. Opportunities and services are offered by the City of Carrollton without regard to race, color, age, national origin, religion, sex or disability.*

*Pursuant to Section 551.071 of the Texas Government Code, the City Council reserves the right to consult in a closed meeting with its attorney and to receive legal advice regarding any item listed on this agenda. Further, the Texas Open Meetings Act, codified in Chapter 551 of the Texas Government Code, does not require an agenda posting where there is a gathering of a quorum of the City Council at a regional, state or national convention or workshop, social function, convention, workshop, ceremonial event or press conference. The City Secretary's Office may occasionally post agendas for social functions, conventions, workshops, ceremonial events or press conference; however, there is no legal requirement to do so and in the event a social function, convention, workshop, ceremonial event or press conference is not posted by the City Secretary's Office, nothing shall preclude a quorum of the City Council from gathering as long as "deliberations" within the meaning of the Texas Open Meetings Act do not occur.*

*FIREARMS PROHIBITED at City Council meetings pursuant to Texas Penal Code Sections 46.035(c) and 30.05.*



# City of Carrollton

1945 E. Jackson Rd  
Carrollton TX 75006

## Agenda Memo

File Number: 6656

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**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Work Session

**In Control:** City Council

**File Type:** Work Session Item

**Agenda Number:** 4.

**CC MEETING:** April 16, 2024

**DATE:** April 10, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Jonathan Wheat, P.E., Director of Engineering  
Marc Guy, Assistant City Manager

Receive **Briefing From The Denton County Transportation Authority (DCTA) On Project Status And Operations.**

**BACKGROUND:**

Receive a briefing from DCTA regarding project status and operations.





## Agenda Memo

File Number: 6645

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**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Work Session

**In Control:** City Council

**File Type:** Work Session Item

**Agenda Number:** 5.

**CC MEETING: April 16, 2024**

**DATE:** April 4, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Ravi Shah, Director of Development Services  
Marc Guy, Assistant City Manager

Receive **Briefing On Modifications To The Tree Removal And Replacement Program To Include Trees On Private Property That Are Under Overhead Electricity Or Utility Lines.**

### **BACKGROUND:**

On April 4, 2023, City Council was briefed on a program proposal for City involvement in the removal and replacement of trees located in public rights-of-way near overhead powerlines that have been pruned to an extent that they are at the end of their life span.

On April 2, 2024, a modification to the program was presented to the City Council Re-Development Committee to include trees on private property in strategic locations that have been excessively trimmed or pruned.





# City of Carrollton

1945 E. Jackson Rd  
Carrollton TX 75006

## Agenda Memo File Number: 5231

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**Agenda Date:**

**Version:** 1

**Status:** Work Session

**In Control:** City Council

**File Type:** Work Session Item

**Agenda Number:** 6.

**Mayor And Council Reports And Information Sharing.**





## Agenda Memo

File Number: 6663

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**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Presentations

**In Control:** City Council

**File Type:** Presentation

**Agenda Number:** 7.

**CC MEETING:** April 16, 2024

**DATE:** April 11, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Chloe Sawatzky, City Secretary

Present **Proclamation To Western Extrusions Employees For Life-Saving Efforts.**

**BACKGROUND:**

Recently a driver lost control of her vehicle on Luna Road and crashed into the pond which separates Western Extrusions from Luna Road. Some Western Extrusions employees witnessed the accident and responded immediately to provide aid. At least one of the employees entered the cold water and pulled the female driver out of the partially submerged vehicle and carried her to safety.

This kind of “people helping people” action on part of the Western Extrusions employees exemplifies the values of the company, recognizing the involved employees’ actions placed the safety of a stranger over their own safety and inconvenience.





# City of Carrollton

1945 E. Jackson Rd  
Carrollton TX 75006

## Agenda Memo

File Number: 6662

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**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Presentations

**In Control:** City Council

**File Type:** Presentation

**Agenda Number:** 8.

**CC MEETING:** April 16, 2024

**DATE:** April 11, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Chloe Sawatzky, City Secretary

Present **Proclamation Recognizing Records Awareness Month.**





## Agenda Memo File Number: 6641

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**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Presentations

**In Control:** City Council

**File Type:** Presentation

**Agenda Number:** 9.

**CC MEETING: April 16, 2024**

**DATE:** April 1, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Brett L. King, Building Official  
Marc Guy, Assistant City Manager

Proclamation **Designating The Month Of May 2024 As Building Safety Month In Carrollton.**

**BACKGROUND:**

Building Safety Month is sponsored by the International Code Council and its local and state chapters. It is intended to remind the public about the critical role of our communities' largely unknown guardians of public safety -- local code officials -- who assure the public of safe, efficient and livable buildings.

**IMPACT ON COMMUNITY SUSTAINABILITY:**

The adoption and enforcement of minimum construction standards makes a significant contribution to community sustainability in the built environment and provides safe structures for citizens and stakeholders.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends that the month of May 2024 be proclaimed as Building Safety Month in Carrollton.





## Agenda Memo

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**Agenda Date:**

**Version:** 1

**Status:** Public Forum

**In Control:** City Council

**File Type:** Public Forum

**Agenda Number:** 10.

**Hearing of any citizen/visitor on items listed on the regular meeting agenda. Citizens wishing to address the Council regarding items not on the posted agenda will be called to speak during the Public Forum.**

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# City of Carrollton

1945 E. Jackson Rd  
Carrollton TX 75006

## Agenda Memo

File Number: 6660

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**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Minutes

**Agenda Number:** \*11.

**CC MEETING:** April 16, 2024

**DATE:** April 11, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Chloe Sawatzky, City Secretary

Consider **Approval Of The April 2, 2024 Regular Meeting Minutes.**

**CARROLLTON CITY COUNCIL  
REGULAR MEETING AND WORKSESSION  
APRIL 2, 2024**

The City Council of the City of Carrollton, Texas convened in a Regular Meeting and Worksession on Tuesday, April 2, 2024 at 5:45 p.m. with the following members present: Mayor Steve Babick, Mayor Pro Tem Nancy Cline, Deputy Mayor Pro Tem H.A. “Rusty” Pendleton, Councilmembers Christopher Axberg, Jason Carpenter, Richard Fleming, Andrew Palacios, and Daisy Palomo (arrived 5:56 p.m.). Also present were City Manager Erin Rinehart, Assistant City Managers Marc Guy and Chrystal Davis, City Attorney Meredith Ladd and City Secretary Chloe Sawatzky.

**5:45 P.M. – COUNCIL BRIEFING ROOM**

**\*\*\*PRE-MEETING \*\*\***

Mayor Babick called the meeting to order at 5:45 p.m.

**1. Receive information and discuss Agenda.**

Agenda items were reviewed. Staff responded to Council’s questions.

City Secretary Chloe Sawatzky stated that some additional clarification text will be added to the meeting minutes for March 5<sup>th</sup>, Worksession Item 4, last paragraph.

**\*\*\*EXECUTIVE SESSION\*\*\***

2. Council will convene into Executive Session pursuant to Texas Government Code:
  - **Section 551.071** for private consultation with the City Attorney to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the City Attorney has a duty under the Texas Rules of Discipline and Professional Conduct regarding confidential communication with the City Council.
3. Council will reconvene in Open Session to consider action, if any, on matters discussed in the Executive Session.

*Executive Session was not convened.*

**\*\*\*WORKSESSION\*\*\***

**4. Receive An Update From The Trinity River Authority.**

Melissa Everett, Finance Director, stated that she and Councilmember Cline regularly attend meetings of the Trinity River Authority (TRA.) She explained that the City of Carrollton contracts with TRA for treatment of the city’s wastewater. Ms. Everett introduced Matthew Jalbert, Executive Manager of TRA’s Northern Region, to provide an update on TRA’s activity.

Mr. Jalbert stated that the TRA provides water and/or wastewater services to 21 customers (entities) in the Central Regional Wastewater System (CRWS) and has been in existence since 1956. Carrollton

is in the Elm Fork portion of the system. Mr. Jalbert noted that TRA has not had a permit violation since early 1960s and has received awards and accolades.

Mr. Jalbert stated that the CRWS Treatment Plant is located at 6500 W. Singleton Boulevard. It has an annual average flow of 189 MGD (million gallons per day), with a two-hour peak flow of 409 MGD. He noted that once annual average flows reach 75 percent of the system’s capacity, planning for expansion begins, and once 90 percent is reached, construction must be underway. A graph reflecting projected versus actual flows over the past years was reviewed.

Mr. Jalbert advised that the CRWS includes 209 miles of pipeline, 128 metering stations, and four (4) lift stations. He provided an overview of capital projects that includes odor control improvements, rehabilitation of aging infrastructure, and methane gas reduction efforts. It was noted that the Elm Fork Collection System is undergoing rehabilitation and replacement of 13 miles of 36 inch to 72 inch pipelines. This is being done in seven (7) phases, with Phase I and Phase II being partially complete. A handout was provided to councilmembers explaining more of the capital projects.

Mr. Jalbert provided an overview of TRA’s 2025-2029 Capital Financial Outlay and Capital Improvements for the Plant and Collection System. These are funded in the short-term with extendable commercial paper and in the long-term with debt issuances. TRA’s bond rating is AAA. The total debt services for Fiscal Year 2024 is \$120 million, and this year’s Operations and Maintenance budget is \$71 million. Mr. Jalbert explained that Carrollton’s portion of this expense is approximately 8.5 percent.

In response to questions raised by Mayor Babick, Mr. Jalbert added that debt is issued with 20 year terms. He also explained that the Board of Directors for the TRA has 25 members who are appointed by the Governor. The Board meets every other month and approves expenses and projects over \$150,000 and interlocal agreements.

Mayor Pro Tem Cline inquired about potential cost increases for Carrollton. Mr. Jalbert stated that operating costs, including employment expenses, are increasing. It anticipated that in the future Carrollton’s expense portion will increase by 7-9 percent.

**5. Mayor And Council Reports And Information Sharing.**

Council reviewed their recent activities and upcoming events.

*Worksession recessed at 6:42 p.m. and promptly reconvened in the Council Chambers.*

At this time, Mayor Babick recognized the Creekview High School Wind Symphony and Percussion Ensemble who recently participated in the *Music For All National Concert Festival and Percussion Festival* in Indianapolis, Indiana. He presented those in attendance with a Proclamation Proclaiming April 2<sup>nd</sup>, 2024 as:

**“Creekview High School Wind Symphony and Percussion Ensemble Day”**

Creekview High School Band Director offered his appreciation to all who support these two programs.

*Worksession concluded at 7:00 p.m.*

**\*\*\*REGULAR MEETING 7:00 P.M.\*\*\***

Mayor Babick called the Regular meeting to order at 7:05 p.m.

**INVOCATION** – Mayor Pro Tem Nancy Cline

**PLEDGE OF ALLEGIANCE** – Councilmember Christopher Axberg

**PRESENTATIONS**

- 6. Present A Proclamation to Denton County CASA in Recognition of Child Abuse Awareness Month.**

Mayor Babick read a Proclamation recognizing the Denton County CASA organization for its work and declaring April as:

**“Child Abuse Prevention Month”**

The Proclamation was presented to a representative of CASA. She spoke of children advocacy opportunities through this organization.

- 7. Present Street Signs to Newman Smith High School.**

Mayor Babick presented City of Carrollton street signs to student athletes to denote the north and south entries into the Newman Smith campus. Those entrances are now named “Zaks Place” and “Trojan Way”. Athletic Coordinator Robert Boone offered comments of appreciation.

- 8. Present A Proclamation In Recognition of Women’s 1<sup>st</sup> Responder Day.**

Mayor Babick read a Proclamation recognizing April 20<sup>th</sup> as:

**“Women’s 1<sup>st</sup> Responder Day”**

The City of Carrollton’s female first responders including Police, Fire, and Emergency Medical Technicians were present for this recognition. Members of Carrollton Farmers Branch ISD, as well as female members of the City of Carrollton’s leadership were included in the recognition.

**PUBLIC COMMENT**

- 9. Hearing of any citizen/visitor on items listed on the regular meeting agenda. Citizens wishing to address the Council regarding items not on the posted agenda will be called to speak during the Public Forum.**

Citizens/visitors should complete an appearance card located on the table at the entrance to the City Council Chambers. Speakers must address their comments to the presiding officer rather than to individual Council members or staff; Stand at the podium, speak clearly into the microphone and state your name and address prior to beginning your remarks; Speakers will be allowed between 2 and 5 minutes for testimony; Speakers making personal, impertinent, profane or slanderous remarks may be removed from the room; Unauthorized remarks from the audience, stamping of feet, whistles, yells, clapping, and similar demonstrations will not be permitted; No placards, banners or signs will be permitted in the Chambers or in any other room in which the Council is meeting. In

accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

Mayor Babick opened and closed the public comment period with no one wishing to speak.

**CONSENT AGENDA**

*(\*All items marked with a single asterisk are part of a Consent Agenda and require no deliberation by the Council. Each Council member has the prerogative of removing an item from this agenda so that it may be considered separately. Contracts and agreements are available in the City Secretary's Office.)*

Mayor Babick advised that Item 15 would be pulled from the Consent Agenda for separate consideration.

**Councilmember Palomo moved to approve Consent Agenda Items 10-14 (10 as stipulated) and 16-21; second by Mayor Pro Tem Cline. Item 15 pulled for individual consideration. The motion was approved with a unanimous 7-0 vote.**

**MINUTES**

**\*10. Consider Approval Of The March 5, 2024 Regular Meeting Minutes.**

**\*11. Consider Approval Of The March 19, 2024 Regular Meeting Minutes.**

**BIDS & PURCHASES**

**\*12. Consider Authorizing The City Manager To Execute A Contract With DataVox, Inc., Through The TIPS Purchasing Cooperative For IP Camera Equipment And Installation Services To Be Located At 17 Public Facilities And Water Towers In An Amount Not To Exceed \$758,615.26.**

**\*13. Consider Approval Of BID #24-008 For Irrigation Supplies From Multiple Vendors In An Amount Not To Exceed \$73,000.00, Annually, For A Three-Year Total Not To Exceed \$219,000.00.**

**\*14. Consider Approval Of RFQ #24-010 For Fiduciary Consultant Services To Hyas Group In An Annual Amount Of \$45,000.00, For A Three-Year Contract Total Amount Not To Exceed \$135,000.00.**

*Item 15 was pulled from the Consent Agenda for separate consideration.*

**15. Consider Approval Of RFQ #24-004 For Legislative Consultant Services To Waterloo Capitol In The Amount Of \$78,000.00 Annually, For A Five-Year Total Not To Exceed \$390,000.00.**

**Mayor Pro Tem Cline moved to approve Item 15; second by Councilmember Palacios. The motion was approved with a 6-1 vote. Councilmember Fleming voted in opposition.**

**\*16. Consider Approval Of The Purchase Of SWAT Team Body Armor And Helmets From GT Distributors, Inc. Through The BuyBoard Purchasing Cooperative In An Amount Not To Exceed \$121,842.46.**

**CONTRACTS & AGREEMENTS**

- \*17. Consider Authorizing The City Manager To Approve A Construction Contract With 3D Paving And Contracting, LLC For The Ridgecrest Estates Phase 2 Paving And Utility Improvements Project In An Amount Not To Exceed \$6,069,897.00.**
- \*18. Consider Authorizing The City Manager To Execute Change Order No. 2 With KIK Underground, LLC For Additional Work As Part Of The Northland Estates Paving And Utility Improvements Project In An Amount Not To Exceed \$50,849.00, Increasing The Total Project Contract To An Amount Not To Exceed \$5,320,873.04.**

**RESOLUTIONS**

- \*19. Consider A Resolution Authorizing The Mayor To Amend The Individuals Authorized To Invest Funds And Make Withdrawals From The Public Funds Investment Pool Known As “TexPool,” On Behalf Of The City.**
- \*20. Consider A Resolution Authorizing The City Manager To Negotiate And Execute A License Agreement With Dallas Area Rapid Transit (DART) Related To Drainage Improvements Under And Along The Dallas, Garland, & Northeastern Railroad (DG&NO) Rail Line For The Duncan Heights NOTICE Street Replacement And Drainage Improvements Project, In An Amount Not To Exceed \$10.00.**
- \*21. Consider A Resolution Authorizing The City Manager To Execute A Contract With Garrett Demolition, Inc. For The Asbestos Abatement And Demolition Of The Structure Located At 1301 South IH-35E, In An Amount Not To Exceed \$153,547.00.**

**PUBLIC HEARING - INDIVIDUAL CONSIDERATION**

- 22. Hold A Public Hearing And Consider An Ordinance Amending The Zoning For An Approximately 10-Acre Tract Zoned Planned Development District 132 (PD-132) For The (O-4) Office District And Located At The Northwest Corner Of Josey Lane And Arbor Creek Drive, To Repeal And Re-establish PD-132 To Allow Additional Covered Parking, To Modify Conceptual Plans And To Revise Development Standards; Amending The Official Zoning Map Accordingly. Case No. PLZ 2024-010 Avenida Carrollton Covered Parking.**

Loren Shapiro, Planning Manager, presented this item. He stated that this is a request to amend an existing PD, adding three (3) covered carports to the site. He provided a conceptual site plan that reflected the locations for the additional carports. He also provided a depiction of landscaping that will be added between the parking areas and Josey Lane. Staff is recommending approval. Stipulations remain as they are in the current PD.

Mayor Babick opened the public hearing. There being no speakers, he closed the public hearing.

**Deputy Mayor Pro Tem Pendleton moved to approve Item 22; second by Mayor Pro Tem Cline. The motion was approved with a unanimous 7-0 vote.**

- 23. Hold A Public Hearing And Consider A Resolution Amending The Transportation Plan And The Transportation Plan Map Of The Comprehensive Plan To Change The Roadway Designation Of Broadway Between Jackson Road And Whitlock Lane From A (C4U) 4-Lane Undivided Collector Street To A (C3SD) 3-Lane Special Design Collector Street. Case No. PLTRA 2023-134 Broadway Street (Jackson Road to Whitlock Lane).**

Mayor Babick announced that the public hearings for Items 23 and 24 will be considered as a single public hearing.

Loren Shapiro advised that Broadway Street is currently a four-lane undivided collector street. A traffic study for Broadway was completed and supports a three-lane special design collector street that will have one lane northbound, one lane southbound, and one center lane for turning.

Councilmember Axberg asked what a “collector” street is, and whether there will be additional shoulder due to there being fewer lanes. Mr. Shapiro advised a collector is a lesser major street. He said that it will not have additional shoulder space but will have what is considered a parkway that includes a 10-12 foot hike and bike trail on the west side.

- 24. Hold A Public Hearing And Consider An Ordinance Amending the Zoning On A 17.4-Acre Tract Zoned To The (FWY) Freeway District And Located On The Southeast Corner Of IH-35E And Jackson Road, To Establish A Planned Development District To Allow For Residential Multi-Family Uses, To Create Development Standards And Provide Concept Plans; Amending The Official Zoning Map Accordingly. Case No. PLZPD 2023-133 Broadway - IH-35E - Jackson.**

Mr. Shapiro stated that the City’s Transportation Plan supports more urban-type development. The area under consideration in this item is currently zoned Freeway District and the applicant is requesting to establish a PD with three tracts, A, B, and C, along Broadway that will include retail, multi-family, and mixed use. A conceptual site plan was reviewed with plans for multi-family on Tract B. Plans are to include a hike and bike trail, streetscaping, and decorative pavers. Conceptual building elevations were reviewed that reflected urban-type development. It was noted that the city’s tree preservation regulations will be enacted during the development stage for this PD. Future development plans for Tract A and Tract C will be brought before the Planning and Zoning Commission and the City Council.

Councilmember Carpenter inquired whether the stipulated traffic impact analysis has been done. Mr. Shapiro advised that it has been done.

Councilmember Axberg inquired whether a speed limit for Broadway has been established. Mr. Shapiro responded not at this time, however there will be a speed limit established.

At this time Mayor Babick opened the public hearing for Item 23 and Item 24.

Applicant Alena Savera with The NRP Group reviewed the proposed development and described planned amenities for the multi-family in Tract B.

Tim House, 240 McMacon Road, Double Oak, Texas stated he is part owner of the property under consideration for a zoning change. He spoke in support of the developer and plans for this property.

Mayor Babick closed the public hearing for Item 23 and Item 24. He called for motions on these items.

**Deputy Mayor Pro Tem Pendleton moved to approve Item 23; Councilmember Palacios seconded the motion. Motion was approved with a unanimous 7-0 vote.**

**Councilmember Palacios moved to approve Item 24; Councilmember Palomo seconded the motion. Motion was approved with a unanimous 7-0 vote.**

**25. Hold A Public Hearing And Consider An Ordinance Amending Section 52.020 Of The Carrollton City Code By Adopting An Amended Water Conservation and Drought Contingency Plan.**

Cory Heiple, Environmental Services Director, presented this item. He advised that this item is to conduct a public hearing and adopt by ordinance an amended Water Conservation and Drought Contingency Plan as required every five years by the Texas Commission on Environmental Quality and the Texas Water Development Board. The deadline for this action is May 1<sup>st</sup>.

Mr. Heiple reviewed that the Water Conservation Plan is a strategic plan designed to reduce water consumption, reduce water loss and waste, and extend the life of current water supplies. The Drought Contingency Plan is designed to encourage water conservation during drought and emergency, maintain supply, preserve public health and safety, and minimize the impacts of supply shortages. He reviewed that in 2022, the City of Carrollton enacted Stage 1 of the Drought Contingency Plan. Stage 1 includes a reduction in landscape watering to twice per week and only on assigned days. He noted that last year, 2023, was Texas' second hottest year on record. Mr. Heiple provided a graph reflecting demand projections and shortages expected for the region through the year 2070. It was noted that Carrollton is located in Region C of the Texas Water Development Board.

Mr. Heiple provided a review of proposed changes in the Water Conservation Plan. Included are updated definitions and tables, updated utility rates (adopted 2023), and new Best Management Practices. Current Best Management Practices were reviewed and new proposed Best Management Practices targets were explained including:

- Conservation Analysis and Planning
- Financial Measures
- Landscaping Measures
- Public Education and Awareness Outreach
- Rebate, Retrofit, and Incentive Programs
- Regulation and enforcement

Mr. Heiple stated that the Landscaping Measures include an analysis of twice weekly watering during 2024 and 2025, and in 2026 staff will recommend adopting this watering schedule. He stated that several other north Texas cities have adopted twice weekly watering schedules.

Mr. Heiple stated that there are no proposed changes to the Drought Contingency Plan.

Mayor Babick confirmed with Mr. Heiple that this action is to consider adopting the plans and does not include adopting water rates or establishing twice weekly watering.

Mayor Babick opened the public hearing.

Suzanna Dooling (address on file) - spoke in support of adopting the plans and spoke in favor of future conservation measures.

Mayor Babick closed the public hearing.

**Councilmember Carpenter made a motion to approve Item 25; Councilmember Axberg seconded the motion. Motion was approved with a unanimous 7-0 vote.**

- 26. Hold A Public Hearing And Consider An Ordinance Annexing Approximately 2.719 Acres Of Land Located Entirely Within The Right-Of-Way Of West Plano Parkway, West Of The Intersection Of Charles Street And West Plano Parkway, To And Including The Intersection Of Warmington Drive And West Plano Parkway. Case No. PLANX 2024-032 West Plano Parkway Annexation.**

Loren Shapiro presented this item. He provided a map reflecting the location of the property in question. He stated that it is a TxDOT right-of-way. In the early 1980’s during an annexation process, this property was inadvertently left out of the area for annexation. Staff would like to remedy this oversight. Mr. Shapiro advised that two public hearings are required, with the second public hearing and final action planned for May 21<sup>st</sup>.

Mayor Babick opened the public hearing. There being no speakers, the public hearing was closed.

No action was taken on this item.

**PUBLIC FORUM**

- 27. Hearing of any citizen/visitor on items not listed on the regular meeting agenda. Citizens wishing to address the Council regarding items on the posted agenda will be called to speak during the Council's consideration of such items.**

Citizens/visitors should complete an appearance card located on the table at the entrance to the City Council Chambers. Speakers must address their comments to the presiding officer rather than to individual Council members or staff; Stand at the podium, speak clearly into the microphone and state your name and address prior to beginning your remarks; Speakers will be allowed between 2 and 5 minutes for testimony; Speakers making personal, impertinent, profane or slanderous remarks may be removed from the room; Unauthorized remarks from the audience, stamping of feet, whistles, yells, clapping, and similar demonstrations will not be permitted; No placards, banners or signs will be permitted in the Chambers or in any other room in which the Council is meeting. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

Huong Gilmer - Expressed concerns regarding citations she recently received and the process surrounding them.

**ADJOURNMENT** - Mayor Babick adjourned the meeting at 8:15 p.m.

**ATTEST:**

\_\_\_\_\_  
Chloe Sawatzky, City Secretary

\_\_\_\_\_  
Steve Babick, Mayor





## Agenda Memo File Number: 6651

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Bid/Purchases

**Agenda Number:** \*12.

**CC MEETING: April 16, 2024**

**DATE:** April 9, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Jody Byerly, Director of Public Works  
Marc Guy, Assistant City Manager

Consider **Approval Of BID #24-027 For The Purchase Of Rebar And Accessories From CF Metals In An Amount Not To Exceed \$275,000.00 Annually For A Total Three-Year Contract Amount Not To Exceed \$825,000.00.**

### **BACKGROUND:**

This bid is for rebar and accessories used by the Public Works Department. Rebar is used to reinforce concrete pavement. Bid notifications were posted online, interested vendors were contacted and advertisements were placed in the Dallas Morning News. The bid closed on April 5, 2024. Three vendors submitted responses.

The Public Works Department reviewed the submissions and selected CF Metals based on its lowest responsible bid per item. Although Vernara is the lowest bidder, their references either could not be contacted or they declined to give a reference. Attempts to find them online were unsuccessful. Also, references for David Tehoungue Company were not satisfactory. CF Metals was determined to be a responsive and responsible bidder based on its line-item bid and capability.

The bid award will be for a one-year initial term. The award also includes two additional, one-year renewal options, if mutually agreed upon by the City and the vendor, for a potential three-year total contract not to exceed \$825,000.000.

### **FINANCIAL IMPLICATIONS:**

The rebar and accessories on BID #24-027 will be purchased from budgeted funds for the cost center and amount as listed below.

<u>COST CENTER</u>	<u>LINE ITEM</u>	<u>BUDGET AMOUNT</u>
402001- Streets	60800	\$175,000.00
405005- Utility Finish Out	60800	<u>\$100,000.00</u>
	TOTAL	\$275,000.00

The quantities listed on the tab sheet and in the bid document were stated as estimates only. The staff-recommended approval amount is based on the Public Works Department’s budget allocation for the purchase of rebar and accessories.

**IMPACT ON COMMUNITY SUSTAINABILITY:**

This project supports and aligns with City Council’s goals and objectives of properly maintaining the City’s infrastructure.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends that City Council approve BID #24-027 for the purchase of rebar and accessories from CF Metals in an amount not to exceed \$275,000.00 annually for a total three-year contract amount not to exceed \$825,000.00.

<b>Event Number</b>	BID #24-027	<b>Organization</b>	City of Carrollton Purchasing
<b>Event Title</b>	Rebar and Accessories	<b>Workgroup</b>	Purchasing
<b>Event Description</b>	The City of Carrollton is soliciting sealed bid.	<b>Event Owner</b>	Priscilla Gonzalez
<b>Event Type</b>	Low Bid	<b>Email</b>	priscillaA.gonzalez@cityofcarrollton.com
<b>Issue Date</b>	3/21/2024 09:00:01 AM (CT)	<b>Phone</b>	
<b>Close Date</b>	4/5/2024 10:00:00 AM (CT)	<b>Fax</b>	

Responding Supplier	City	State	Response Submitted	Lines Responded	Response Total
Vernara	Dallas	TX	4/5/2024 09:43:33 AM	11	\$651,402.16
CF Metals	Fort Worth	TX	4/4/2024 01:32:24 PM	11	\$777,402.86
David-Tehoungue Ltd Co (www.dtltdco.c	Hickory Creek	TX	4/5/2024 08:58:14 AM	11	\$1,091,153.69

**Please note: Lines Responded and Response Total only includes responses to specification. No alternate response data is included.**





**Agenda Memo**  
**File Number: 6652**

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Bid/Purchases

**Agenda Number:** \*13.

**CC MEETING: April 16, 2024**

**DATE:** April 9, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Jonathan Wheat, P.E., Director of Engineering  
Marc Guy, Assistant City Manager

Consider **Approval Of Contract Amendment No. 1 To RFP #22-008 For Boring And Trenching Services For Multiple Departments From Tejas Utilities, LLC In An Amount Not To Exceed \$278,304.60, For A New Total Contract Amount Not To Exceed \$411,304.60.**

**BACKGROUND:**

In January of 2022, City Council authorized the City Manager to approve a contract with Tejas Utilities, LLC for boring and trenching services for multiple departments in an aggregate amount of \$133,000.00, including two, one-year renewal options.

In the 2022 bond referendum the voters authorized \$500,000 for the installation of residential infill streetlights. The Traffic Advisory Committee (TAC) subsequently evaluated and prioritized neighborhoods for the Residential Infill Streetlight Program. In September of 2023, TAC identified Carrollton Highlands and Crosby Estates as the neighborhoods with the highest need for streetlight installations.

Oncor is the owner of the residential streetlights in Carrollton, and will install and maintain the new streetlights. The City’s construction responsibilities include:

- Carrollton Highlands - 4,058 linear feet of 2” PVC conduit.
- Crosby Estates - 4,585 linear feet of 2” PVC conduit and 1 connection box.

Contract amendment no. 1 adds funds to cover the additional boring and trenching services.

**FINANCIAL IMPLICATIONS:**

Tejas Utilities, LLC has submitted a proposal to the City for the additional services as described by contract amendment no. 1 to RFP#22-008 for boring and trenching services in an amount not to exceed \$278,304.60. The revised contract amount will be \$411,304.60 for 2024. Funding is available

from bond sales authorized by the 2022 bond referendum for residential streetlight projects.

<u>ACCOUNTING UNIT</u>	<u>ACCOUNT</u>	<u>BUDGET AMOUNT</u>
Traffic Operations	Streetlights	\$100,000.00
& Capital Projects		\$278,304.60
Parks	R/M Svcs - Structures	\$ 8,000.00
Community Development	Other Professional Services	<u>\$ 25,000.00</u>
	TOTAL	\$411,304.60

**IMPACT ON COMMUNITY SUSTAINABILITY:**

This project supports and aligns with City Council’s goals and objectives of properly maintaining the City’s infrastructure.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends that City Council approve contract amendment no. 1 to RFP #22-008 for boring and trenching services for multiple departments from Tejas Utilities, LLC in an amount not to exceed \$278,304.60, for a new total contract amount not to exceed \$411,304.60.



**Agenda Memo**  
**File Number: 6655**

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Bid/Purchases

**Agenda Number:** \*14.

**CC MEETING: April 16, 2024**

**DATE:** April 8, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Scott Whitaker, Parks & Recreation Director  
Chrystal Davis, Assistant City Manager

Consider **Approval Of The Renovations To Two (2) Indian Creek Golf Course Comfort Stations By Dallas Harmony Construction Through An Inter-Local Agreement With BuyBoard In An Amount Not To Exceed \$82,452.00.**

**BACKGROUND:**

The Indian Creek Golf Course comfort stations were originally constructed over 30 years ago to provide relief for golfers. The existing buildings require extensive work to accommodate the volume of golfers. The renovations would include removing siding, metal panels, roof shingles and plumbing fixtures. Replacement equipment includes new stainless-steel fixtures, pex plumbing lines, cut off valves, shingles, door frames as well as exterior wall panels.

Funding for this project is made available through proceeds from golf course revenue. A 10% contingency is included to cover any additional costs that may arise during the renovation process.

**FINANCIAL IMPLICATIONS:**

Competitive pricing was secured through BuyBoard. The renovations of the comfort stations will be funded out of the following accounts:

<b>ACCTG UNIT</b>	<b>BUDGET AMOUNT</b>
855342 - Golf Improvements	\$82,452.00

**IMPACT ON COMMUNITY SUSTAINABILITY:**

This project supports and aligns with Council goals and objectives through the fiduciary care and maintenance of our infrastructure.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends approval of the renovations to two (2) Indian Creek Golf Course Comfort Stations by Dallas Harmony Construction in an amount not to exceed \$82,452.00 using the City's existing agreement with BuyBoard.



**Agenda Memo**  
**File Number: 6648**

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Bid/Purchases

**Agenda Number:** \*15.

**CC MEETING: April 16, 2024**

**DATE:** April 8, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Diana Vaughn, Chief Financial Officer  
Sheena Jackson, City Treasurer

Consider **Approval Of #24-041 For Biller Agreement Renewal To InvoiceCloud In The Amount Of \$10,000.00 Annually, With A Total Contract Value Not To Exceed \$60,000.00.**

**BACKGROUND:**

The Treasury Team will manage this agreement, which provides payment processing services for city departments in accordance with the city’s requirements. To enhance efficiency, in FY 2021, staff worked to reduce the number of payment processing services used. Currently, there is an existing agreement that automatically renews every three years and provides services to Building Inspection and Environmental Services. The renewal agreement will continue to enable staff to offer essential payment processing services, with an annual contract value not to exceed \$10,000.00. As changing to a different provider would cost the City additional programming costs without resulting in additional savings, City staff opted to renew the contract. The three year original term expires April 30, 2024, the three year renewal period will expire April 30, 2027.

**FINANCIAL IMPLICATIONS:**

The services for #24-041 will be purchased from budgeted funds for the cost center and amount as listed below.

<u>COST CENTER</u>	<u>LINE ITEM</u>	<u>BUDGET AMOUNT</u>
441001	61805	\$10,000.00

**IMPACT ON COMMUNITY SUSTAINABILITY:**

This project supports and aligns with the City Council’s goals and objectives to properly manage infrastructure with fiduciary care.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends approving the agreement with a yearly amount not to exceed \$10,000.00. The actual annual value will depend on transaction volume. The contract includes an auto-renewal, totaling an amount not to exceed \$60,000.00 over the contract life. Invoice Cloud was selected for its seamless integration with existing platforms and software used by city departments.



## Agenda Memo File Number: 6650

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Bid/Purchases

**Agenda Number:** \*16.

**CC MEETING:** April 16, 2024

**DATE:** April 9, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Jody Byerly, Director of Public Works  
Marc Guy, Assistant City Manager

Consider **Approval Of BID #24-030 From HD Way Concrete Service, LLC For The Arterial Street Panel Replacement Projects On Keller Springs Road From Marsh Lane To Denton Drive And On Plano Parkway From Charles Road To Parker Road/FM 544 In An Amount Not To Exceed \$2,000,000 Annually, For A Three-Year Total Contract Amount Not To Exceed \$6,000,000.00.**

### **BACKGROUND:**

This bid is for the replacement of arterial street panels within the City. On March 18, 2024, the City issued BID #24-030 for arterial street panel replacements. It includes the removal and replacement of deteriorated pavement panels on Keller Springs Road from Marsh Lane to Denton Drive and on Plano Parkway from Charles Road to Parker Road/FM 544. Bid notifications were posted online, interested vendors were contacted and advertisements were placed in the Dallas Morning News. The bid closed on April 2, 2024. Eight vendors submitted responses.

The Public Works Department reviewed the submissions and selected HD Way Concrete Service, LLC based on the lowest responsive bid per item. The award will be for arterial street panel replacements for a one-year initial term. The award also includes two additional one-year renewal options, if mutually agreed upon by the City and the vendor, for a potential three-year total contract not to exceed \$6,000,000.00. Decisions to renew will be made at the end of each term.

### **FINANCIAL IMPLICATIONS:**

This arterial street panel replacement project will be partially funded by Dallas County. The City entered into a Project Specific Agreement (PSA) with Dallas County on May 17, 2022. The PSA allows for a 50% reimbursement from Dallas County to the City for maintenance on certain public roadways. The roadway targeted for this reimbursement funding is Keller Springs Road. The

remaining project funding will come from budgeted funds in the cost center and amount as listed below.

<b><u>COST CENTER</u></b>	<b><u>LINE ITEM</u></b>	<b><u>BUDGET AMOUNT</u></b>
854460 - Streets Consolidated	122180499	\$2,000,000.00

The quantities listed on the tab sheet and in the bid document were estimates only. The staff-recommended approval amount is based on the Public Works Department’s budget allocation for the purpose of replacement of arterial street panels.

**IMPACT ON COMMUNITY SUSTAINABILITY:**

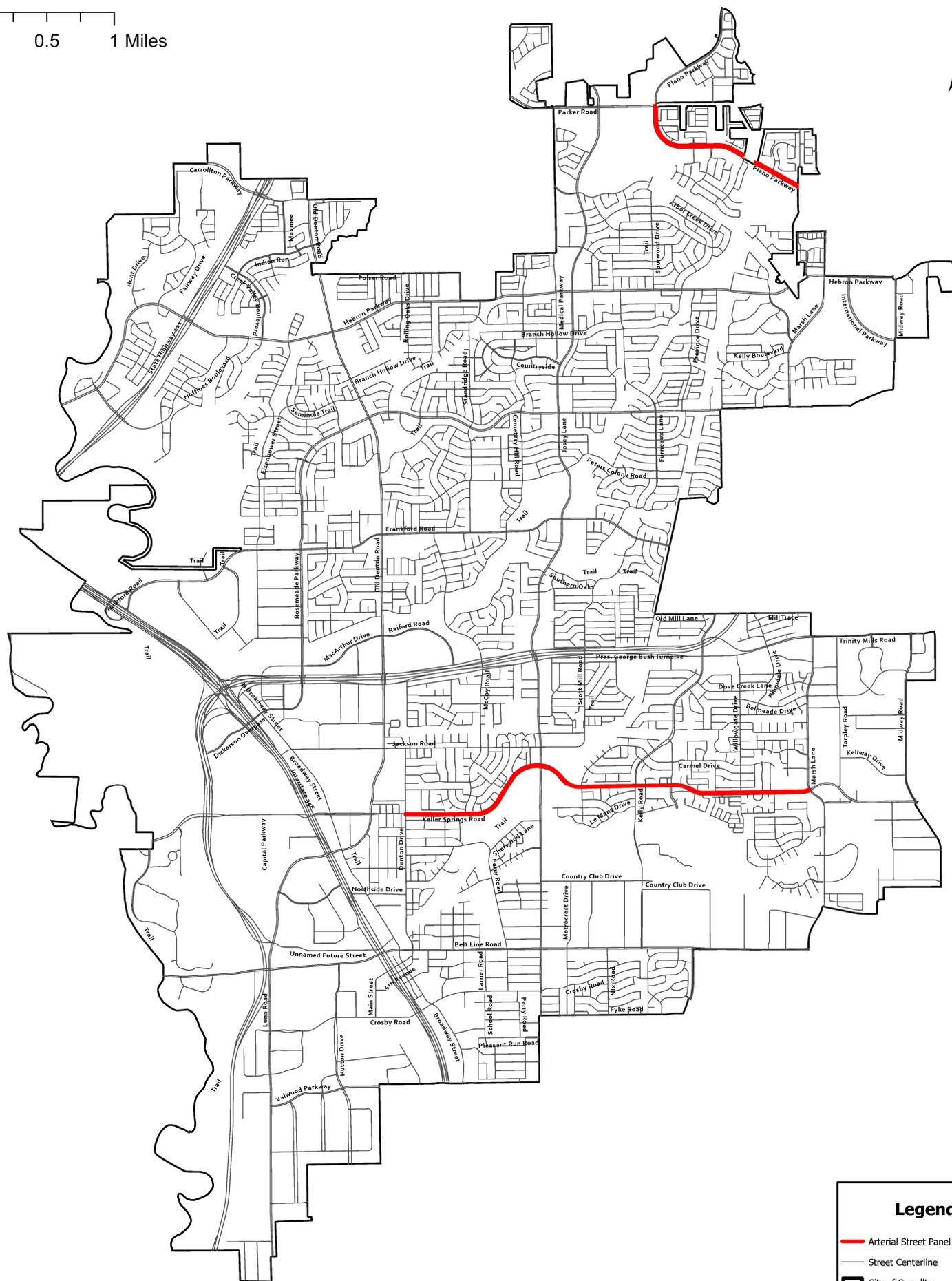
This project supports and aligns with City Council’s goals and objectives of properly maintaining the City’s infrastructure.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends that City Council approve BID #24-030 from HD Way Concrete Service, LLC for the Keller Springs Road and Plano Parkway arterial street panel replacement projects for an amount to not exceed \$2,000,000 annually, for three-year total contract amount not to exceed \$6,000,000.00.

# Arterial Street Panel Replacement Program Price Agreement 24-030

0 0.5 1 Miles



**Legend**

- Arterial Street Panel Replacement
- Street Centerline
- ▭ City of Carrollton

<b>Event Number</b>	BID #24-030	<b>Organization</b>	City of Carrollton Purchasing
<b>Event Title</b>	Arterial Street Panel Replacement	<b>Workgroup</b>	Purchasing
<b>Event Description</b>	The City of Carrollton is soliciting sealed bid	<b>Event Owner</b>	Priscilla Gonzalez
<b>Event Type</b>	Low Bid	<b>Email</b>	priscillaA.gonzalez@cityofcarrollton.com
<b>Issue Date</b>	3/18/2024 09:30:02 AM (CT)	<b>Phone</b>	
<b>Close Date</b>	4/2/2024 02:00:00 PM (CT)	<b>Fax</b>	

Responding Supplier	City	State	Response Submitted	Lines Responded	Response Total
HD Way Concrete Service, LLC	Grand Prairie	TX	4/2/2024 01:35:16 PM (CT)	20	\$3,221,600.00
B & E CONCRETE PAVING LLC	FRISCO	TX	3/25/2024 04:52:20 PM (CT)	20	\$3,297,600.00
Garret Shields Infrastructure	Garland	TX	4/2/2024 08:54:19 AM (CT)	20	\$3,347,000.00
CAM-CRETE CONTRACTING INC	cedar hill	TX	4/2/2024 12:30:35 PM (CT)	20	\$3,510,200.00
Talbert Companies, LLC	Frisco	TX	4/2/2024 01:31:12 PM (CT)	20	\$3,892,575.00
David-Tehoungue Ltd Co (www.dtltdco.com)	Hickory Creek	TX	4/2/2024 12:02:30 PM (CT)	20	\$4,038,500.00
Urban Infraconstruction	IRVING	TX	4/1/2024 10:45:38 AM (CT)	20	\$4,044,000.00
Capko Concrete Structures, LLC	Azle	TX	4/2/2024 09:55:31 AM (CT)	20	\$5,954,900.00

**Please note: Lines Responded and Response Total only includes responses to specification. No alternate response data is included.**



**Agenda Memo**  
**File Number: 6630**

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Ordinance

**Agenda Number:** \*17.

**CC MEETING: April 16, 2024**

**DATE:** April 5, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Diana K. Vaughn, CFO  
Chrystal Davis, Assistant City Manager

Consider An **Ordinance of the City Council of the City of Carrollton, Texas, Authorizing the Issuance of “City of Carrollton, Texas, General Obligation Improvement and Refunding Bonds, Series 2024”;** **Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Said Bonds; Resolving Other Matters Incident and Related to the Issuance, Sale, Payment, and Delivery of Said Bonds; Establishing Procedures for the Sale and Delivery of the Bonds; Delegating Matters Relating to the Sale and Issuance of the Bonds to Authorized City Representatives; and Providing for an Effective Date.**

**BACKGROUND:**

The City plans to issue General Obligation Improvement and Refunding Bonds, Series 2024 (the “Bonds”) during the week of May 20th through a negotiated sale. The bonds will be issued to (1) fund approximately \$29,180,000 of capital projects approved by voters at the November 2022 election, (2) refund up to \$11,915,000 of previously issued 2014 bonds that are callable on August 15, 2024, and (3) pay costs of issuing the Bonds. Concurrently with the refunding portion of the bonds, the City will also contribute approximately \$4,820,641 to prepay (defease) a portion of the refunded 2014 bonds. If market conditions permit, the balance of the callable 2014 bonds not paid off with cash will be refinanced with the refunding portion of the Bonds, currently estimated in the amount of \$5,525,000. The portion of the Bonds issued for new money purposes are being issued to provide funds for street improvements in the amount of \$25,280,000; park improvements in the amount of \$3,200,000; trail improvement in the amount of \$700,000. Estimated costs of issuing the Bonds is \$450,000.

**FINANCIAL IMPLICATIONS:**

Issuance of the Bonds for new money purposes will assist the City in the continuation of the capital improvement program. The issuance of the Bonds for refunding purposes is projected to provide a net

present value savings of debt service of approximately \$250,000. The refunding bonds will only be issued if net present value savings of at least 1.5% of the refunded bonds is achieved. The Bonds are tax-supported debt and will be subject to arbitrage law. All costs of issuance will be paid from the proceeds from the issuance of the Bonds.

**IMPACT ON COMMUNITY SUSTAINABILITY:**

This bond issuance supports and aligns with the City Council’s goals and objectives to properly manage infrastructure with fiduciary care and improves the City’s financial position and sustainability.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Consider An Ordinance of the City Council of the City of Carrollton, Texas, Authorizing the Issuance of “City of Carrollton, Texas, General Obligation Improvement and Refunding Bonds, Series 2024”; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Said Bonds; Resolving Other Matters Incident and Related to the Issuance, Sale, Payment, and Delivery of Said Bonds; Establishing Procedures for the Sale and Delivery of the Bonds; Delegating Matters Relating to the Sale and Issuance of the Bonds to Authorized City Representatives; and Providing for an Effective Date.

**ORDINANCE NO. [\_\_\_\_]**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, AUTHORIZING THE ISSUANCE OF “CITY OF CARROLLTON, TEXAS, GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2024”; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID BONDS; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT, AND DELIVERY OF SAID BONDS; ESTABLISHING PROCEDURES FOR THE SALE AND DELIVERY OF THE BONDS; DELEGATING MATTERS RELATING TO THE SALE AND ISSUANCE OF THE BONDS TO AUTHORIZED CITY REPRESENTATIVES; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Carrollton, Texas (the “City Council”), hereby finds and determines that general obligation bonds approved and authorized to be issued at an election held on November 8, 2022 (the “Election”) should be authorized to be issued at this time;

**WHEREAS**, a summary of the general obligation bonds authorized at the Election, including the principal amounts authorized and the amounts heretofore issued follows:

Election Date	Purpose	Amount Authorized (\$)	Amounts Previously Applied (\$)	Amount Being Applied (\$)	Unissued Balance (\$)
11-8-2022	Street Improvements/Traffic Flow	102,450,000	5,715,000	*	*
11-8-2022	Public Safety Facilities	8,800,000	-	*	*
11-8-2022	Parks & Recreation Facilities	18,900,000	6,800,000	*	*
11-8-2022	Animal Shelter Facilities Improvements	4,800,000	-	*	*
11-8-2022	Trail Improvements	2,000,000	1,000,000	*	*

\* amounts to be provided in the Pricing Certificate (hereinafter referenced)

**WHEREAS**, the amounts being issued pursuant to this Ordinance and the amounts of unissued balances remaining to be issued subsequent to the issuance of the general obligation bonds issued pursuant to this Ordinance shall be provided in the Pricing Certificate;

**WHEREAS**, the City of Carrollton, Texas (“City”) currently has outstanding obligations (hereinafter called the “Refundable Bonds”), to wit: City of Carrollton, Texas, General Obligation Improvement Bonds, Series 2014;

**WHEREAS**, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the City Council is authorized to issue refunding bonds and deposit the proceeds thereof directly with the place of payment for the Refundable Bonds, or other authorized depository, and such deposit, when made in accordance with said statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refundable Bonds or the portion thereof for which such deposit and arrangements for discharge and final payment are made (hereinafter called the “Refunded Bonds”);

**WHEREAS**, pursuant to Section 1371.001(4)(A), Texas Government Code, the City is an “issuer” for purposes of Texas Government Code, Chapter 1371, as amended; and

**WHEREAS**, the City Council shall, by this Ordinance, in accordance with the provisions of Texas Government Code, Chapter 1207 and Chapter 1371, delegate to a Pricing Officer (hereinafter designated) the authority to determine certain terms, conditions and other provisions of the bonds issued pursuant to this Ordinance, including the principal amount of bonds to be issued, the terms of sale thereof, and the specific maturities of the Refundable Bonds to be refunded, in whole or in part; and

**WHEREAS**, the City Council hereby finds and determines that (i) it is a public purpose and in the best interests of the City to authorize the issuance of the Bonds (hereinafter defined), in one or more series, for the purposes authorized by the Election and to refund the Refunded Bonds in order to achieve a present value debt service savings and (ii) the terms of such Bonds shall be included in one or more pricing certificates (each a “Pricing Certificate”) to be executed by the Pricing Officer, all in accordance with the authority conferred by Texas Government Code, Section 1207.007, as amended, and Texas Government Code, Chapter 1371, as amended;

**NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARROLLTON, THAT:**

**SECTION 1**

All of the above premises are found to be true and correct legislative and factual findings of the City Council, and they are hereby approved, ratified and incorporated into the body of this Ordinance as if copied in their entirety.

**SECTION 2**

Authorization - Series Designation - Principal Amount - Purpose - Bond Date. General obligation bonds of the City shall be and are hereby authorized to be issued, from time to time, in one or more series in the aggregate principal amount set forth in the Pricing Certificate to be designated and bear the title “CITY OF CARROLLTON, TEXAS GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2024”, or such other designation as specified in the Pricing Certificate (herein referred to as the “Bonds”), to provide funds for the following purposes, all as provided in the Pricing Certificate and in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1207, 1331, and 1371, as amended:

- (1) for permanent public improvements and public purposes, to wit:
  - (A) designing, acquiring, constructing, maintaining, renovating, improving, repairing, extending, expanding, and enhancing streets, including thoroughfares, alleys, sidewalks, bridges, intersections, screening walls, and other public ways, participation in joint projects with federal, state, and local public entities and agencies, computerized signalization and monitoring equipment and other traffic controls, grade separations, street lighting, necessary or incidental utility relocation, and drainage improvements in connection with the foregoing and the purchase of land, easements, rights-of-way, and other real property interests necessary therefor,

- (B) acquiring, constructing, improving, expanding, and equipping public safety facilities, including any needed land and rights-of-way therefor,
  - (C) renovating, constructing, developing, improving, expanding, furnishing, equipping park and recreational facilities, and acquiring any needed land and rights-of-way for park improvements, and
  - (D) designing, acquiring, constructing, renovating, improving, and equipping the City trails, including the trails at T.C. Rice Park (including passive and open space improvements), and acquiring lands, interests in lands, and rights-of-way related thereto (or as otherwise provided in the Pricing Certificate)
- (2) for the discharge and final payment of certain obligations of the City (described in the preamble hereof and finally identified in the Pricing Certificate and referred to as the Refunded Bonds), and
- (3) to pay the costs and expenses of issuance.

### **SECTION 3**

Bond Date - Fully Registered Obligations - Terms. The Bonds shall be dated (the “Bond Date”) as provided in the Pricing Certificate. The Bonds shall be issued as fully registered obligations, without coupons, and the Bonds (other than the Initial Bond(s), as defined and referenced in Section 9 hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered “R” and numbered consecutively from one (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the “Stated Maturities”) and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

### **SECTION 4**

#### Delegation of Authority to Pricing Officer.

(a) As authorized by Texas Government Code, Chapter 1207, as amended, and Texas Government Code, Chapter 1371, as amended, the City’s Chief Financial Officer or City Treasurer (either, a “Pricing Officer”) is hereby authorized to act on behalf of the City in selling and delivering the Bonds, from time to time, and carrying out the other procedures specified in this Ordinance, including determining whether the Bonds shall be issued in one or more series, and determining the terms, conditions and other provisions of the Bonds, including selection of the series and maturities (or any portion thereof) of the Refundable Bonds to be refunded; determining

the aggregate principal amount of each series of Bonds, the aggregate principal amount to be issued for new money purposes and the amounts to be issued from each proposition, and the aggregate principal amount to be issued for refunding purposes, as applicable; the date of each series of the Bonds, any additional or different designation or title by which the Bonds shall be known; the price at which the Bonds of each series will be sold; the manner of sale (negotiated, privately placed or competitively bid); the years in which the Bonds will mature and the principal amount to mature in each year; the rate of interest to be borne by each such maturity; the date from which interest on the Bonds will accrue; the interest payment dates, the record date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity, including any mandatory redemption provisions; determination of the use of a book-entry-only securities clearance, settlement and transfer system; designation of a paying agent/registrars (the "Paying Agent/Registrar") and an escrow agent satisfying the requirements of Texas Government Code, Chapter 1207, as amended, if needed; whether to procure and, if so, the terms of any bond insurance applicable to the Bonds; the designation of one or more funds for the payment of the Bonds; and all other matters relating to the issuance, sale, and delivery of the Bonds, including any modification of the defeasance provisions contained in Section 13 hereof, the continuing disclosure undertaking contained in Section 32 hereof or such other provisions as may be required by the purchasers of the Bonds, all of which shall be specified in the Pricing Certificate, provided that the Bonds to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations and:

- (1) the aggregate original principal amount of the Bonds shall not exceed \$41,095,000;
- (2) the refunding must produce present value debt service savings of at least 1.500%;
- (3) the true interest cost rate for the Bonds shall not exceed 6.000%; and
- (4) the maximum maturity for the Bonds shall not exceed August 15, 2039.

(b) The delegation made hereby shall expire if not exercised by the Pricing Officer within 180 days of the date hereof (the "Expiration Date"). Bonds sold pursuant to a Purchase Contract (hereinafter defined) executed on or before the Expiration Date may be delivered after such date. The Pricing Officer may exercise such delegation on more than one occasion during such time period. Bonds shall be sold to the purchaser(s)/underwriter(s) named in the Pricing Certificate (the "Purchasers"), at such price and with and subject to such terms as set forth in the Pricing Certificate and the Purchase Contract and may be sold by negotiated or competitive sale or by private placement. The Pricing Officer is hereby delegated the authority to designate the Purchasers, which delegation shall be evidenced by the execution of the Pricing Certificate.

The Pricing Certificate is hereby incorporated into and made a part of this Ordinance. Any finding, determination or election made by a Pricing Officer relating to the issuance and sale of the Bonds and the execution of the Pricing Certificate and the Purchase Contract in connection therewith shall have the same force and effect as a finding, determination or election made by the City Council.

To the extent that any of the terms and conditions or other matters determined by a Pricing Officer pursuant to the authority conferred by this Ordinance require or necessitate a change or modification in the text or form of this Ordinance to conform to such terms and conditions or other matters, the Pricing Officer is authorized to effect such change or modification.

## SECTION 5

Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the “Holders”) appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the “Security Register”) shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a “Paying Agent/Registrar Agreement,” substantially in the form attached hereto as **Exhibit B** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The Bonds shall be payable at their Stated Maturities or upon their earlier redemption, only upon the presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices provided in the Pricing Certificate (the “Designated Payment/Transfer Office”); provided, however, while a Bond is registered to Cede & Co., the payment thereof upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Bond. Interest due on the Bonds shall be paid by the Paying Agent/Registrar to the Holders whose names appears in the Security Register at the close of business on the “Record Date” (which shall be set forth in the Pricing Certificate) and such interest payments shall be made (1) by check dated as of the interest payment date, sent United States mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (2) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a

Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities of the Bonds on a scheduled payment date, and for at least thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such past due interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of the Bonds appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

## **SECTION 6**

**Registration - Transfer - Exchange of Bonds - Predecessor Bonds.** A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the City at the Designated Payment/Transfer Office of the Paying Agent/Registrar, as provided herein and in accordance with the provisions of the Paying Agent/Registrar Agreement and such rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of like maturity, and amount and in authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for assignment or transfer of any Bond (other than the Initial Bond(s) authorized in Section 9 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds, executed on behalf of and furnished by the City, shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be of authorized denominations, of like Stated Maturity, and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) authorized in Section 9 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of and furnished by the City, to the Holder requesting the exchange.

All Bonds issued upon any such transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

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

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be “Predecessor Bonds,” evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term “Predecessor Bonds” shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 12 hereof, and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

## **SECTION 7**

**Book-Entry-Only Transfers and Transactions.** Notwithstanding the provisions contained in Sections 5 and 6 hereof relating to the payment and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of “Book-Entry-Only” securities clearance, settlement, and transfer system provided by The Depository Trust Company (“DTC”), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the current DTC Operational Arrangements memorandum, as amended, the Blanket Issuer Letter of Representations, by and between the City and DTC, and the Letter of Representation from the Paying Agent/Registrar to DTC (collectively, the “Depository Agreement”) relating to the Bonds.

In the event the Pricing Officer elects to utilize DTC’s “Book-Entry-Only” System, which election shall be made by the Pricing Officer in the Pricing Certificate, pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the “DTC Participants”). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the

ownership of each actual purchaser or owner of each Bond (the “Beneficial Owners”) being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred, and exchanged on the Security Register maintained by the Paying Agent/Registrar, and payment of such Bonds shall be made in accordance with the provisions of Sections 5 and 6 hereof.

### **SECTION 8**

**Execution - Registration.** The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under the City’s seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officials on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officials of the City on the date of the adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the Purchasers and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in **Exhibit A** hereto, executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in **Exhibit A** hereto, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

### **SECTION 9**

**Initial Bond(s).** The Bonds herein authorized shall be initially issued either:

- (1) as a single fully registered bond in the aggregate principal amount of the Bonds with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, or
- (2) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the “Initial Bond(s)”) and, in either case, the Initial Bond(s) shall be registered in the name of the Purchasers or the designee thereof.

The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

## **SECTION 10**

Form of Bonds. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in **Exhibit A** hereto with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and, with the Bonds to be completed and modified with the information set forth in the Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the Pricing Officer.

The Pricing Certificate(s) shall set forth the final and controlling forms and terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

## **SECTION 11**

Levy of Taxes. To provide for the payment of the “Debt Service Requirements” of the Bonds, being (1) the interest on the Bonds and (2) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount is the greater) there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, sufficient to pay the Debt Service Requirements of the Bonds as the same becomes due and payable; and such tax hereby levied on each one hundred dollars’ valuation of taxable property in the City for the payment of the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding (hereinafter defined); full allowance being made for delinquencies and costs of collection; the taxes levied, assessed, and collected for and on account of the Bonds shall be accounted for separate and

apart from all other funds of the City and shall be deposited to the credit of a “Special 2024 General Obligation Bond Account” (the “Interest and Sinking Fund”) maintained on the records of the City and deposited in a special fund maintained at an official depository of the City’s funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

PROVIDED, however, in regard to the payment to become due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date, if any, sufficient current funds will be available and are hereby appropriated to make such payments; and the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, City Treasurer, and City Secretary of the City, individually or jointly, are hereby authorized and directed to transfer and deposit in the Interest and Sinking Fund such current funds which, together with the accrued interest, if any, received from the Purchaser, will be sufficient to pay the payments due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date.

The Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, City Treasurer, and City Secretary of the City, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

## **SECTION 12**

Mutilated – Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond; and with respect to a lost, destroyed, or stolen Bond, a replacement Bond may be issued only upon the approval of the City and after

- (1) the filing by the Holder with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss, or theft of such Bond, and of the authenticity of the ownership thereof and
- (2) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless.

All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, destroyed, lost, or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

### **SECTION 13**

#### **Satisfaction of Obligation of City.**

(a) If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when

(1) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or

(2) Government Securities (hereinafter defined) shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting or consulting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof.

The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

(b) Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys

have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

Unless otherwise provided by the Pricing Certificate, the term “Government Securities”, as used herein, means

- (1) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America,
- (2) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent,
- (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and
- (4) any other securities or obligations authorized under applicable law to defease obligations such as the Bonds.

The City reserves the right, subject to satisfying the requirements of (a)(1) and (a)(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 Bonds shall no longer be regarded to be Outstanding or unpaid. Provided, however, the City has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City:

- (1) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption;
- (2) gives notice of the reservation of that right to the Holders of the Bonds immediately following the making of the firm banking and financial arrangements; and

- (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

#### **SECTION 14**

Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 30 hereof; provided, however, that the City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance or any provision in the Pricing Certificate in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders who own a majority of the aggregate of the principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance or any provision in the Pricing Certificate; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall

- (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds,
- (2) give any preference to any Bond over any other Bond, or
- (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

The term “Outstanding” when used in this Ordinance with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

- (1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 13 hereof; and
- (3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 12 hereof.

## SECTION 15

### Covenants to Maintain Tax-Exempt Status.

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

“*Closing Date*” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

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

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

“*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

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

“*Nonpurpose Investment*” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“*Rebate Amount*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Regulations*” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“*Yield*” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

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

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Bonds), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department, and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds), other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if:

(1) property acquired, constructed, or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes;

(2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement; or

(3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

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

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the Holders thereof for federal income tax purposes, the City shall pay to the United States from an appropriate fund, or if permitted by applicable Texas statute, regulation, or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals

(A) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and

(B) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date.

In all cases, the rebate payments shall be made at the times, in the installments, to the place, and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such

other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

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

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Chief Financial Officer, City Treasurer, and City Secretary of the City, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as one or more of such persons deems necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption, or similar or other appropriate certificate, form, or document.

(k) Bonds Not Hedge Bonds. At the time the original obligations refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued, and (2) not more than 50% of the proceeds of the original obligations refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more. In addition, with respect to the new capital projects being financed with the proceeds of the Bonds, the City reasonably expects to spend at least 85% of the spendable proceeds of such Bonds within three years after such Bonds are issued, and (2) not more than 50% of the proceeds of the Bonds allocable to the capital projects financed with proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) Current Refunding. The Bonds are being issued to pay and discharge in full the Refunded Bonds and such payment of the Refunded Bonds will occur within ninety (90) days after the issuance of the Bonds.

## **SECTION 16**

Sale of Bonds – Official Statement. The Bonds may be sold to the Purchasers pursuant to a bond purchase agreement in the event of a negotiated sale, a letter agreement or purchase letter in the event of a private placement, or the terms of a notice of sale in the event of a competitive sale, as applicable (the "Purchase Contract"), the terms and provisions of which Purchase Contract

shall be determined by the Pricing Officer. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City, as the act and deed of the City Council, and to make a determination as to whether the terms are in the City's best interests, which determination shall be final and incontestable.

With regard to the terms and provisions of said Purchase Contract, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

- (1) The terms, provisions and other details of the Bonds, including matters related to the offering and sale of the Bonds by the Purchaser;
- (2) Matters related to an Official Statement or similar disclosure document (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's agreement to provide information in accordance with the Rule (defined herein), if applicable;
- (3) A security or good faith deposit for the Bonds, if any;
- (4) Such other terms, conditions, representations and provisions as the Pricing Officer determines to be necessary and advisable.

The Mayor and City Secretary of the City are further authorized and directed to deliver for and on behalf of the City copies of a Preliminary Official Statement and a final Official Statement, prepared in connection with the offering of the Bonds, and such Official Statement in the form and content approved and deemed final by the Pricing Officer shall be deemed to be approved by the City Council of the City and shall constitute the Official Statement authorized for distribution and use by the Purchasers.

## **SECTION 17**

**Escrow Agreement.** An escrow agreement (the "Escrow Agreement") by and between the City and an authorized escrow agent (the "Escrow Agent") shall be approved by the Pricing Officer in the Pricing Certificate, if any such agreement is required or deemed appropriate in connection with the issuance of the Bonds and the defeasance of the Refunded Bonds. Such Escrow Agreement is hereby authorized to be finalized and executed by the Pricing Officer for and on behalf of the City and as the act and deed of this City Council; and such Escrow Agreement as executed by said Pricing Officer shall be deemed approved by the City Council and shall constitute the Escrow Agreement herein approved.

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make necessary arrangements for the purchase of escrowed securities and the delivery thereof to the Escrow Agent as specified in the Pricing Certificate.

On or before the date of delivery of the Bonds, the Pricing Officer is authorized to transfer lawfully available funds in such amounts as the Pricing Officer shall deem necessary or appropriate to facilitate the redemption or defeasance of the Refunded Bonds.

## **SECTION 18**

### **Refunded Bonds.**

(a) In order to provide for the refunding, discharge, and retirement of the Refunded Bonds, the Refunded Bonds are called for redemption on the date(s) and at the prices specified in the Pricing Certificate, and a notice of such redemption shall be given in accordance with the applicable provisions of the ordinance authorizing the issuance of the Refunded Bonds. The Pricing Officer is hereby authorized and directed to cause a copy of this Ordinance to be delivered to each paying agent/registrar for the Refunded Bonds, together with the Pricing Certificate therefor, the delivery of which shall constitute notice of redemption and notice of defeasance to such paying agent/registrar. The Pricing Officer is hereby authorized and directed to instruct the paying agent/registrar for the Refunded Bonds to provide notice of redemption to bondholders in accordance with the redemption provisions applicable to the Refunded Bonds.

(b) The paying agent/registrar for Refunded Bonds is hereby directed to provide notice of redemption as required by the ordinance authorizing issuance of the Refunded Bonds and is hereby directed to make appropriate arrangements so that the Refunded Bonds may be redeemed on the redemption date.

## **SECTION 19**

**Control and Custody of Bonds.** The Mayor shall be and is hereby authorized to take and have charge of all necessary ordinances, resolutions, orders and records, including the definitive Bonds and the Initial Bond(s), pending the investigation and approval of the Initial Bond(s) by the Attorney General of the State of Texas, and the registration of the Initial Bond(s) to the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, City Treasurer, and City Secretary of the City, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Bonds, including a certification as to facts, estimates, circumstances, and reasonable expectations pertaining to the use, expenditure, and investment of the proceeds of the Bonds, as may be necessary for the issuance of the Bonds, the approval of the Attorney General, the registration by the Comptroller of Public Accounts, and the delivery of the Bonds to the Purchasers and, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond(s) to the Purchasers and the initial exchange thereof for definitive Bonds.

## **SECTION 20**

Proceeds of Sale. The proceeds of sale shall be applied in accordance with instructions provided by the Pricing Officer.

Pending expenditure for authorized projects and purposes, such proceeds of sale deposited to the construction fund may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including guaranteed investment contracts permitted in Texas Section 2256.015, et seq, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the Pricing Officer. Any excess bond proceeds issued for new money purposes, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

Additionally, the Pricing Officer shall determine the amount, if any, of any City contribution to the refunding from lawfully available funds of the City.

## **SECTION 21**

Notices to Holders-Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance or the Pricing Certificate provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

## **SECTION 22**

Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

**SECTION 23**

**Bond Counsel Opinion.** The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Orrick, Herrington & Sutcliffe LLP, Austin, Texas, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the Bonds, or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Bonds. The City Council confirms the engagement of Orrick, Herrington & Sutcliffe LLP as the City's Bond Counsel.

**SECTION 24**

**CUSIP Numbers.** CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

**SECTION 25**

**Benefits of Ordinance.** Nothing in this Ordinance or the Pricing Certificate, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof or the Pricing Certificate, this Ordinance and all of its provisions and the Pricing Certificate being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar, and the Holders.

**SECTION 26**

**Inconsistent Provisions.** All ordinances or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance or the Pricing Certificate, are hereby repealed to the extent of such conflict, and the provisions of this Ordinance and the Pricing Certificate shall be and remain controlling as to the matters contained herein and therein.

**SECTION 27**

**Governing Law.** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 28**

**Effect of Headings.** The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

## **SECTION 29**

**Construction of Terms.** If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

## **SECTION 30**

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

## **SECTION 31**

**Incorporation of Findings and Determinations.** The findings and determinations of the City Council of the City contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

## **SECTION 32**

**Continuing Disclosure Undertaking.** The Pricing Officer is hereby authorized to determine whether a continuing disclosure undertaking is required in connection with the issuance of the Bonds. To the extent it is determined that an undertaking under the Rule is required, this Section 32 shall apply.

(a) **Definitions.** As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports. The City shall provide annually to the MSRB:

(1) within six months after the end of each fiscal year of the City beginning in the year stated in the Pricing Certificate, financial information and operating data with respect to the City of the general type included in the final Official Statement approved by the Pricing Officer and described in the Pricing Certificate, and

(2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be:

(A) prepared in accordance with the accounting principles described in the Pricing Certificate, 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

(B) audited, if the City commissions an audit of such 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 twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;

- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the 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 of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a 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 a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes (i) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the 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 and (ii) the City intends the words used in the immediately preceding paragraphs (15) and

(16) in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

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

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

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

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

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

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

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if:

- (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and
- (2) either:
  - (A) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or
  - (B) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds.

The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) hereof an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

### **SECTION 33**

**Municipal Bond Insurance.** The Bonds may be sold with payment of all or any portion of the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

### **SECTION 34**

**Further Procedures.** Any one or more of the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Chief Financial Officer, City Treasurer, and City Secretary, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance

and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Chief Financial Officer, City Treasurer, City Secretary, or Bond Counsel to the City are each hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance:

- (1) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or
- (2) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Ordinance, which determination shall be final.

In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

### **SECTION 35**

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

### **SECTION 36**

Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028.

*[remainder of page left blank intentionally]*

**DULY PASSED AND APPROVED** by the City Council of the City of Carrollton, Texas, this 16th day of April, 2024.

CITY OF CARROLLTON, TEXAS

---

Steve Babick, Mayor

ATTEST:

---

Chloe Sawatzky, City Secretary

(City Seal)

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

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Meredith A. Ladd, City Attorney

---

Diana K. Vaughn, CFO

EXHIBIT A  
FORM OF BOND

(a) Form of Definitive Bond.

REGISTERED  
NO. R-\_\_\_\_\_ PRINCIPAL AMOUNT  
\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF CARROLLTON  
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BOND, SERIES 2024

Bond Date: \_\_\_\_\_ Interest Rate: \_\_\_\_\_% Stated Maturity: \_\_\_\_\_ CUSIP No.: \_\_\_\_\_ Delivery Date: \_\_\_\_\_

Registered Owner:

Principal Amount: \_\_\_\_\_ DOLLARS

The City of Carrollton (hereinafter referred to as the “City”), a body corporate and political subdivision in the Counties of Dallas, Denton, and Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount hereinabove stated [(or so much thereof as shall not have been paid upon prior redemption)], and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the “Registration Date” of this Bond appearing below (unless this Bond bears a Registration Date as of an interest payment date, in which case it shall bear interest from such date, or unless the Registration Date of this Bond is prior to the initial Interest Payment Date (as hereinafter defined), in which case it shall bear interest from the Delivery Date specified above) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on \_\_\_\_\_ and \_\_\_\_\_ in each year, commencing \_\_\_\_\_ (each an “Interest Payment Date”), until maturity [or prior redemption]. Principal of this Bond is payable at its Stated Maturity [or redemption] to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor[; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond]. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the \_\_\_\_\_ day of the month next preceding each Interest Payment Date, and interest shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking

institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$\_\_\_\_\_ (herein referred to as the “Bonds”) for the purposes of providing funds

- (1) for permanent public improvements and public purposes, to wit:

*[applicable purposes from Section 2 of the Ordinance to be inserted from Pricing Certificate],*

- (2) [the discharge and final payment of certain outstanding obligations of the City], and

- (3) to pay the costs and expenses of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters [1207,] 1331 and 1371, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the “Ordinance”).

[The Bonds maturing on the dates hereinafter identified (the “Term Bonds”) are subject to mandatory redemption prior to maturity with funds on deposit in the Interest and Sinking Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

<u>Term Bonds due</u> <u>Redemption Date</u>	<u>Principal Amount</u>	<u>Term Bonds due</u> <u>Redemption Date</u>	<u>Principal Amount</u>
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\* Stated Maturity.

The particular Term Bonds of a Stated Maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Bonds of like Stated Maturity which, at least fifty (50) days prior to a mandatory redemption date,

- (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or
- (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

[The Bonds maturing on and after \_\_\_\_\_, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on \_\_\_\_\_, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States mail, first class postage prepaid, to the registered owners of each Bond to be redeemed, in whole or in part, at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest 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. Any notice given shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Ordinance, if any, have been met and moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for redemption or that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice. If such prerequisites to the redemption are not satisfied, sufficient moneys are not received or notice is rescinded, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.]

[The Bonds are not subject to redemption prior to maturity.]

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity [or redemption], and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register

- (1) on the Record Date as the owner entitled to payment of interest hereon,
- (2) on the date of surrender of this Bond as the owner entitled to payment of principal at the Stated Maturity[, or its redemption, in whole or in part], and
- (3) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

In the event of nonpayment of interest on a Bond on a scheduled payment date and for at least thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City.

CITY OF CARROLLTON, TEXAS

COUNTERSIGNED:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Secretary

(SEAL)

(b) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER  
OF PUBLIC ACCOUNTS

(  
(  
(  
(

REGISTER NO. \_\_\_\_\_

THE STATE OF TEXAS

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

WITNESS my signature and seal of office this \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

**REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR**

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

The designated office of the Paying Agent/Registrar in \_\_\_\_\_ is the Designated Payment/Transfer Office for this Bond.

\_\_\_\_\_  
as Paying Agent/Registrar

Registration Date:

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signature

(d) Form of Assignment.

**ASSIGNMENT**

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

\_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_  
\_\_\_\_\_) the within Bond and all rights thereunder, and hereby  
irrevocably constitutes and appoints \_\_\_\_\_

\_\_\_\_\_

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

DATED: \_\_\_\_\_

Signature guaranteed:  
\_\_\_\_\_

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

(e) The Initial Bonds shall be in the form set forth in (a), (b) and (d) above, except a single Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

NO. T-1 \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF CARROLLTON  
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BOND, SERIES 2024

Bond Date: \_\_\_\_\_

Registered Owner:

Principal Amount: DOLLARS

The City of Carrollton (hereinafter referred to as the "City"), a body corporate and political subdivision in the Counties of Dallas, Denton, and Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on \_\_\_\_\_ in the years and in principal installments in accordance with the following schedule:

Stated Maturity	Principal Installment (\$)	Interest Rate (%)
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(Information to be inserted from Pricing Certificate).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the \_\_\_\_\_ at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on \_\_\_\_\_ and \_\_\_\_\_ in each year, commencing \_\_\_\_\_ (each,

an "Interest Payment Date"), until maturity [or prior redemption]. Principal installments of this Bond are payable in the year of maturity [or on a redemption date] to the registered owner hereof by \_\_\_\_\_ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in \_\_\_\_\_ (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the \_\_\_\_\_ day of the month next preceding each Interest Payment Date, and interest shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

EXHIBIT B  
FORM OF PAYING AGENT/REGISTRAR AGREEMENT

**PAYING AGENT/REGISTRAR AGREEMENT**

THIS AGREEMENT is entered into as of \_\_\_\_\_, 2024 (this “Agreement”), by and between \_\_\_\_\_, a banking association duly organized and existing under the laws of the United States of America, or its successors (the “Bank”) and the City of Carrollton, Texas (the “Issuer”),

**RECITALS**

**WHEREAS**, the Issuer has duly authorized and provided for the issuance of its “City of Carrollton, Texas General Obligation Improvement and Refunding Bonds, Series 2024” (the “Securities”), dated [\_\_\_\_\_], 2024, such Securities scheduled to be delivered to the initial purchasers thereof on or about [\_\_\_\_\_], 2024; and

**WHEREAS**, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

**WHEREAS**, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

**NOW, THEREFORE**, it is mutually agreed as follows:

**ARTICLE 1.**

**APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR**

**Section 1.01 Appointment.** The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the “Authorizing Document” (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment and agrees to serve as the Paying Agent and Registrar for the Securities.

**Section 1.02 Compensation.** As compensation for the Bank’s services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

## **ARTICLE 1. DEFINITIONS**

**Section 2.01 Definitions.** For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“*Acceleration Date*” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“*Authorizing Document*” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“*Bank Office*” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“*Holder*” and “*Security Holder*” each means the Person in whose name a Security is registered in the Security Register.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“*Predecessor Securities*” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“*Redemption Date*”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“*Responsible Officer*”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above

designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“*Security Register*” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“*Stated Maturity*” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

**Section 2.02 Other Definitions.** The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement. The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

**ARTICLE 3.  
PAYING AGENT**

**Section 3.01 Duties of Paying Agent.** As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished by:

- (a) the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or
- (b) such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

**Section 3.02 Payment Dates.** The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

**ARTICLE 4.  
REGISTRAR**

**Section 4.01 Security Register - Transfers and Exchanges.** The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

**Section 4.02 Securities.** The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

**Section 4.03 Form of Security Register.** The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank’s general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

**Section 4.04 List of Security Holders.** The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

**Section 4.05 Return of Cancelled Securities.** The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

**Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities.** The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over-issuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after:

- (a) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof, and
- (b) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless.

All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

**Section 4.07 Transaction Information to Issuer.** The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

## **ARTICLE 5. THE BANK**

**Section 5.01 Duties of Bank.** The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

## **Section 5.02 Reliance on Documents, Etc.**

- (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.
- (b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.
- (c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.
- (d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.
- (e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.
- (f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.
- (g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

**Section 5.03 Recitals of Issuer.** The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

**Section 5.04 May Hold Securities.** The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

**Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization.** A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

**Section 5.06 Indemnification.** To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

**Section 5.07 Interpleader.** The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

**Section 5.08 DTC Services.** It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

## **ARTICLE 5. MISCELLANEOUS PROVISIONS**

**Section 6.01 Amendment.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02 Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other.

**Section 6.03 Notices.** Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

**Section 6.04 Effect of Headings.** The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

**Section 6.05 Successors and Assigns.** All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

**Section 6.06 Severability.** In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 6.07 Merger, Conversion, Consolidation, or Succession.** Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

**Section 6.08 Benefits of Agreement.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

**Section 6.09 Entire Agreement.** This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar

and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

**Section 6.10 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

**Section 6.11 Termination.** This Agreement will terminate (1) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (2) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

**Section 6.12 Statutory Verifications.** The Bank makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Bank within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) **Not a Sanctioned Company.** The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

**Section 6.13 Abortion Prohibition.** Texas Government Code Section 2273.003 prohibits certain transactions between a governmental entity and an abortion provider or affiliate of the provider. The Bank represents and warrants to the Issuer that it is not an abortion provider or affiliate of the provider.

**Section 6.14. Exemption From Section 2252.908, Texas Government Code.** The Bank hereby warrants and represents to the Issuer that it is a publicly traded business entity or a wholly owned subsidiary of such a business entity.

**Section 6.15 Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

*[The remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

CITY OF CARROLLTON, TEXAS

By: \_\_\_\_\_  
\_\_\_\_\_ and Pricing Officer

Address: 1945 E. Jackson Road  
Carrollton, Texas 75006



## Agenda Memo File Number: 6642

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Ordinance

**Agenda Number:** \*18.

**CC MEETING:** April 16, 2024

**DATE:** April 5, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Diana K. Vaughn, CFO  
Chrystal Davis, Assistant City Manager

Consider An **Ordinance of the City Council of the City of Carrollton, Texas, Authorizing the Issuance of “City of Carrollton, Texas, Waterworks and Sewer System Revenue Bonds, Series 2024”;** Pledging the Net Revenues of the City’s Combined Waterworks and Sewer System to the Payment of the Principal of and Interest on Said Bonds; and Resolving Other Matters Incident and Related to the Issuance, Sale, Payment, and Delivery of Said Bonds; Establishing Procedures for the Sale and Delivery of the Bonds; and Delegating Matters Relating to the Sale and Issuance of the Bonds to Authorized City Representatives.

### **BACKGROUND:**

The City plans to issue Waterworks and Sewer System Revenue Bonds, Series 2024 (the “Bonds”) during the week of May 20th through a negotiated sale method. The Bonds will be issued to (1) finance approximately \$8,000,000 of water and sewer improvements, (2) fund any required contribution to the Debt Service Reserve Fund securing the Bonds and other outstanding water and sewer system revenue bonds, and (3) and pay estimated costs of issuance of approximately \$150,000.

### **FINANCIAL IMPLICATIONS:**

The Bonds are payable and secured by a first lien on and pledge of the Net Revenues of the City’s Waterworks and Sewer System. All costs of issuance will be paid from the proceeds from the issuance of the Bonds. Bonds will be subject to arbitrage law.

### **IMPACT ON COMMUNITY SUSTAINABILITY:**

This bond issuance supports and aligns with the City Council’s goals and objectives to properly manage infrastructure with fiduciary care and improves the City’s financial position and sustainability.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Consider An Ordinance of the City Council of the City of Carrollton, Texas, Authorizing the Issuance of “City of Carrollton, Texas, Waterworks and Sewer System Revenue Bonds, Series 2024”; Pledging the Net Revenues of the City’s Combined Waterworks and Sewer System to the Payment of the Principal of and Interest on Said Bonds; and Resolving Other Matters Incident and Related to the Issuance, Sale, Payment, and Delivery of Said Bonds; Establishing Procedures for the Sale and Delivery of the Bonds; and Delegating Matters Relating to the Sale and Issuance of the Bonds to Authorized City Representatives.

**ORDINANCE NO. [\_\_\_\_]**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, AUTHORIZING THE ISSUANCE OF “CITY OF CARROLLTON, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2024”; PLEDGING THE NET REVENUES OF THE CITY’S COMBINED WATERWORKS AND SEWER SYSTEM TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT, AND DELIVERY OF SAID BONDS; ESTABLISHING PROCEDURES FOR THE SALE AND DELIVERY OF THE BONDS; AND DELEGATING MATTERS RELATING TO THE SALE AND ISSUANCE OF THE BONDS TO AUTHORIZED CITY REPRESENTATIVES.**

**WHEREAS**, the City Council of the City of Carrollton, Texas (the “City”) hereby finds and determines that revenue bonds in the maximum principal amount hereinafter set forth for improvements and extensions to the City’s combined Waterworks and Sewer System (the “System”) should be issued and sold at this time in accordance with the provisions of Texas Government Code, Chapter 1502, as amended (“Chapter 1502”); and

**WHEREAS**, pursuant to Section 1371.001(4)(A), Texas Government Code, the City is an “Issuer” within the meaning of Chapter 1371, Texas Government Code (“Chapter 1371”), as amended, and the City shall by this Ordinance, in accordance with the provisions of Chapter 1371, delegate to a Pricing Officer (hereinafter defined) the authority to determine the principal amount of Bonds (hereinafter defined) to be issued and negotiate the terms of sale thereof to be included in one or more pricing certificates (each a “Pricing Certificate”) to be executed by the Pricing Officer; and

**WHEREAS**, the City Council hereby further finds and determines that such revenue bonds can and should be issued on a parity with the City’s outstanding revenue bonds (hereinafter defined and identified as “Previously Issued Bonds”) payable from and equally secured by a first lien on and pledge of the Net Revenues (hereinafter defined) of the System;

**NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARROLLTON, THAT:**

**SECTION 1**

Authorization - Series Designation - Principal Amount - Purpose - Bond Date. Revenue bonds of the City shall be and are hereby authorized to be issued, from time to time, in one or more series in the aggregate principal amount set forth in the Pricing Certificate to be designated and bear the title “CITY OF CARROLLTON, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2024” or such other designation as specified in the Pricing Certificate (herein referred to as the “Bonds”), for the costs of acquiring, purchasing, constructing, improving, renovating, enlarging, and equipping the System and to pay the costs and expenses of issuance, in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Chapter 1371 and Chapter 1502. The Bonds shall be dated (the “Bond Date”) as provided in the Pricing Certificate.

## SECTION 2

Fully Registered Obligations - Terms. The Bonds shall be issued as fully registered obligations, without coupons, and the Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity (hereinafter defined) thereof, shall be lettered “R” and numbered consecutively from one (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the “Stated Maturities”) and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

## SECTION 3

### Delegation of Authority to Pricing Officer.

(a) As authorized by Chapter 1371, the City’s Chief Financial Officer or City Treasurer (either, a “Pricing Officer”) is hereby authorized to act on behalf of the City in selling and delivering the Bonds, from time to time, and carrying out the other procedures specified in this Ordinance, including whether the Bonds shall be issued in one or more series, and determining the terms, conditions and other provisions of the Bonds, including the aggregate principal amount of the Bonds, the date of each series of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the date from which interest on the Bonds will accrue, the interest payment dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity, including any mandatory sinking fund redemption provisions, determination of the use of a book-entry-only securities clearance, settlement and transfer system, designation of a paying agent/registrar (the “Paying Agent/Registrar”), the terms of any bond insurance applicable to the Bonds, and all other matters relating to the issuance, sale, and delivery of the Bonds, including any modification of the defeasance provisions contained in Section 13 hereof, the continuing disclosure undertaking contained in Section 46 hereof, all of which shall be specified in the Pricing Certificate, provided that the Bonds to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations and:

- (1) the aggregate original principal amount of the Bonds shall not exceed \$10,000,000;
- (2) the true interest cost rate for the Bonds shall not exceed 6.000%; and

(3) the maximum maturity for the Bonds shall not exceed May 1, 2044.

(b) The delegation made hereby shall expire if not exercised by the Pricing Officer within 180 days of the date hereof (the “Expiration Date”). Bonds sold pursuant to a Purchase Contract (hereinafter defined) executed on or before the Expiration Date may be delivered after such date. The Pricing Officer may exercise such delegation on more than one occasion during such time period. Bonds shall be sold to the purchaser(s)/underwriter(s) named in the Pricing Certificate (the “Purchasers”), at such price and with and subject to such terms as set forth in the Pricing Certificate and the Purchase Contract and may be sold by negotiated or competitive sale or by private placement. The Pricing Officer is hereby delegated the authority to designate the Purchasers, which delegation shall be evidenced by the execution of the Pricing Certificate.

The Pricing Certificate is hereby incorporated into and made a part of this Ordinance. Any finding, determination, or election made by a Pricing Officer relating to the issuance and sale of the Bonds and the execution of the Pricing Certificate and the Purchase Contract in connection therewith shall have the same force and effect as a finding, determination, or election made by the City Council.

To the extent that any of the terms and conditions or other matters determined by a Pricing Officer pursuant to the authority conferred by this Ordinance require or necessitate a change or modification in the text or form of this Ordinance to conform to such terms and conditions or other matters, the Pricing Officer is authorized to effect such change or modification.

#### **SECTION 4**

Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the “Holders”) appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange, and transfer of the Bonds (the “Security Register”) shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a “Paying Agent/Registrar Agreement,” substantially in the form attached hereto as **Exhibit B** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof

to be sent to each Holder by United States mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The Bonds shall be payable at their Stated Maturities or upon their earlier redemption, only upon the presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices provided in the Pricing Certificate (the “Designated Payment/Transfer Office”); provided, however, while a Bond is registered to Cede & Co., the payment thereof upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Bond. Interest due on the Bonds shall be paid by the Paying Agent/Registrar to the Holders whose names appears in the Security Register at the close of business on the “Record Date” (which shall be set forth in the Pricing Certificate) and such interest payments shall be made (1) by check dated as of the interest payment date, sent United States mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (2) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities of the Bonds on a scheduled payment date, and for at least thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such past due interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of the Bonds appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

## **SECTION 5**

Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the City at the Designated Payment/Transfer Office of the Paying Agent/Registrar, as provided herein and in accordance with the provisions of the Paying Agent/Registrar Agreement and such rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of like maturity, and amount and in authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly

executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for assignment or transfer of any Bond (other than the Initial Bond(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds, executed on behalf of and furnished by the City, shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be of authorized denominations, of like Stated Maturity, and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of and furnished by the City, to the Holder requesting the exchange.

All Bonds issued upon any such transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

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

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 30 hereof, and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

## SECTION 6

Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 5 and 6 hereof relating to the payment and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of “Book-Entry-Only” securities clearance, settlement, and transfer system provided by The Depository Trust Company (“DTC”), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the current DTC Operational Arrangements memorandum, as amended, the Blanket Issuer Letter of Representations, by and between the City and DTC, and the Letter of Representation from the Paying Agent/Registrar to DTC (collectively, the “Depository Agreement”) relating to the Bonds.

In the event the Pricing Officer elects to utilize DTC’s “Book-Entry-Only” System, which election shall be made by the Pricing Officer in the Pricing Certificate, pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the “DTC Participants”). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the “Beneficial Owners”) being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred, and exchanged on the Security Register maintained by the Paying Agent/Registrar, and payment of such Bonds shall be made in accordance with the provisions of Sections 5 and 6 hereof.

## SECTION 7

Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under the City’s seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officials on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officials of the City on the date of the adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the Purchasers and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in **Exhibit A** hereto, executed by the Comptroller of Public

Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in **Exhibit A** hereto, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

## SECTION 8

Initial Bond(s). The Bonds herein authorized shall be initially issued either:

(1) as a single fully registered bond in the aggregate principal amount of the Bonds with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, or

(2) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the “Initial Bond(s)”) and, in either case, the Initial Bond(s) shall be registered in the name of the Purchasers or the designee thereof.

The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts, and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

## SECTION 9

Forms of Bonds. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in **Exhibit A** hereto with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and, with the Bonds to be completed and modified with the information set forth in the Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the Pricing Officer.

The Pricing Certificate(s) shall set forth the final and controlling forms and terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied, or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

## **SECTION 10**

**Definitions.** For all purposes of this Ordinance and in particular for clarity with respect to the issuance of the Bonds herein authorized and the pledge and appropriation of revenues to the payment of the Bonds, the following definitions are provided:

“Additional Bonds” - Revenue bonds or other evidences of indebtedness which the City reserves the right to issue or enter into, as the case may be, in the future under the terms and conditions provided in Section 18 of this Ordinance and which, together with the Bonds and Previously Issued Bonds, are equally and ratably secured by a first lien on and pledge of the Net Revenues of the System.

“Average Annual Debt Service” - That average amount which, at the time of computation, will be required to pay the Debt Service of obligations when due and derived by dividing the total of such Debt Service by the number of years then remaining before final maturity. Capitalized interest payments provided from bond proceeds shall be excluded in making the aforementioned computation.

“Bonds Similarly Secured” - Collectively, the Previously Issued Bonds, the Bonds, and Additional Bonds.

“City” - The City of Carrollton located in the Counties of Dallas, Denton, and Collin, Texas.

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

“Fiscal Year” - The twelve-month accounting period used by the City in connection with the operation of the System which may be any twelve (12) consecutive month period established by the City.

“Government Obligations” - Unless otherwise modified in the Pricing Certificate, the term “Government Obligations” shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

“Gross Revenues” - All income, receipts, and revenues of every nature derived or received from the operation and ownership (excluding refundable meter deposits, restricted gifts and grants in aid of construction) of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established for the payment and security of the Bonds Similarly Secured and other obligations payable solely from and secured only by a lien on and pledge of the Net Revenues.

“Maintenance and Operating Expenses” - All current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs, and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining “Net Revenues”. Depreciation charges shall not be considered Maintenance and Operating Expenses. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply, treatment of sewage, or other materials, goods, or services for the System to the extent authorized by law and the provisions of such contract.

“Net Earnings” - The meaning assigned to such term in Section 18 hereof.

“Net Revenues” - Gross Revenues of the System, with respect to any period, after deducting the System’s Maintenance and Operating Expenses during such period.

“Outstanding” - When used in this Ordinance with respect to Bonds or Bonds Similarly Secured means, as of the date of determination, all Bonds theretofore issued and delivered, except: (1) those Bonds or Bonds Similarly Secured cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation; those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 28 hereof, or substantially similar provisions with respect to Bonds Similarly

Secured; and those Bonds or Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 30 hereof or similar provisions with respect to Bonds Similarly Secured.

“Previously Issued Bonds” - The presently outstanding and unpaid revenue bonds payable from and secured by a first lien on and pledge of the Net Revenues of the System, more particularly described and identified as follows: City of Carrollton, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019”, dated May 1, 2019, originally issued in the principal amount of \$9,045,000.

“Required Reserve” - The amount required to be accumulated and maintained in the Reserve Fund under the provisions of Section 14.

“System” - All properties, facilities, and plants currently owned, operated, and maintained by the City for the supply, treatment and transmission of treated potable water and the collection, treatment, and disposal of water-carried wastes, together with all future extensions, improvements, replacements, and additions thereto; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term “System” shall not mean to include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of “Special Facilities Bonds”, which are hereby defined as being special revenue obligations of the City which are not Bonds Similarly Secured but which are payable from and secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Bonds Similarly Secured including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

## **SECTION 11**

**Pledge.** The City hereby covenants and agrees that the Net Revenues of the System, with the exception of those in excess of the amounts required for the payment and security of the Bonds Similarly Secured, are hereby irrevocably pledged, to the payment and security of the Previously Issued Bonds, the Bonds, and Additional Bonds, if issued, including the establishment and maintenance of the special funds created and established for the payment and security thereof, all as hereinafter provided, and it is hereby ordained that the Bonds Similarly Secured, and the interest thereon, shall constitute a first lien on the Net Revenues of the System in accordance with the terms and provisions hereof and be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer or transfer of control of the Net Revenues, the filing of this Ordinance or any other act; all as provided in Texas Government Code, Chapter 1208, as amended.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds and the pledge of the Net Revenues of the System granted by the City under this Section 11, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Net Revenues of the System granted by the

City under this Section 11 is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

## **SECTION 12**

**Water and Sewer System Fund.** The City hereby covenants and agrees that Gross Revenues of the System (excluding earnings and income derived from investments held in the Bond Fund and Reserve Fund) shall be, as collected, deposited into the “Water and Sewer System Fund” (herein called the “System Fund”), which has been created and established on the books of the City, and moneys deposited to the credit of such Fund shall be in an account or fund maintained at an official depository of the City. All revenues deposited in the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown.

FIRST: To the payment of all necessary and reasonable Maintenance and Operating Expenses as defined herein or required by statute to be a first charge on and claim against the Gross Revenues thereof.

SECOND: To the payment of the amounts required to be deposited in the Bond Fund established and maintained for the payment of Debt Service on the Bonds Similarly Secured as the same becomes due and payable.

THIRD: To the payment of the amounts required to be deposited in the Reserve Fund to accumulate and maintain therein the Required Reserve in accordance with the provisions of this Ordinance or any other ordinance relating to issuance of Bonds Similarly Secured.

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

## **SECTION 13**

**Bond Fund.** For purposes of providing funds to pay the principal of and interest on the Bonds Similarly Secured as the same becomes due and payable, the City has created and established on the books of the City the “City of Carrollton Interest and Sinking Revenue Bond Fund” (the “Bond Fund”), and all moneys deposited to the credit of such Fund shall be in an account or fund maintained at an official depository of the City. In addition to the deposits to the Bond Fund for the payment of the Previously Issued Bonds, the City covenants that there shall be deposited into the Bond Fund prior to each principal and interest payment date for the Bonds from the Net Revenues an amount equal to one hundred per centum (100%) of the amount required to fully pay the interest on and the principal of the Bonds then falling due and payable, such deposits to pay maturing principal and accrued interest on the Bonds to be made in substantially equal

monthly installments on or before the 20th day of each month, beginning on or before the 20th day of the month next following the delivery of the Bonds to the Purchasers.

The required monthly deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Bond Fund and Reserve Fund is equal to the amount required to fully pay and discharge the principal of and interest on all Bonds Similarly Secured to the respective final maturity or redemption dates, as the case may be, therefor or (ii) the Bonds are no longer Outstanding.

Accrued interest and premium, if any, received from the Purchasers of the Bonds, as well as excess original proceeds of sale of the Bonds, if any, and earnings derived from the investment of moneys in the Bond Fund, shall be taken into consideration and reduce the amount of the monthly deposits hereinabove required to be deposited in the Bond Fund from the Net Revenues of the System.

#### **SECTION 14**

Reserve Fund. For purposes of accumulating and maintaining funds as a reserve for the payment of the Bonds Similarly Secured, the City has created and established on the books of the City the “City of Carrollton Revenue Bond Reserve Fund” (the “Reserve Fund”), which shall be in an account or fund maintained at an official depository of the City and all moneys deposited therein (excluding earnings and income derived or received from deposits or investments which may be transferred to the System Fund referred to in Section 12 hereof during such periods as there is on deposit in the Reserve Fund the Required Reserve) shall be used solely for the payment of the principal of and interest on the Bonds Similarly Secured when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last of the Bonds Similarly Secured Outstanding.

In accordance with the provisions of the ordinances authorizing the issuance of the Previously Issued Bonds, the amount currently on deposit to the credit of the Reserve Fund will be stated in the Pricing Certificate (the “Current Reserve”). By reason of the issuance of the Bonds, the total amount required to be accumulated and maintained in said Fund is hereby determined to be as specified in the Pricing Certificate (the “Required Reserve”), which amount is hereby found to equal or exceed the Average Annual Debt Service for the Bonds and the Previously Issued Bonds (calculated on a Fiscal Year basis as of the date the Bonds are to be delivered). If required, the difference between the Required Reserve and the Current Reserve will be accumulated by a deposit in the Reserve Fund of all or any part thereof in cash immediately after the delivery of the Bonds, or, at the option of the City, by the deposit of monthly installments, made on or before the 20th day of each month following the month of delivery of the Bonds, of not less than 1/60th of the additional amount to be maintained in the Reserve Fund by reason of the issuance of the Bonds.

As and when Additional Bonds are delivered or incurred, the Required Reserve shall be increased, if required, to an amount equal to not less than the Average Annual Debt Service (calculated on a Fiscal Year basis) for all Bonds Similarly Secured then Outstanding, as determined on the date each series of Bonds Similarly Secured are delivered or incurred, as the case may be.

Any additional amount required to be maintained in the Reserve Fund shall be so accumulated by the deposit in the Reserve Fund of all or any part thereof in cash immediately after the delivery of the then proposed Additional Bonds, or, at the option of the City, by the deposit of monthly installments, made on or before the 20th day of each month following the month of delivery of the then proposed Additional Bonds, of not less than 1/60th of the additional amount to be maintained in said Fund by reason of the issuance of the Additional Bonds then being issued (or 1/60th of the balance of the additional amount not deposited immediately in cash).

Notwithstanding the above and foregoing, at such time as the Previously Issued Bonds are no longer Outstanding, the Average Annual Debt Service shall also be calculated at the end of each Fiscal Year and the Required Reserve shall be adjusted accordingly.

When and so long as the cash and investments in the Reserve Fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve (other than as the result of the issuance of Additional Bonds as provided herein), the City covenants and agrees to cure the deficiency in the Required Reserve by resuming monthly deposits to said Fund from the Net Revenues of the System; such monthly deposits to be in amounts equal to not less than 1/60th of the then total Required Reserve to be maintained in said Fund and to be made on or before the 20th day of each month until the total Required Reserve then to be maintained in said Fund has been fully restored. The City further covenants and agrees that, subject only to the payments to be made to the Bond Fund, the Net Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve and to cure any deficiency in such amounts as required by the terms of this Ordinance and any other ordinance pertaining to the issuance of Bonds Similarly Secured.

During such time as the Reserve Fund contains the total Required Reserve, the City may, at its option, withdraw all surplus in the Reserve Fund in excess of the Required Reserve and deposit such surplus in the System Fund. The City hereby designates its depository bank or banks as the custodian of the Reserve Fund.

## **SECTION 15**

### **Deficiencies; Excess Net Revenues.**

(a) If on any occasion there shall not be sufficient Net Revenues of the System to make the required deposits into the Bond Fund and the Reserve Fund, then such deficiency shall be cured as soon as possible from the next available Net Revenues of the System, or from any other sources available for such purpose.

(b) Subject to making the required deposits to the Bond Fund and the Reserve Fund when and as required by this Ordinance, or any ordinance authorizing the issuance of Bonds Similarly Secured, the excess Net Revenues may be used by the City for any lawful purpose.

## **SECTION 16**

**Transfers for Payment of Bonds.** While any of the Bonds are Outstanding, the City's Chief Financial Officer or Treasurer shall cause to be transferred to the Paying Agent/Registrar, from funds on deposit in the Bond Fund, and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity; such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

## **SECTION 17**

### **Investments – Securities of Funds.**

(a) Money in any Fund required to be maintained in accordance with provisions of this Ordinance may, at the option of the City, be placed in time deposits or certificates of deposit secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or may, at the option of the City, be invested in such manner and in such obligations as now and hereafter authorized by the laws of the State of Texas, including the Public Funds Investment Act of 1987, and in making such investments exercising a standard of care emphasizing safety of capital as well as probable income, but without speculation. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within 45 days of the close of each Fiscal Year and, with respect to investments held for the account of the Reserve Fund, within 30 days of the date of passage of each ordinance authorizing the issuance of Additional Bonds. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All interest and interest income derived from deposits in, and investments of, the Reserve Fund shall, subject to the limitations provided in Section 14 hereof, be credited to and deposited in the System Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds Similarly Secured.

(b) Money in all Funds referenced in this Ordinance, to the extent not invested, shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds.

## **SECTION 18**

**Issuance of Additional Obligations.** Subject to the provisions hereinafter appearing as to conditions precedent which must be satisfied, the City reserves the right to issue, from time to time as needed, Additional Bonds for any lawful purpose. Such Additional Bonds may be issued in such form and manner as now or hereafter authorized by the laws of the State of Texas for the issuance of evidences of indebtedness or other instruments, and should new methods or financing techniques be developed that differ from those now available and in normal use, the City reserves the right to employ the same in its financing arrangements provided only that the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(1) The Chief Financial Officer of the City (or other officer of the City then having the primary responsibility for the financial affairs of the City) shall have executed a certificate stating (a) that, to the best of his or her knowledge and belief, the City is not then in default as to any covenant, obligation, or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues of the System that would materially affect the security or payment of such obligations and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues of the System have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (ii) the application of the proceeds of sale of such obligations then being issued will cure any such deficiency.

(2) The Additional Bonds shall be scheduled to mature or be payable as to principal on May 1 or November 1 (or both) in each year the same are to be outstanding or during the term thereof.

(3) The City has secured a certificate or opinion of a Certified Public Accountant to the effect that, according to the books and records of the City, the Net Earnings, for the last completed Fiscal Year, or for 12 consecutive months out of the 15 months immediately preceding the month the ordinance authorizing the issuance of the Additional Bonds is adopted, are at least equal to (i) 1.25 times the Average Annual Debt Service for all Bonds Similarly Secured to be Outstanding after giving effect to the issuance of the Additional Bonds then being issued and (ii) 1.10 times the maximum annual Debt Service payments to be paid in a Fiscal Year for the Bonds Similarly Secured to be Outstanding after giving effect to the issuance of the Additional Bonds then being issued. In making a determination of the Net Earnings, the Accountant may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least sixty (60) days prior to the last day of the period for which Net Earnings are determined and, for purposes of satisfying the above Net Earnings test, make a pro forma determination of the Net Earnings of the System for the period of time covered by his certification or opinion based on such change in rates and charges being in effect for the entire period covered by the Accountant's certificate or opinion.

As used in this Section, the term "Net Earnings" shall mean the Gross Revenues of the System after deducting the Maintenance and Operating Expenses of the System, but not depreciation charges or other expenditures which, under generally accepted accounting principles, are treated as capital expenditures.

## **SECTION 19**

**Refunding Bonds.** The City reserves the right to issue refunding bonds to refund all or any part of the Bonds Similarly Secured (pursuant to any law then available) upon such terms and conditions as the City Council of the City may deem to be in the best interest of the City and its inhabitants, and if less than all such Bonds Similarly Secured then outstanding are refunded, the

conditions precedent prescribed (for the issuance of Additional Bonds) set forth in subparagraph (3) of Section 18 hereof shall be satisfied and the Accountant's certificate or opinion required in subparagraph (3) shall give effect to the Debt Service of the proposed refunding bonds (and shall not give effect to the Debt Service of the Bonds Similarly Secured being refunded following their cancellation or provision being made for their payment).

## **SECTION 20**

Obligations of Inferior Lien and Pledge. The City hereby reserves the right to issue obligations payable from and secured by a lien on and pledge of the Net Revenues of the System, junior and subordinate in rank and dignity to the lien and pledge securing the payment of the Bonds Similarly Secured, as may be authorized by the laws of the State of Texas.

## **SECTION 21**

Rates and Charges. For the benefit of the Holders of the Bonds and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Bonds are Outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year sufficient:

- (1) To pay Maintenance and Operating Expenses, depreciation charges, and replacement and betterment costs,
- (2) To produce Net Revenues sufficient to pay the principal of and interest on the Bonds Similarly Secured and the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the Bonds Similarly Secured, and other obligations or evidences of indebtedness issued or incurred that are payable only from and secured solely by a lien on and pledge of the Net Revenues of the System, and
- (3) To produce Net Revenues equal to at least 1.20 times the Average Annual Debt Service for the Bonds Similarly Secured then Outstanding.

## **SECTION 22**

Maintenance and Operation Insurance. The City shall maintain the System in good condition and operate the System in an efficient manner and at reasonable cost. While any Bonds are Outstanding, the City agrees to maintain casualty and other insurance on the System of a kind and in an amount customarily carried by municipal corporations owning and operating similar properties. Nothing in this Ordinance shall be construed as requiring the City to expend any funds derived from sources other than the operation of the System, but nothing herein shall be construed as preventing the City from doing so.

## **SECTION 23**

Sale or Lease of Properties. The City, to the extent and in the manner authorized by law, may sell or exchange for consideration representing the fair value thereof, as determined by the City Council of the City, any property not necessary or required in the efficient operations of the System, or any equipment not necessary or useful in the operations thereof or which is obsolete, damaged or worn out or otherwise unsuitable for use in the operation of the System. The proceeds of any sale of properties of the System shall be deposited in the System Fund.

## **SECTION 24**

Records and Accounts. The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding, it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by Chapter 1502 or other applicable law. The Holder of any Bonds or any duly authorized agent or agents of such Holders shall have the right at all reasonable times to inspect such records, accounts, and data relating thereto, and to inspect the System and all properties comprising same. The City further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant, shall particularly include the following:

- (1) A statement of the income and expenses of the System for such Fiscal Year.
- (2) A balance sheet for the System as of the end of such Fiscal Year.
- (3) A statement describing the sources and application of funds of the System for such Fiscal Year.
- (4) The Accountant's comments regarding the manner in which the City has carried out the requirements of this Ordinance and any other ordinance authorizing the issuance of Bonds Similarly Secured and his recommendations for any changes or improvements in the operations, records and accounts of the System.
- (5) A list of insurance policies in force at the end of the Fiscal Year covering the properties of the System, setting out as to each policy the amount thereof, the risk covered, the name of the insurer and the policy's expiration date.

Expenses incurred in making an annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses. Copies of each annual audit shall be furnished to the Executive Director of the Municipal Advisory Council of Texas at his office in Austin, Texas, and, upon request, to the initial purchasers of the Bonds and subsequent Holders of the Bonds. The audits herein required shall be made within 120 days following the close of each Fiscal Year insofar as is possible.

## **SECTION 25**

**Special Covenants.** The City further covenants and agrees by and through this Ordinance as follows:

(1) It has the lawful power to pledge the Net Revenues of the System to the payment of the Bonds to the extent provided herein and has lawfully exercised said power under the Constitution and laws of the State of Texas, and that the Bonds issued hereunder, together with the Previously Issued Bonds and the Additional Bonds shall be ratably secured in such manner that no one bond shall have preference over any other bond of said issues.

(2) The Net Revenues of the System have not been in any manner pledged or encumbered to the payment of any debt or obligation of the City or the System, save and except for the Previously Issued Bonds and the Bonds.

(3) To the extent that it legally may, the City will not grant any franchise or permit the acquisition, construction, or operation of any competing facilities which might be used as a substitute for the facilities of the System, and the City will prohibit any such competing facilities.

(4) The City will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the System.

## **SECTION 26**

**Remedy in Event of Default.** In addition to all rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (1) defaults in payments to be made to the Bond Fund or the Reserve Fund as required by this Ordinance or (2) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the Holder of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the City and its officers to observe and perform any covenant, condition or obligation prescribed in this Ordinance. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

## **SECTION 27**

**Special Obligations.** The Bonds are special obligations of the City payable from the pledged Net Revenues of the System and the holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

## **SECTION 28**

**Defeasance.** If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of the Net Revenues of the System under this Ordinance and all other obligations of the City to the Holders shall thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when:

(1) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or

(2) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting or consulting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof.

The City covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt

therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

The City reserves the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Obligations for the Government Obligations 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 Bonds shall no longer be regarded to be Outstanding or unpaid. Provided, however, the City has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City:

- (1) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption;
- (2) gives notice of the reservation of that right to the Holders of the Bonds immediately following the making of the firm banking and financial arrangements; and
- (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

## **SECTION 29**

### **Ordinance a Contract - Amendments.**

(a) This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 46 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance or any provision in the Pricing Certificate in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein.

In addition, the City may, with the consent of the Holders of Bonds Similarly Secured aggregating in principal amount 51% of the aggregate principal amount of then Outstanding Bonds Similarly Secured, from time to time, approve any amendment to this Ordinance or the Pricing Certificate which may be deemed necessary or desirable by the City, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions of this Ordinance, the Pricing Certificate, or in the Bonds or Bonds Similarly Secured so as to:

- (1) Make any change in the maturity of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the Outstanding Bonds;

- (3) Reduce the amount of the principal payable on the Outstanding Bonds;
- (4) Modify the terms of payment of principal of or interest on the Outstanding Bonds;
- (5) Affect the rights of the holders of less than all of the Bonds then Outstanding; or
- (6) Change the minimum percentage of the principal amount of Bonds Similarly Secured necessary for consent to such amendment.

(b) If at any time the City shall desire to amend this Ordinance under this Section, the City shall cause notice of the proposed amendment (i) to be published in a financial newspaper or journal of general circulation in the City of New York, New York, and in a newspaper of general circulation in the City of Dallas, Texas, once during each calendar week for at least two successive calendar weeks and (ii) sent by United States mail, first class postage prepaid, to the Holders of Bonds at the address appearing in the Security Register. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the paying agents for inspection by all holders of Bonds Similarly Secured.

(c) Whenever at any time the City shall receive an instrument or instruments executed by the Holders of at least 51 % in aggregate principal amount of all Bonds Similarly Secured then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the paying agents, the City Council may pass an amendatory ordinance in substantially the same form.

(d) Upon the passage of any amendatory ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be amended in accordance with such amendatory ordinance, and the respective rights, duties, and obligations under this Ordinance of the City and all the Holders of then Outstanding Bonds and all future Additional Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the Holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication of the notice provided for in this Section or the date of such consent, whichever is later, and shall be conclusive and binding upon all future Holders of the same bond during such period. After the applicable period of time a consent is irrevocable has expired, the Holder who gave consent, or a successor in title, may revoke such consent by filing notice thereof with the Paying Agent/Registrar and the City, but such revocation shall not be effective if the Holders of 51% in aggregate principal amount of the then Outstanding Bonds Similarly Secured have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section, the fact of the holding of bonds by any Holder and the amount and numbers of such Bonds and the date of their holding same, may be proved by the Security Register maintained by the Paying Agent/Registrar or by affidavit of the person claiming

to be such Holder, or by a certificate executed by any trust company, bank, banker, or any other depository wherever situated showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker, or other depository, the Bonds described in such certificate. The City may conclusively assume that such ownership continues until written notice to the contrary is served upon the City.

### **SECTION 30**

Mutilated – Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond; and with respect to a lost, destroyed, or stolen Bond, a replacement Bond may be issued only upon the approval of the City and after (i) the filing by the Holder with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss, or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, destroyed, lost, or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

### **SECTION 31**

#### Covenants to Maintain Tax-Exempt Status.

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

“*Closing Date*” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

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

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

“*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

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

“*Nonpurpose Investment*” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“*Rebate Amount*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Regulations*” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“*Yield*” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

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

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Bonds), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department, and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds), other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if:

(1) property acquired, constructed, or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes;

(2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement; or

(3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

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

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures, and investments thereof) on its books of account separately and apart from

all other funds (and receipts, expenditures, and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the Holders thereof for federal income tax purposes, the City shall pay to the United States from an appropriate fund, or if permitted by applicable Texas statute, regulation, or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals:

(A) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and

(B) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date.

In all cases, the rebate payments shall be made at the times, in the installments, to the place, and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section

because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Chief Financial Officer, City Treasurer, and City Secretary of the City, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as one or more of such persons deems necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption, or similar or other appropriate certificate, form, or document.

(k) Bonds Not Hedge Bonds. The City reasonably expects (1) to spend at least 85% of the spendable proceeds of the Bonds within three years after such Bonds are issued, and (2) not more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

### **SECTION 32**

Sale of Bonds – Official Statement. The Bonds may be sold to the Purchasers pursuant to a bond purchase agreement in the event of a negotiated sale, a letter agreement, or purchase letter in the event of a private placement, or the terms of a notice of sale and successful bid in the event of a competitive sale, as applicable (the “Purchase Contract”), the terms and provisions of which Purchase Contract shall be determined by the Pricing Officer in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City, as the act and deed of the City Council, and to make a determination as to whether the terms are in the City's best interests, which determination shall be final and incontestible.

With regard to the terms and provisions of said Purchase Contract, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

- (1) The terms, provisions and other details of the Bonds, including matters related to the offering and sale of the Bonds by the Purchaser;
- (2) Matters related to an Official Statement or similar disclosure document (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's agreement to provide information in accordance with the Rule (defined herein), if applicable;
- (3) A security or good faith deposit for the Bonds, if any;
- (4) Such other terms, conditions, representations and provisions as the Pricing Officer determines to be necessary and advisable.

The Mayor and City Secretary of the City are further authorized and directed to manually or electronically execute and deliver for and on behalf of the City copies of a Preliminary Official Statement and a final Official Statement, prepared in connection with the offering of the Bonds, and such Official Statement in the form and content approved and deemed final by the Pricing Officer shall be deemed to be approved by the City Council of the City and shall constitute the Official Statement authorized for distribution and use by the Purchasers.

### **SECTION 33**

**Control and Custody of Bonds.** The Mayor shall be and is hereby authorized to take and have charge of all necessary ordinances, resolutions, orders, and records, including the definitive Bonds and the Initial Bond(s), pending the investigation and approval of the Initial Bond(s) by the Attorney General of the State of Texas, and the registration of the Initial Bond(s) to the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, City Treasurer, and City Secretary of the City, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Bonds, including a certification as to facts, estimates, circumstances, and reasonable expectations pertaining to the use, expenditure, and investment of the proceeds of the Bonds, as may be necessary for the issuance of the Bonds, the approval of the Attorney General, the registration by the Comptroller of Public Accounts, and the delivery of the Bonds to the Purchasers and, together with the City's financial advisor, bond counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond(s) to the Purchasers and the initial exchange thereof for definitive Bonds.

### **SECTION 34**

**Proceeds of Sale.** Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance, amounts to pay municipal bond insurance premium, if any, any accrued interest received from the Purchasers of the Bonds and premium in the amount, if any, specified in the Pricing Certificate) shall be deposited in a construction fund to be maintained at a City depository. Pending expenditure for authorized projects and purposes, such proceeds of sale deposited to the construction fund may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including guaranteed investment contracts permitted in Texas Government Code, Section 2256.015, et seq, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Bond Fund as shall be determined by the City Council. Any excess bond proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Bond Fund. Accrued interest, if any, and premium in the amount specified in the Pricing Certificate received from the sale of the Bonds, if any, shall be deposited to the credit of the Bond Fund. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be (with respect to the accrued interest received from the Purchasers) deposited in the Bond Fund as shall be determined by the Pricing Officer.

### **SECTION 35**

**Notices to Holders-Waiver.** Wherever this Ordinance or the Pricing Certificate provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance or the Pricing Certificate provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

### **SECTION 36**

**Cancellation.** All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

### **SECTION 37**

**Bond Counsel Opinion.** The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Orrick, Herrington & Sutcliffe LLP, Austin, Texas, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the Bonds, or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Bonds.

### **SECTION 38**

**CUSIP Numbers.** CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor

attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

#### **SECTION 39**

Benefits of Ordinance. Nothing in this Ordinance or the Pricing Certificate, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof or the Pricing Certificate, this Ordinance and all of its provisions and the Pricing Certificate being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar, and the Holders.

#### **SECTION 40**

Inconsistent Provisions. All ordinances or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance or the Pricing Certificate, are hereby repealed to the extent of such conflict, and the provisions of this Ordinance and the Pricing Certificate shall be and remain controlling as to the matters contained herein and therein.

#### **SECTION 41**

Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

#### **SECTION 42**

Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

#### **SECTION 43**

Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

#### **SECTION 44**

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

## SECTION 45

Incorporation of Findings and Determinations. The findings and determinations of the City Council of the City contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

## SECTION 46

Continuing Disclosure Undertaking. The Pricing Officer is hereby authorized to determine whether a continuing disclosure undertaking is required in connection with the issuance of the Bonds. To the extent it is determined that an undertaking under the Rule is required, this Section 46 shall apply.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports. The City shall provide annually to the MSRB:

(1) within six months after the end of each fiscal year of the City beginning in the year stated in the Pricing Certificate, financial information and operating data with respect to the City of the general type included in the final Official Statement approved by the Pricing Officer and described in the Pricing Certificate, and

(2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be:

(A) prepared in accordance with the accounting principles described in the Pricing Certificate, 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

(B) audited, if the City commissions an audit of such 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 twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the 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 of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a 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 a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes (i) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the 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 and (ii) the City intends the words used in the immediately preceding paragraphs (15) and (16) in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

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

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City

in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

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

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

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

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

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if:

(1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and

(2) either:

(A) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or

(B) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds.

The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) hereof an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

#### **SECTION 47**

**Municipal Bond Insurance.** The Bonds may be sold with payment of all or any portion of the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

#### **SECTION 48**

**Further Procedures.** Any one or more of the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Chief Financial Officer, City Treasurer, and City Secretary, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Chief Financial Officer, City Treasurer, City Secretary, or Bond Counsel to the City are each hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance, including the Pricing Certificate:

- (1) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or
- (2) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Ordinance, which determination shall be final.

In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be

valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

#### **SECTION 49**

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

#### **SECTION 50**

Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028.

*[remainder of page left blank intentionally]*

**DULY PASSED AND APPROVED** by the City Council of the City of Carrollton, Texas, this 16th day of April, 2024.

CITY OF CARROLLTON, TEXAS

---

Steve Babick, Mayor

ATTEST:

---

Chloe Sawatzky, City Secretary

(City Seal)

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

---

Meredith A. Ladd, City Attorney

---

Diana K. Vaughn, CFO

*[signature page to Bond Ordinance]*

EXHIBIT A  
FORM OF BOND

(a) Form of Definitive Bond.

REGISTERED  
NO. R-\_\_\_\_\_

PRINCIPAL AMOUNT  
\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF CARROLLTON  
WATERWORKS AND SEWER SYSTEM REVENUE BOND, SERIES 2024

Bond Date: \_\_\_\_\_ Interest Rate: \_\_\_\_\_% Stated Maturity: \_\_\_\_\_ CUSIP No.: \_\_\_\_\_ Delivery Date: \_\_\_\_\_

Registered Owner:

Principal Amount:

DOLLARS

The City of Carrollton (hereinafter referred to as the “City”), a body corporate and political subdivision in the Counties of Dallas, Denton, and Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above, the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the “Registration Date” of this Bond appearing below (unless this Bond bears a Registration Date as of an Interest Payment Date (as hereinafter defined), in which case it shall bear interest from such date, or unless the Registration Date of this Bond is prior to the initial Interest Payment Date, in which case it shall bear interest from the Delivery Date specified above) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on May 1 and November 1 in each year, commencing \_\_\_\_\_ (each an “Interest Payment Date”), until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the \_\_\_\_\_ day of the month next preceding each Interest Payment Date, and interest shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a

legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$[\_\_\_\_\_] (herein referred to as the “Bonds”) for the purpose of providing funds for costs of acquiring, purchasing, constructing, improving, renovating, enlarging, and equipping the City’s combined Waterworks and Sewer System and to pay the costs and expenses of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1371 and 1502, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the “Ordinance”).

[The Bonds maturing on the dates hereinafter identified (the “Term Bonds”) are subject to mandatory redemption prior to maturity with funds on deposit in the Bond Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

<u>Term Bonds due</u> <u>Redemption Date</u>	<u>Principal Amount</u>	<u>Term Bonds due</u> <u>Redemption Date</u>	<u>Principal Amount</u>
*		*	

\* Stated Maturity.

The particular Term Bonds of a Stated Maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Bonds of like Stated Maturity which, at least fifty (50) days prior to a mandatory redemption date,

- (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or
- (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

The Bonds maturing on and after \_\_\_\_\_, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on \_\_\_\_\_, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States mail, first class postage prepaid, to the registered owners of each Bond to be redeemed, in whole or in part, at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest 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. Any notice given as provided above shall be conclusively presumed to have been duly given, whether or not the bondholder receives such notice.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Ordinance, if any, have been met and moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are special obligations of the City, and, together with the outstanding Previously Issued Bonds (identified and defined in the Ordinance), are payable solely from and equally and ratably secured by a first lien on and pledge of the Net Revenues (as defined in the Ordinance) of the City's combined Waterworks and Sewer System (hereinafter referred to as the "System"). The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City or the System, except with respect to the Net Revenues. The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Subject to satisfying the terms and conditions prescribed therefor, the City has reserved the right to issue additional revenue obligations payable from and equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System, in the same manner and to the same extent as the Bonds.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the properties constituting the System; the Net Revenues pledged to the payment of the principal of and interest on the Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of additional revenue obligations; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Bond on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the

State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of the Net Revenues of the System as aforesated. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City.

CITY OF CARROLLTON, TEXAS

COUNTERSIGNED:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Secretary

(SEAL)

(b) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER  
OF PUBLIC ACCOUNTS

(  
(  
(  
(

REGISTER NO. \_\_\_\_\_

THE STATE OF TEXAS

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

WITNESS my signature and seal of office this \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

The designated office of the Paying Agent/Registrar in \_\_\_\_\_ is the Designated Payment/Transfer Office for this Bond.

\_\_\_\_\_  
as Paying Agent/Registrar

Registration Date:

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signature

(d) Form of Assignment.

ASSIGNMENT

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

\_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_  
\_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_

\_\_\_\_\_

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

DATED: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_

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

(e) The Initial Bond(s) shall be in the form set forth in (a), (b) and (d) above, except a single Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

NO. T-1 \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF CARROLLTON  
WATERWORKS AND SEWER SYSTEM REVENUE BOND, SERIES 2024

Bond Date: \_\_\_\_\_

Registered Owner:

Principal Amount: DOLLARS

The City of Carrollton (hereinafter referred to as the "City"), a body corporate and political subdivision in the Counties of Dallas, Denton, and Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on \_\_\_\_\_ in the years and in principal installments in accordance with the following schedule:

<u>Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
----------------------------	----------------------------------	------------------------------

(Information to be inserted from Pricing Certificate).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the \_\_\_\_\_ at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on May 1 and November 1 in each year, commencing \_\_\_\_\_ (each, an

“Interest Payment Date”), until maturity or prior redemption. Principal installments of this Bond are payable in the year of maturity or on a redemption date to the registered owner hereof by \_\_\_\_\_ (the “Paying Agent/Registrar”), upon presentation and surrender, at its designated offices in \_\_\_\_\_ (the “Designated Payment/Transfer Office”). Interest is payable to the registered owner of this Bond whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date,” which is the \_\_\_\_\_ day of the month next preceding each Interest Payment Date, and interest shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

EXHIBIT B  
FORM OF PAYING AGENT/REGISTRAR AGREEMENT

**PAYING AGENT/REGISTRAR AGREEMENT**

THIS AGREEMENT is entered into as of \_\_\_\_\_, 2024 (this “Agreement”), by and between \_\_\_\_\_, a banking association duly organized and existing under the laws of the United States of America, or its successors (the “Bank”) and the City of Carrollton, Texas (the “Issuer”).

**RECITALS**

**WHEREAS**, the Issuer has duly authorized and provided for the issuance of its “City of Carrollton, Texas Waterworks and Sewer System Revenue Bonds, Series 2024” (the “Securities”), dated \_\_\_\_\_, 2024, such Securities scheduled to be delivered to the initial purchasers thereof on or about \_\_\_\_\_, 2024; and

**WHEREAS**, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

**WHEREAS**, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

**NOW, THEREFORE**, it is mutually agreed as follows:

**ARTICLE 1.**

**APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR**

**Section 1.01 Appointment.** The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the “Authorizing Document” (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment and agrees to serve as the Paying Agent and Registrar for the Securities.

**Section 1.02 Compensation.** As compensation for the Bank’s services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

## **ARTICLE 1. DEFINITIONS**

**Section 2.01 Definitions.** For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“*Acceleration Date*” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“*Authorizing Document*” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“*Bank Office*” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“*Holder*” and “*Security Holder*” each means the Person in whose name a Security is registered in the Security Register.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“*Predecessor Securities*” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“*Redemption Date*”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“*Responsible Officer*”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above

designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“*Security Register*” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“*Stated Maturity*” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

**Section 2.02 Other Definitions.** The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement. The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

**ARTICLE 3.  
PAYING AGENT**

**Section 3.01 Duties of Paying Agent.** As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished by:

(a) the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or

(b) such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

**Section 3.02 Payment Dates.** The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

## **ARTICLE 4. REGISTRAR**

**Section 4.01 Security Register - Transfers and Exchanges.** The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

**Section 4.02 Securities.** The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

**Section 4.03 Form of Security Register.** The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank’s general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

**Section 4.04 List of Security Holders.** The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security

Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

**Section 4.05 Return of Cancelled Securities.** The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

**Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities.** The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after:

(a) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof, and

(b) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless.

All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

**Section 4.07 Transaction Information to Issuer.** The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

**ARTICLE 5.  
THE BANK**

**Section 5.01 Duties of Bank.** The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

**Section 5.02 Reliance on Documents, Etc.**

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

**Section 5.03 Recitals of Issuer.** The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

**Section 5.04 May Hold Securities.** The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

**Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization.** A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

**Section 5.06 Indemnification.** To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

**Section 5.07 Interpleader.** The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either

a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

**Section 5.08 DTC Services.** It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

## **ARTICLE 5. MISCELLANEOUS PROVISIONS**

**Section 6.01 Amendment.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02 Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other.

**Section 6.03 Notices.** Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

**Section 6.04 Effect of Headings.** The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

**Section 6.05 Successors and Assigns.** All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

**Section 6.06 Severability.** In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 6.07 Merger, Conversion, Consolidation, or Succession.** Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

**Section 6.08 Benefits of Agreement.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

**Section 6.09 Entire Agreement.** This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

**Section 6.10 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

**Section 6.11 Termination.** This Agreement will terminate (1) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (2) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

**Section 6.12 Statutory Verifications.** The Bank makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Bank within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) **Not a Sanctioned Company.** The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on

a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

**Section 6.13 Abortion Prohibition.** Texas Government Code Section 2273.003 prohibits certain transactions between a governmental entity and an abortion provider or affiliate of the provider. The Bank represents and warrants to the Issuer that it is not an abortion provider or affiliate of the provider.

**Section 6.14. Exemption From Section 2252.908, Texas Government Code.** The Bank hereby warrants and represents to the Issuer that it is a publicly traded business entity or a wholly owned subsidiary of such a business entity.

**Section 6.15 Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

*[The remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

CITY OF CARROLLTON, TEXAS

By: \_\_\_\_\_  
Pricing Officer

Address: 1945 E. Jackson Road  
Carrollton, Texas 75006



**Agenda Memo**  
**File Number: 6657**

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Ordinance

**Agenda Number:** \*19.

**CC MEETING: April 16, 2024**

**DATE:** April 10, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Melissa Everett, Finance Dire  
Chrystal Davis, Assistant City Manager

Consider An **Ordinance Amending The Operating Budgets And Capital Budgets For Fiscal Year October 1, 2023, Through September 30, 2024.**

**BACKGROUND:**

The City of Carrollton approved its annual Operating and Capital Budgets on September 12, 2023. Each was adopted independently of each other and requires council approval to make changes to the planned expenditures.

The North Texas Emergency Communication Center (NTECC) has received notification that it is receiving a one-time disbursement for its four customer cities for the amount of \$1,196,469; the City of Carrollton’s portion of the disbursement is \$691,820. The City of Carrollton is acting as a pass-through entity for these funds since the use of the funds is specifically identified for next-generation (NG) 911 systems. NTECC will use these funds to replace its NG-911 system. The General Fund Operating Budget will increase its expected revenue and expense budget by \$691,820.

The City’s General Fleet Replacement Fund provides for the replacement of currently owned vehicles and the upfit associated with those vehicles prior to placing them in service for customer departments. For Fiscal Year 2024, the city plans to purchase approximately 50 items in total which include Police Tahoe’s, Parks and Public Work Trucks, an Ambulance, and Animal Service Trucks. Over the past few years, the costs to purchase vehicles along with the cost to upfit vehicles with the necessary equipment have also increased tremendously. In 2023, the city transferred one (1) million dollars to the Fleet Replacement fund to provide for the increased cost. This Budget Amendment will utilize its current fund balance to increase the General Fleet Replacement expenditure budget by \$616,185 to allow for continued purchases and upfitting for identified equipment.

**FINANCIAL IMPLICATIONS:**

This budget amendment will make the following amendment:

- In the General Fund, increase the recurring sources of funds by \$691,820.
- In the General Fund, increase the recurring uses of funds by \$691,820.
- In the General Fleet Replacement Budget, increase the recurring uses of funds by \$616,185.
- In the General Fleet Replacement Budget, decrease the available fund balance by \$616,185.

**IMPACT ON COMMUNITY SUSTAINABILITY:**

This amendment will help maintain the City’s financial policies in the General Fund and the Fleet Replacement Fund. It allows for appropriate funding for the upgrade of the NG-911 System and for the purchase of department vehicle replacements.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends adopting the attached Ordinance amending the City’s Approved Annual Capital Budget and Operating Budget.

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, AMENDING THE OPERATING AND CAPITAL BUDGETS FOR THE CITY OF CARROLLTON, TEXAS FOR THE FISCAL YEAR OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024, FOR THE PURPOSE OF PROVIDING APPROPRIATIONS IN THE CAPITAL BUDGETS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Carrollton, Texas (“City”) is a Home Rule municipality possessing the full power of local self-government pursuant to Article 11, Section 5 of the Texas Constitution, Section 51.072 of Texas Local Government Code and its Home Rule Charter; and

**WHEREAS**, the City Council of the City (“City Council”) passed and approved Ordinance Number 4163 dated September 12, 2023, adopting and approving an Operating and Capital budgets for the City authorizing appropriations for the fiscal year October 1, 2023 through September 30, 2024 (“Operating and Capital Budgets”); and

**WHEREAS**, the City Council passed and approved Ordinance Number 4173 dated November 21, 2023, adopting and approving an amendment to the Operating and Capital Budgets; and

**WHEREAS**, the City Council passed and approved Ordinance Number 4184 dated January 23, 2024, adopting and approving an amendment to the Operating and Capital Budgets; and

**WHEREAS**, state law authorizes a municipality to make changes in the municipal Operating and Capital budget due to unforeseen conditions and for municipal purposes; and

**WHEREAS**, the City Council finds that the proposed changes in the Operating and Capital Budgets are for municipal purposes and in the best interest of the citizens of the City of Carrollton;

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

**SECTION 1**

The above and foregoing premises are found to be true and correct and are incorporated herein and made a part hereof for all purposes.

**SECTION 2**

The City Council hereby adopts and approves an amendment to the Operating and Capital Budget for the City for the fiscal year beginning October 1, 2023, through September 30, 2024, making the following changes.

- 1) In the General Fund, increase the recurring sources of funds by \$691,820.
- 2) In the General Fund, increase the recurring uses of funds by \$691,820
- 3) In the General Fleet Replacement Budget, decrease the available fund balance by \$616,185.

4) In the General Fleet Replacement Fund, increase the recurring uses of funds by \$616,185

**SECTION 3**

This Ordinance shall become effective on and after its adoption.

**DULY PASSED AND APPROVED** by the City Council of the City of Carrollton, Texas, this 16<sup>th</sup> day of April 2024.

**CITY OF CARROLLTON, TEXAS**

**By:**

\_\_\_\_\_  
Steve Babick, Mayor

**ATTEST:**

\_\_\_\_\_  
Chloe Sawatzky, City Secretary

**APPROVED AS TO FORM**

\_\_\_\_\_  
Meredith Ladd, City Attorney

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Melissa Everett, Finance Director



**Agenda Memo**  
**File Number: 6643**

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*20.

**CC MEETING: April 16, 2024**

**DATE:** April 2, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Josh Giles, Development Program Manager  
Ravi Shah, Director of Development Services  
Marc Guy, Assistant City Manager

**Consider A Resolution Authorizing The City Manager To Negotiate And Execute An Economic Development Incentive Agreement With Prescott Interests LTD For The Renovation Of 1014 South Broadway, Suite 100, In An Amount Not To Exceed \$43,060.00.**

**BACKGROUND:**

The owner of 1014 South Broadway has requested a grant for the renovation of Suite 100, which faces South Broadway in Historical Downtown Carrollton.

The total construction cost has been estimated by the project architect to be approximately \$164,200.00. The plans include finishing out the space for a restaurant use (Lemma Coffee), which will require the addition of a kitchen and grease trap. The new restaurant will include a patio space facing South Broadway.

At its April 1, 2024, meeting the City Council TOD Committee unanimously agreed that the proposed plans meet the requirements of the Retail Re-Development and Rehabilitation Grant Program in Downtown Carrollton. The Committee recommended a grant not to exceed \$43,060.00, which is based on 100% of the grease trap cost (\$38,000), 25% of the upgraded neon signage cost (\$12,000) and 10% of the mechanical, electrical and plumbing costs (\$20,600). This is approximately twenty-six percent (26%) of the estimated construction cost submitted by the architect.

The applicant must complete the work within one year of the date of resolution approval. The grant is performance-based and receipt-reimbursable. The applicant is required to add a black awning over the north window to match the existing awnings on the building and add outdoor seating patio improvements.

The property is located within a Neighborhood Empowerment Zone. Therefore, building permit and inspection fees for the improvements and other contractor registration and licensing fees are automatically waived as part of the incentive package.

**FINANCIAL IMPLICATIONS:**

By recommendation of the TOD Committee, the property owner is eligible for a grant not to exceed \$43,060.00. In accordance with the Retail Re-Development and Rehabilitation Grant Program, the grant is receipt-reimbursement based. Funding is available in the Program account.

**IMPACT ON COMMUNITY SUSTAINABILITY:**

The proposed renovation and upgrades to this property will enhance the economic viability of the Historical Downtown area.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends City Council approval of a resolution authorizing the City Manager to negotiate and execute an economic development incentive agreement with Prescott Interests LTD for the renovation of 1014 South Broadway, Suite 100, in an amount not to exceed \$43,060.00.



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE CITY AND PRESCOTT INTERESTS LTD, ESTABLISHING A PROGRAM OF GRANTS IN AMOUNTS NOT TO EXCEED \$43,060.00 FOR 1014 SOUTH BROADWAY STREET SUITE 100 TO PROMOTE LOCAL ECONOMIC DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY WITHIN THE CITY; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Carrollton, Texas (“City Council”), has authority to reduce blight in order to protect the health, safety, and welfare of the residents of the City of Carrollton, Texas (“City”); and

**WHEREAS**, the City Council has taken steps towards to promote and encourage tourism and commerce in the City’s Transit Oriented District; and

**WHEREAS**, the City has created a revitalized Downtown Carrollton with its renovation and new programing; and

**WHEREAS**, 1014 South Broadway Street Suite 100 (“Property”) is located in Downtown Carrollton; and

**WHEREAS**, the City Council has been presented a grant request by Prescott Interests LTD (the “Owner”) to establish a program of grants in an amount not to exceed \$43,060.00 for the renovation of the Property, as further described in Exhibit “A”, in order to promote local economic development and stimulate business and commercial activity within the City in accordance with the City’s Retail Re-Development and Rehabilitation Grant Program (a Chapter 380 Economic Development Program); and

**WHEREAS**, upon full review and consideration of the terms of the request, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager shall be authorized to negotiate and execute an agreement with Owner on behalf of the City of Carrollton;

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

**SECTION 1.**

All of the above premises are found to be true and correct legislative and factual findings of the City Council, and they are hereby approved, ratified and incorporated into the body of this Resolution as if copied in their entirety.

**SECTION 2.**

The requested terms and conditions of a proposed economic development agreement with Prescott Interests LTD, having been reviewed by the City Council, and found to be acceptable and in the best interests of the City and its citizens, are hereby in all things approved.

**SECTION 3.**

The City Manager is hereby authorized to negotiate and execute an economic development agreement, and all other documents in connection therewith, on behalf of the City of Carrollton, substantially according to the terms and conditions set forth in this Resolution, but not to exceed \$43,060.00.

**SECTION 4.**

This Resolution shall take effect upon passage.

**DULY PASSED AND APPROVED** by the City Council of the City of Carrollton, Texas this 16<sup>th</sup> day of April 2024.

ATTEST:

CITY OF CARROLLTON, TEXAS

\_\_\_\_\_  
Chloe Sawatzky, City Secretary

\_\_\_\_\_  
Steve Babick, Mayor

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

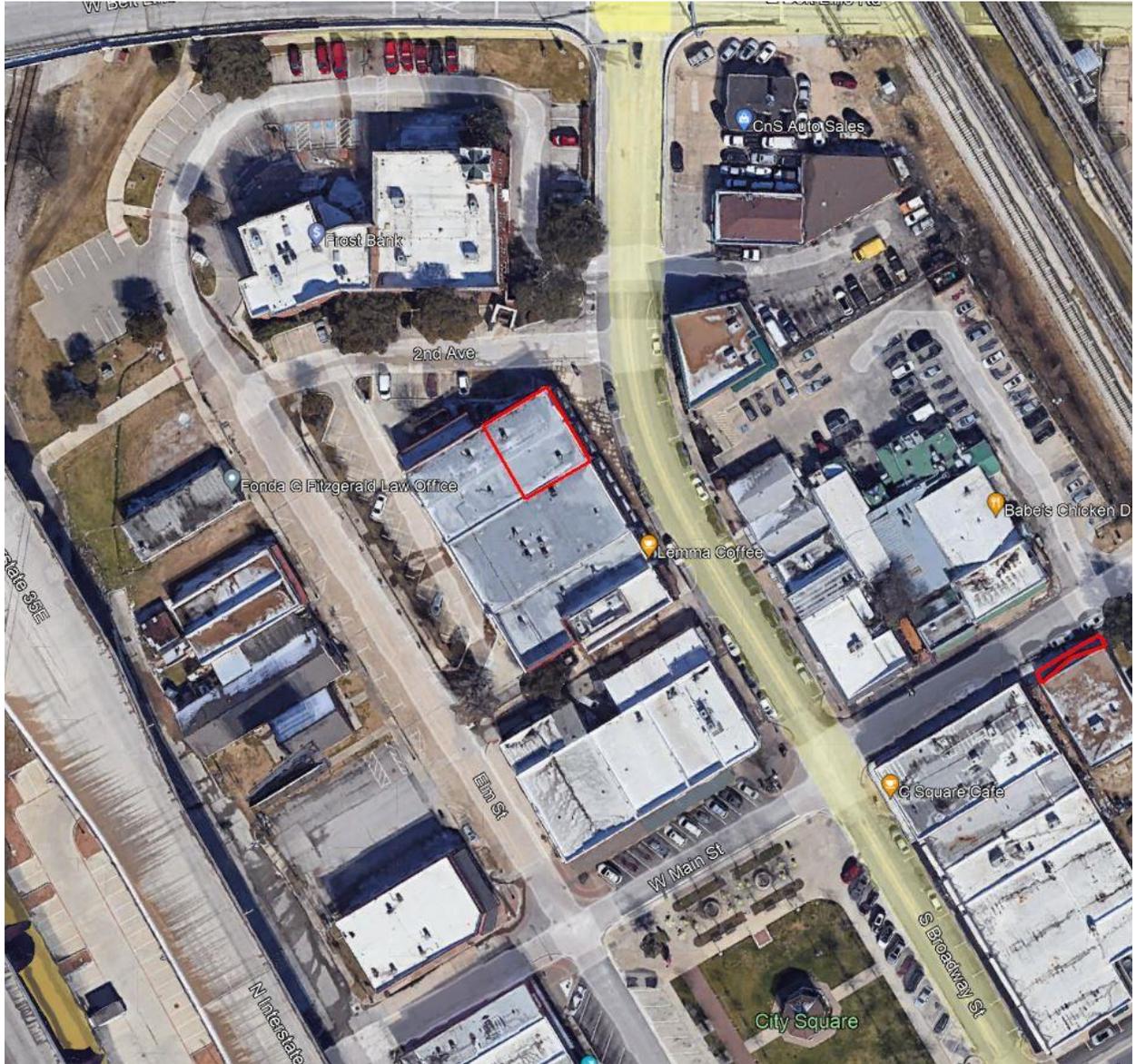
\_\_\_\_\_  
Meredith A. Ladd  
City Attorney

\_\_\_\_\_  
Josh Giles  
Development Program Manager

\_\_\_\_\_  
Ravi Shah  
Director of Development Services

# Exhibit A

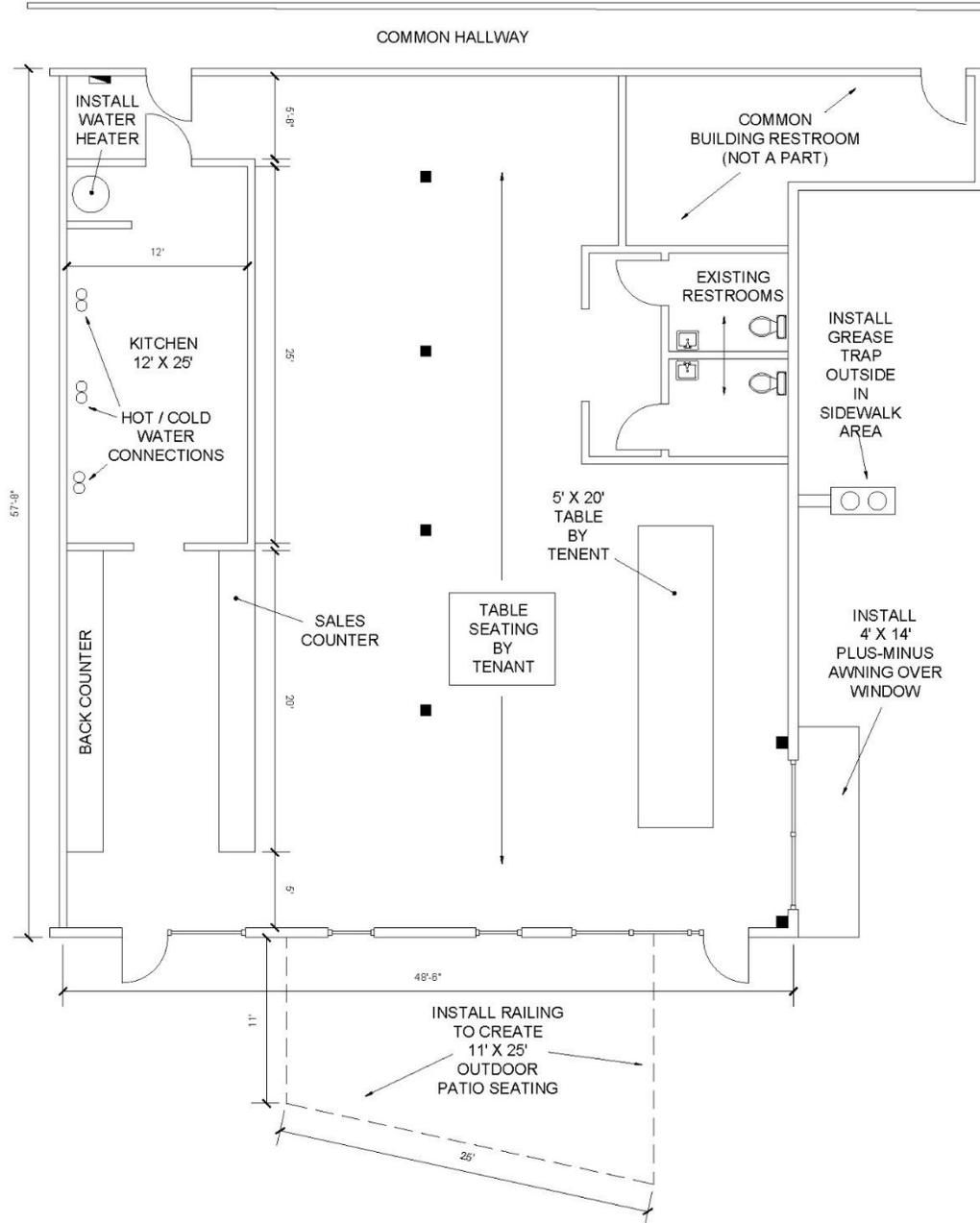
## Location Map



## Elevations



# Floor Plan



TITLE:  
**LEMMA COFFEE FLOOR PLAN**

DATE: 02/27/2024

REVISION: 1

PROJECT:  
**REMODEL PLAN FOR:  
LEMMA COFFEE  
1014 SO. BROADWAY  
CARROLLTON, TEXAS**

Chuck Lobb - Space Planning & Design  
4445 Alpha Road, Building 1 - Suite 109  
Dallas, Texas 75244

As-Builts (972) 233-3333 Office  
Tenant Finish-Out (972) 233-1501 Fax  
Site Plans chuck.lobb@verizon.net



**Agenda Memo**  
**File Number: 6646**

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*21.

**CC MEETING: April 16, 2024**

**DATE:** April 3, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Ravi Shah, Director of Development Services  
Marc Guy, Assistant City Manager

Consider A **Resolution Adopting The Tree Removal And Replacement Program Policy.**

**BACKGROUND:**

On March 7, 2023, staff introduced to the City Council Re-Development Committee a framework to create a program to remove and replace trees that had been excessively trimmed near powerlines within the rights-of-way of the City’s major roadway corridors. On April 4, 2023, this program was presented to the City Council. On December 5, 2023, the Re-Development Committee was briefed on a pilot program proposal.

On April 2, 2024, a modification to the program was presented to the Re-Development Committee to include trees on private property in strategic locations that have likewise been excessively trimmed.

Oncor recently pruned several trees on private property in the Carroll Crest development, which is currently under construction, on Crosby Road. The trees were on private property but the canopies extended into the public right-of-way and were under the overhead powerlines. Staff has identified other areas in the City with similar conditions and is recommending an amendment to the program that will allow the City to work with property owners that would be affected by future pruning actions on trees that are under overhead powerlines but are located on private property. The trees would be evaluated based on the same rating system established in the original tree removal and replacement program. Staff’s proposal is to provide grant assistance to the property owner to remove and replace affected trees. Staff has developed grant criteria that complies with State law regarding economic development grants.

The Re-Development Committee was supportive of the program modifications. A draft resolution and policy is presented for consideration by City Council.

**FINANCIAL IMPLICATIONS:**

There will be some financial implications to the City as tree removal and replacement grants are approved and property owners are reimbursed within the guidelines of the policy. Funding is available from the Tree Reforestation Fund.

**IMPACT ON COMMUNITY SUSTAINABILITY:**

The tree removal and replacement program is intended to have a positive impact on community sustainability by beautifying the City's major roadway corridors and removing blight.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends City Council approval of a resolution amending the policy guidelines of the Tree Removal and Replacement Program.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, ADOPTING A TREE REMOVAL AND REPLACEMENT PROGRAM PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Chapter 380 of the Texas Local Government Code provides for implementation of an Economic Development Program intended to develop and expand the local economy by promoting and encouraging development and redevelopment projects that enhance a city's economic base and that may also diversify and expand job opportunities; and

**WHEREAS**, the City of Carrollton ("City") may, pursuant to Chapter 380, provide incentives, including grants intended to stimulate business and commercial activity; and

**WHEREAS**, Texas Local Government Code Chapter 380 allows the City to provide incentives consisting of loans and grants of City funds, use of City personnel, facilities, and services with or without charge, for the promotion of economic development; and

**WHEREAS**, neither the Texas Local Government Code, Chapter 380, nor the Texas Constitution, Article III, Section 52-a, specify the type, kind or extent of incentives that may be provided by a city for the promotion of economic development; and

**WHEREAS**, it is well established that the reduction of visual blight and deterioration in commercial and retail areas encourages the relocation of businesses and attracts new business enterprises, as well as the expansion of existing business enterprises within the City, which in turn stimulates growth, creates jobs and increases property and sales tax revenues; and

**WHEREAS**, the well-being and economic growth of the Carrollton community benefits all its citizens; and

**WHEREAS**, establishing a policy for the Tree Removal & Replacement Program for replacement of existing blighted trees in close proximity to commercial properties, entryways into the City's retail and commercial districts, Historical Downtown or Transit Center districts will attract and encourage business relocation and expansion;

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

**SECTION 1**

All of the above premises are found to be true and correct legislative and factual findings of the City Council, and they are hereby approved, ratified, and incorporated into the body of this Resolution as if copied in their entirety.

**SECTION 2**

The City Council hereby approves the Chapter 380 Economic Development Program Tree Removal & Replacement Policy which will provide up to a maximum of one hundred percent (100%) grant for the replacement of trees under or adjacent to power lines in authorized locations, as further specified in the Policy, attached hereto as Exhibit A and incorporated by reference for all purposes herein.

**SECTION 3**

The City Manager is authorized to take those steps reasonable and necessary to comply with the intent of this Resolution.

**SECTION 4**

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

**DULY PASSED AND APPROVED** by the City Council of the City of Carrollton, Texas this 16th day of April, 2024

**CITY OF CARROLLTON**

\_\_\_\_\_  
Steve Babick, Mayor

**ATTEST:**

\_\_\_\_\_  
Chloe Sawatzky, City Secretary

**APPROVED AS TO FORM:**

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Meredith A. Ladd, City Attorney

\_\_\_\_\_  
Ravi Shah, Director of Development Services

## **TREE REMOVAL & REPLACEMENT POLICY**

### **Overview**

The City of Carrollton is dedicated to achieving the highest quality of development, infrastructure, and quality of life for its citizens. These objectives are met, in part, by the enhancement and expansion of the City's economy. Due to the competitive nature of economic development at the local, state, and national levels, additional inducements are often needed in order to attract businesses and capital investment to the community.

A property owner with blighted trees that have been excessively trimmed by a utility provider, or its contractor, under power lines that are within close proximity to collector or arterial thoroughfare, commercial properties, or entryways into the City's retail and commercial district, Historical Downtown, or Transit Center districts, may apply for a matching grant of up to one hundred percent (100%) of the allowable costs of the tree removal and replacement. This tree removal and replacement policy ("Policy") sets forth the procedures necessary to implement a program to remove and replace trees with those that meet the standards established by Article XXV of the Comprehensive Zoning Ordinance as it relates to size and species, which will create more aesthetic corridors.

### **Eligibility Criteria**

The proposed tree removal and replacement project must meet the following criteria:

- The property owner must have in place existing legal or legal, non-conforming trees on private property; and
- Such trees have been disfigured by excessive trimming by a utility provider, or its contractor, due to proximity to power lines; and
- The trees must be visible from the public right-of-way; and
- The trees are within close proximity to collector or arterial thoroughfare, commercial properties, or entryways into the City's retail and commercial district or Historical Downtown or Transit Center districts.

### **Policy Guidelines**

1. This Policy provides for reimbursement of up to one hundred percent (100%) of the costs of removal and replacement of disfigured trees on a caliper-inch per caliper-inch basis where there is space available in Rights-of-Way or in public areas or shared spaces within the development.
2. Tree replacement costs that exceed the approved grant award will not be eligible for reimbursement. A property owner may pay for any upgrade to the minimum standards and may only be eligible for reimbursement of the approved grant in accordance with the terms of this Policy.

3. A property owner may apply for reimbursement under this Policy by submitting the City's application and at least two (2) quotes for tree removal and replacement. The City reserves the right to require additional quotes for tree removal and replacement work. Work must be done by a licensed, bonded contractor and all necessary permits must be obtained prior to work being performed in order to receive reimbursement.
4. Grant funds may be awarded for the costs related to removal of damaged, blighted trees meeting the requirements of this Policy. In addition, grant funds may be awarded for replacement trees, based on the per caliper inch equivalent of the trees removed. Expenses relative to trees that exceed the per caliper inch loss are not eligible for grant funds.
5. If the grant application is approved by Council, the property owner shall enter into a contract with the City establishing the terms and conditions of the project, and the timeline for completion. The contract will require the applicant to provide for ongoing maintenance of replacement trees in accordance with the requirements of Article XXV of the City Comprehensive Zoning Ordinance, as amended, during the useful life of the replacement landscaping.
6. The property owner's selected contractor shall comply with all City ordinances.
7. Upon completion of the project, the property owner shall submit copies of receipts for the work performed to the City requesting reimbursement, in accordance with the terms of the contract and this Policy. City staff shall have the right to inspect the project for compliance upon submission of the documentation.

### **Grant Consideration Procedure**

1. The incentives provided under this Policy are in the form of a receipt reimbursement and are granted utilizing Chapter 380 of the Texas Local Government Code. The City Council will review each grant request on a case-by-case basis and determine the amount which may be reimbursed.
2. The City Council may approve a reimbursable grant up to one hundred percent (100%) of the cost of tree removal and replacement in accordance with the Policy Guidelines. City Council will establish a not-to-exceed project participation amount based upon bids submitted by the property owner.
3. All applications for a grant under this Policy will be submitted to the Re-Development Committee for consideration prior to City Council approval. The Policy will be evaluated as needed to ensure it is meeting the objectives set forth herein. Modifications to the administration of the Policy may be made by the City Manager if necessary; provided, however, that all grants may only be approved by City Council.



## Agenda Memo File Number: 6659

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*22.

**CC MEETING:** April 16, 2024

**DATE:** April 9, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Roberto Arredondo, Chief of Police  
Marc Guy, Assistant City Manager

Consider A **Resolution Authorizing The City Manager To Execute An Agreement Between The City Of Carrollton And The City Of Dallas, As Fiscal Agent, And Various Other Texas Cities Providing For The FY 2022-23 Byrne Justice Assistance Grant Program Award Agreement.**

### **BACKGROUND:**

The Edward Byrne Memorial Justice Assistance Grant Program (JAG) allows states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. As of 2005, JAG combines two granting resources, the Byrne Formula and Local Law Enforcement Block Grant (LLEBG) programs, with a single funding mechanism that simplifies the administration process for grantees.

The procedure for allocating JAG funds is a formula based on population and crime statistics in combination with a minimum allocation to ensure that each state and territory receives an appropriate share. Traditionally, under the Byrne Formula and LLEBG Programs, funds were distributed 60/40 between state and local recipients. This distribution will continue under JAG.

The City of Carrollton is considered a Dallas County city for the purposes of administrative governance. With regard to Justice Assistance Grant (JAG) fund distributions, Dallas County is designated to receive 30 percent of the funding allocated to cities certified as falling into a “disparate funding allocation” category. Carrollton has again been certified as falling into this category, and as such must share allocated funding with Dallas County. Certification by the Attorney General’s Office, using the “disparate funding allocation”, model is based upon the fact that a city receives a higher funding allocation than the county, while the county incurs more than 50% of the costs for prosecution and incarceration of UCR Part I crimes against persons.

The allocation process for the 2022 JAG calls for only one of the entities in the shared funding agreement to act as the fiscal agent for all. As a result, the City of Dallas will again be acting as the fiscal agent and will charge a seven percent (7%) administration fee. The allocation process will require two separate agreements with accompanying resolutions for fund sharing, one with Dallas County, and the second with the City of Dallas.

Each year the Carrollton Police Department has decided to use the JAG-allocated funding on equipment, software or supplies that further the criminal justice programs in the City. Under the 2022 program, CPD intends to use this allocation to purchase components for pole-mounted license plate reader cameras to facilitate the deployment of two new cameras in the City. Through a review of these products, it was determined that buying the components of the cameras is more cost effective than buying the entire camera from vendors. Through this method, two cameras will be deployed through the JAG grant, assisting in preventing potential crime by facilitating officers strategically and in tandem with other crime reduction strategies.

Staff has prepared a resolution to authorize the City Manager to enter into an agreement between the City of Carrollton, the City of Dallas, as fiscal agent, and Dallas County to make an application for the Byrne Justice Assistance Grant for the year 2022.

**FINANCIAL IMPLICATIONS:**

The action to approve a resolution authorizing an agreement for shared funding does not in itself create any financial obligations for the City of Carrollton. With approval of the resolution, the City can proceed with an application for the JAG funds allocated to the City.

If the City accepts the JAG grant funding, the City will not be required to provide any matching funds. There will be no negative financial impact to the General Fund budget of the City.

The following chart depicts the amount of funds allocated to the City of Carrollton, the required amount of matching funds from the City of Carrollton, the funds that will be shared with Dallas County and the City of Dallas administration fee.

**2022**

JAG Funds Allocated to the City	\$ 12,515.00
Less - Dallas County Allocation (30%)	\$ 3,754.50
Less - City of Dallas Administrative Fee (7%)	\$ 613.24
<b><u>City of Carrollton Matching Funds</u></b>	<b><u>\$ 0.00</u></b>
<b>Final Carrollton JAG Allocation</b>	<b>\$ 8,147.26</b>

**IMPACT ON COMMUNITY SUSTAINABILITY:**

The impact of this project seeks to sustain the community's quality of life through the improvement of public and officer safety.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends that City Council approve a resolution and authorize the City Manager to enter into an agreement with the City of Dallas, as fiscal agent, and Dallas County for the FY 2022-23 Byrne Justice Assistance Grant.

RESOLUTION NO: \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF CARROLLTON, TEXAS, VARIOUS CITIES INCLUDING THE CITY OF DALLAS, TEXAS, AS FISCAL AGENT, AND THE COUNTY OF DALLAS, TEXAS PROVIDING FOR THE 2022 BYRNE JUSTICE ASSISTANCE GRANT PROGRAM AWARD, AND TO TAKE ALL ACTION NECESSARY TO ACCOMPLISH THE INTENT AND PURPOSES OF THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, THAT:

Section 1

The City Manager, or her designee, is hereby authorized to execute the Agreement between the City of Carrollton, various Texas cities, including the City of Dallas as fiscal agent, and the County of Dallas regarding the 2022 Byrne Justice Assistance Grant Program Award, and to take all other action reasonably necessary to accomplish the intent and purposes of this Resolution.

Section 2

This resolution shall become effective from and after its passage.

PASSED AND APPROVED THIS 16<sup>th</sup> DAY OF APRIL, 2024.

City of Carrollton, Texas

By: \_\_\_\_\_  
Steve Babick, Mayor

ATTEST:

\_\_\_\_\_  
Chloe Sawatsky  
City Secretary

Approved as to content:

\_\_\_\_\_  
Roberto Arredondo  
Chief of Police

**JustGrants Application ID # GRANT13690216**  
**2022 EDWARD BYRNE MEMORIAL**  
**JUSTICE ASSISTANCE GRANT (JAG) PROGRAM**  
**FUNDS SHARING AND FISCAL AGENCY AGREEMENT**

**THIS AGREEMENT** (the “Agreement”), is made and entered into by and between the following parties:

The County of Dallas, Texas (the “County”) located at the Records Building, 500 Elm Street, Suite 7000 Dallas, Texas 75202, political body recognized as a legal subdivision of the State of Texas pursuant to Article XI, Section 1 of the Texas Constitution; and

The City of Balch Springs, Texas (“Balch Springs”), located at City Hall, 13503 Alexander Road, Balch Springs, Texas 75181, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Carrollton, Texas (“Carrollton”), located at City Hall, 1945 East Jackson Road, Carrollton, Texas 75006, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Dallas, Texas (“Dallas”), located at City Hall, 1500 Marilla Street, Dallas, Texas 75201, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of DeSoto, Texas (“DeSoto”), located at City Hall, 211 East Pleasant Run Road, Suite A, DeSoto, Texas 75115, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution;

The City of Duncanville, Texas (“Duncanville”), located at City Hall, 203 East Wheatland Road, Duncanville, TX 75116, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Garland, Texas (“Garland”), located at City Hall, 200 North Fifth Street, 4th Floor, Garland, Texas 75040, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Grand Prairie, Texas (“Grand Prairie”), located at City Hall, 300 W. Main Street, Grand Prairie, Texas 75050, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Irving, Texas (“Irving”), located at City Hall, 825 West Irving Boulevard, Irving, Texas 75060, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Lancaster, Texas (“Lancaster”), located at City Hall, 211 North Henry Street, Lancaster, Texas 75146, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Mesquite, Texas (“Mesquite”), located at City Hall, 757 North Galloway Avenue, Mesquite, Texas 75149, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Richardson, Texas (“Richardson”), located at City Hall, 411 West Arapaho, Richardson, Texas 75080, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution.

The aforementioned Cities shall be referred to collectively in this Agreement as the “Cities.”

The County and Cities that are signatories to this Agreement are the only parties to this Agreement.

**W I T N E S S E T H:**

**WHEREAS**, Part E of Title 1 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and the Edward Byrne Memorial Justice Assistance Grant Program (the “JAG Program”) authorize the Department of Justice’s Bureau of Justice Assistance (the “BJA”) to make funds (the “JAG Funds”) available to units of local government in order to support a broad range of activities to prevent and control crime and to improve the criminal justice system; and

**WHEREAS**, the County and the Cities are eligible for 2022 JAG Program Funds and have been certified by the BJA as a disparate jurisdiction; and

**WHEREAS**, for the purposes of simplifying the application process, the JAG Program permits the chief executive officer of one of the eligible units of local government in the disparate jurisdiction to submit a joint application for JAG Funds on behalf of the other eligible units of local governments within that jurisdiction and to act as the fiscal agent for those local governments in administering the JAG Funds; and

**WHEREAS**, certified disparate jurisdictions must reach an agreement regarding the sharing of JAG Funds prior to submission of the JAG Program application; and

**WHEREAS**, the County and the Cities agree and acknowledge that as a certified disparate jurisdiction, they must reach an agreement regarding the sharing of JAG Funds prior to submitting a JAG application with the BJA; and

**WHEREAS**, the County and the Cities hereby agree to name a fiscal agent to administer and distribute the JAG Funds and to designate a share of each jurisdiction's JAG Funds for administrative costs to be paid to the fiscal agent named below, prior to submission of the joint application for JAG Funds to the BJA; and

**WHEREAS**, the County and the Cities wish to name Dallas as the fiscal agent to administer and distribute the JAG Funds pursuant to the JAG Program; and

**WHEREAS**, a unit of local government may transfer up to ten percent (10%) of its allocation of JAG Funds for costs associated with administering the JAG Funds to the fiscal agent; and

**WHEREAS**, each governing body finds that the performance of this Agreement is in the best interests of the parties, that the undertaking will benefit the public, and that the share of the JAG Funds to each jurisdiction fairly compensates the parties for their respective functions under this Agreement; and

**WHEREAS**, on September 26, 2019, the United States District Court for the Northern District of Illinois issued a permanent injunction against the Department of Justice's imposition of the challenged immigration-related grant conditions for FY 2017, 2018, 2019, and all future grant years, and as a result, the Department of Justice is permanently enjoined from imposing the challenged conditions upon all U.S. Conference of Mayors (USCM) members that have been allocated, have applied for, or have been awarded Byrne JAG funds for FY 2017, 2018, 2019, and all future grant years; and

**WHEREAS**, as a result of this permanent injunction, USCM members, which includes the City of Dallas, that administer funds to subrecipients do not need to enforce the enjoined conditions, Chief Legal Officer (CLO) certification requirements, or Department of Homeland Security (DHS) questions requirements on those subrecipients, regardless of whether the subrecipients are USCM members; and

**WHEREAS**, the Department of Justice advises that USCM members that administer funds to subrecipients should provide sufficient notice to subrecipients about the enjoined conditions in the event that the conditions are reinstated later by the appellate court, and they have been included in this Agreement, and

**WHEREAS**, USCM members that are subrecipients are eligible to receive awards without the enjoined conditions being enforced. The City of Dallas, therefore, is not required to enforce the enjoined conditions, CLO certification requirements, or DHS questions requirements, on

subrecipients that are USCM members, and USCM members that are subrecipients do not need to submit any of the CLO certifications or submit answers to DHS questions.

**NOW THEREFORE**, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

## **SECTION 1. PURPOSE**

This Agreement shall set forth the following: (A) the nature of the relationship between the County and the Cities and Dallas as fiscal agent for the County and the Cities; (B) the parties' reporting, legal, and audit obligations; (C) the amount of JAG Funds initially allocated by the BJA to the County and the Cities (the "Initial Allocations"); (D) the amount of the Initial Allocations of the JAG Funds to be transferred from the Cities to the County; (E) the allocation of JAG Funds for each jurisdiction *after* the transfer of a portion of the Initial Allocations of JAG Funds from the Cities to the County (the "Adjusted Allocations"); (F) the amount of the grant administration fees to be paid to Dallas as the fiscal agent for both the County and the Cities; (G) the allocation of JAG Funds for the County and the Cities *after* the grant administration fee has been deducted from the Adjusted Allocations (the "Final Allocations"); and (H) other rights and responsibilities of Dallas, the County, and the Cities with regard to Dallas' application for, administration of, and distribution of the JAG Funds on behalf of the County and the Cities.

## **SECTION 2. FISCAL AGENT**

A. Dallas as Fiscal Agent. The County and the Cities do hereby agree that Dallas shall act as the fiscal agent for purposes of applying for, administering, and distributing the JAG Funds on behalf of both the County and the Cities. In consideration for Dallas acting as the fiscal agent for purposes of the JAG Program, the County and the Cities, save Dallas, each agree to pay Dallas seven percent (7%) of their Adjusted Allocations for costs associated with administering the JAG Funds. Dallas shall allocate greater than seven percent (7%) of its Adjusted Allocation toward administration; provided, however, the total contribution of Adjusted Allocations toward grant administration, including Dallas' contribution, shall not exceed ten percent (10%) of the total allocation to the parties' disparate jurisdiction. Dallas further agrees to prioritize the expenditure of the grant administration fees to include the following activities: distributing the JAG Funds, monitoring the award, submitting reports to the BJA (including performance measures and program assessment data), and providing ongoing assistance to the County and the Cities as subrecipients of the JAG Funds.

B. No Additional Funds. The County and the Cities agree that Dallas has no obligation to provide funds to the County and the Cities from any source other than the JAG Program and in any amount other than the Final Allocation of JAG Funds for each party as set forth in this Agreement regardless of whether the JAG Funds are sufficient to fully accomplish the priorities set forth in Section 2.A above. In the event a portion of the JAG grant administration fee remains

upon completion of the project set forth in this Agreement, as determined by Dallas, Dallas may expend such funds on other eligible projects under the JAG Program at Dallas's sole discretion.

### **SECTION 3. REPORTING, LEGAL, AND AUDIT REQUIREMENTS**

#### **A. Reports.**

(1) Quarterly Reports. The County and the Cities agree to provide Dallas with quarterly financial and programming reports no later than eighteen (18) days after the last day of the calendar quarter that demonstrate the appropriate use and management of the JAG Funds in conformance with the JAG Program and the BJA guidelines.

(2) Semi-Annual Reports. The County and the Cities agree to provide Dallas with semi-annual progress reports in conformance with the JAG Program and the BJA guidelines.

**B. Legal Requirements.** The County and the Cities agree to act in accordance with the Edward Byrne Memorial Justice Assistance Grant (JAG) Program Fiscal year (FY) 2022 Local Assistance Application, all Office of Justice Programs financial guidelines and the Mandatory Award Terms and Conditions, and all of the requirements of the JAG Program guidance, including but not limited to: Administrative Funds, Disparate Certification, Prohibited and Controlled Uses, Compliance with Applicable Federal Laws, Body-Worn Camera (BWC) purchases, Body Armor, DNA Testing of Evidentiary Materials and Upload of DNA Profiles to a Database, Interoperable Communications, Non-Supplanting of State and Local Funds; Civil Rights Compliance; Anti-Lobbying Act; Financial and Government Audit Requirements, includes Single Audit Act Requirements; National Environmental Policy Act (NEPA); DOJ Information Technology Standards; Compliance with Office of Justice Programs Financial Guide; and Government Performance and Results Act (GPRRA); Federal Funding Accountability and Transparency Act (FFATA) of 2006; and the Uniform Administrative Requirements, Cost Principles, and Audits Requirements of Federal Awards, particularly, those set out at 2 CFR 200.303 and 2 CFR 200.205.

**C. Award Terms and Conditions.** Cities and County shall comply with the award terms and conditions, and other legal requirements, including but not limited to Office of Management and Budget (OMB), Department of Justice (DOJ), or other federal regulations which will be included in the award and are incorporated by reference into the award and into this Agreement, including, but not limited to, compliance with 8 U.S.C §1373, 1644 and related requirements regarding immigration requests from the Department of Homeland Security, except as these requirements are modified by the permanent injunction issued September 26, 2019, by the United States District Court for the Northern District of Illinois against the Department of Justice's imposition of the challenged immigration-related grant conditions for FY 2017, 2018, 2019, and all future grant years.

D. Audit Requirements. The County and the Cities shall maintain records to demonstrate proper expenditure of JAG Program Funds and Dallas, as fiscal agent, has the right to review and audit any and all of such financial records. The County and the Cities shall retain all such records for a minimum of three (3) years following completion of this Agreement. The County and the Cities must require that any of its contractors, subcontractors, vendors, or partner agencies allow Dallas to review and audit their financial records pertaining to any contracts they may have with the County or the Cities utilizing JAG Funds.

**SECTION 4. INITIAL ALLOCATIONS**

For 2022, the BJA has determined the Initial Allocations of JAG Funds for the parties to this Agreement as follows:

THE COUNTY	\$0.00
BALCH SPRINGS	\$12,985.00
CARROLLTON	\$12,515.00
DALLAS	\$898,760.00
DESOTO	\$14,523.00
DUNCANVILLE	\$13,949.00
GARLAND	\$54,729.00
GRAND PRAIRIE	\$36,347.00
IRVING	\$48,940.00
LANCASTER	\$13,897.00
MESQUITE	\$49,175.00
<u>RICHARDSON</u>	<u>\$12,307.00</u>
<b>TOTAL</b>	<b>\$1,168,127.00</b>

**SECTION 5. AMOUNT OF INITIAL ALLOCATIONS TO BE TRANSFERRED FROM THE CITIES TO THE COUNTY**

The Cities shall transfer a portion of their Initial Allocations of JAG Funds to the County pursuant to this Agreement as follows:

THE COUNTY	\$0.00
BALCH SPRINGS	\$3,895.50
CARROLLTON	\$3,754.50
DALLAS	\$269,628.00
DESOTO	\$4,356.90
DUNCANVILLE	\$4,184.70
GARLAND	\$16,418.70
GRAND PRAIRIE	\$10,904.10
IRVING	\$14,682.00
LANCASTER	\$4,169.10
MESQUITE	\$14,752.50
<u>RICHARDSON</u>	<u>\$12,307.00</u>
<b>TOTAL</b>	<b>\$359,053.00</b>

**SECTION 6. ADJUSTED ALLOCATIONS**

After the transfer of a portion of the Cities' Initial Allocations of JAG Funds to the County, the County and the Cities' Adjusted Allocations of JAG Funds are as follows:

THE COUNTY	\$359,053.00
BALCH SPRINGS	\$9,089.50
CARROLLTON	\$8,760.50

DALLAS	\$629,132.00
DESOTO	\$10,166.10
DUNCANVILLE	\$9,764.30
GARLAND	\$38,310.30
GRAND PRAIRIE	\$25,442.90
IRVING	\$34,258.00
LANCASTER	\$9,727.90
MESQUITE	\$34,422.50
<u>RICHARDSON</u>	<u>\$0.00</u>
<b>TOTAL</b>	<b>\$1,168,127.00</b>

**SECTION 7. FISCAL AGENT GRANT ADMINISTRATION FEES**

The County and the Cities other than Dallas agree to transfer grant administration fees equal to seven percent (7%) of each party’s Adjusted Allocation of JAG Funds to Dallas, as fiscal agent for the County and the Cities and Dallas shall allocate greater than seven percent (7%) of its Adjusted Allocation toward administration as shown below. The total contribution of Adjusted Allocations toward grant administration, including Dallas’ contribution, does not exceed ten percent (10%) of the total allocation to the parties’ disparate jurisdiction

THE COUNTY	\$25,133.71
BALCH SPRINGS	\$636.27
CARROLLTON	\$613.24
DALLAS	\$79,083.05
DESOTO	\$711.63
DUNCANVILLE	\$683.50
GARLAND	\$2,681.72

GRAND PRAIRIE	\$1,781.00
IRVING	\$2,398.06
LANCASTER	\$680.95
MESQUITE	\$2,409.58
<u>RICHARDSON</u>	<u>\$0.00</u>
<b>TOTAL</b>	<b>\$116,812.70</b>

## SECTION 8. FINAL ALLOCATIONS

The Final Allocations of JAG Funds are the Initial Allocations (1) less the transfer of a portion of the Cities' Initial Allocations of JAG Funds to the County, which are the Adjusted Allocations and (2) less the transfer of the grant administration fees of the Adjusted Allocations to Dallas. Each jurisdiction shall include in its JAG Program application the following Final Allocations of JAG Funds:

THE COUNTY	\$333,919.29
BALCH SPRINGS	\$8,453.24
CARROLLTON	\$8,147.27
DALLAS	\$666,861.65
DESOTO	\$9,454.47
DUNCANVILLE	\$9,080.80
GARLAND	\$35,628.58
GRAND PRAIRIE	\$23,661.90
IRVING	\$31,859.94
LANCASTER	\$9,046.95
MESQUITE	\$32,012.93
<u>RICHARDSON</u>	<u>\$0.00</u>

**TOTAL** **\$1,168,127.00**

**SECTION 9. APPLICATION OF COUNTY FUNDS**

The County agrees to prioritize the expenditure of its Final Allocation of Three Hundred Thirty Three Thousand, Nine Hundred and Nineteen Dollars and Twenty Nine cents (\$333,919.29) to continue the development and implementation of improvements to the criminal justice system. The Cities agree that the County has no obligation to provide any additional funds under this Agreement, even if the 2022 JAG Funds are insufficient to fully develop or implement the County's chosen improvements to the criminal justice system. In the event any JAG Funds remain upon completion of the development and implementation of improvements to the criminal justice, the County may expend such funds on other eligible projects under the grant at the County's discretion, subject to the approval of the BJA, as required under the JAG Program.

**SECTION 10. TERM**

The term of this Agreement shall begin on the date the last signature of either the County or the Cities authorizing approving this Agreement is obtained and shall terminate upon the fulfillment of all obligations hereunder.

**SECTION 11. AGENCY**

The County and the Cities agree and acknowledge that, except to the extent specified in Section 2 of this Agreement, each entity is not an agent of any other entity and that each entity is responsible for its acts, forbearance, negligence, and deeds and each entity is responsible for those acts, forbearance, negligence, and deeds of its agents or employees in conjunction with performance under this Agreement.

**SECTION 12. FORMAL APPROVAL**

This Agreement is expressly subject to and contingent upon formal approval by the governing bodies of the County and the Cities.

**SECTION 13. NO THIRD-PARTY BENEFICIARY ENFORCEMENT**

It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement and any right of action relating to such enforcement shall be strictly reserved to the Cities and the County and nothing contained in this Agreement shall be construed to create any rights for any third parties.

## **SECTION 14. NON-ASSIGNMENT**

The parties shall not sell, assign, transfer, or convey this Agreement, in whole or in part, without the prior written consent of the parties.

## **SECTION 15. NOTICE OF CONTRACT CLAIM**

This Agreement is subject to the provisions of Section 2-86 of the Dallas City Code, as amended, relating to requirements for filing a notice of breach of contract claim against the City. Section 2-86 of the Dallas City Code, as amended, is expressly incorporated by reference and made a part of this Agreement. County and Cities shall fully comply with the requirements of this ordinance as a condition precedent to any claim relating to this Agreement, in addition to all other requirements in this Agreement related to claims and notice of claims. This Agreement is also subject to the provisions of TEX. LOC. GOV'T CODE § 89.0041 (Notice of Suit Against County).

## **SECTION 16. RESPONSIBILITY**

Dallas, the County, and the Cities shall each be responsible for the sole negligent acts of their officers, agents, employees, or separate contractors. In the event of joint and concurrent negligence of the parties to this Agreement, responsibility, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, without waiving any governmental immunity available to the parties under Texas law and without waiving any defenses of the parties under Texas law.

## **SECTION 17. NOTICE**

Any notice, payment, statement, communication, report, or demand required or permitted to be given under this Agreement by any party to another may be affected by personal delivery in writing or deposited in the U.S. mail by certified letter, return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

To the County: Dir. of Criminal Justice, Charlene Randolph  
133 N. Riverfront Blvd., LB 5  
Dallas, Texas 75207-4399

To Balch Springs: Interim Chief of Police, Michael Alexander  
Balch Springs Police Department  
12500 Elam Road  
Balch Springs, Texas 75180

To Carrollton: Chief of Police, Rex Redden  
Carrollton Police Department  
2025 East Jackson Road  
Carrollton, Texas 75006

To Dallas: City Manager, T.C. Broadnax  
Dallas City Hall  
1500 Marilla, 4EN  
Dallas, Texas 75201

To DeSoto: Chief of Police, Joseph Costa  
DeSoto Police Department  
714 East Belt Line Road  
DeSoto, Texas 75115

To Duncanville: Chief of Police, Mark LiVigni  
Duncanville Police Department  
203 East Wheatland Rd.  
Duncanville, Texas 75116

To Garland: Chief of Police, Jeff Bryan  
Garland Police Department  
1891 Forest Lane  
Garland, Texas 75042

To Grand Prairie: Chief of Police, Daniel Scesney  
Police Department  
1525 Arkansas Lane  
Grand Prairie, Texas 75052

To Irving: Chief of Police, Derick Miller  
Irving Police Department  
P. O. Box 152288  
Irving, Texas 75015

To Lancaster: Chief of Police, Samuel Urbanski  
Lancaster Police Department  
1650 North Dallas Avenue  
Lancaster, Texas 75134

To Mesquite: Chief of Police, David Gill  
Mesquite Police Department  
PO Box 850137  
Mesquite, Texas 75185-0137

To Richardson: Chief of Police, Gary Tittle  
Richardson Police Department  
P.O. Box 831078  
Richardson, Texas 75083

## **SECTION 18. GOVERNING LAW AND VENUE**

The obligations of the parties to this Agreement shall be performed in Dallas County, Texas, and venue for any legal action under this Agreement shall lie exclusively in Dallas County, Texas. In construing this Agreement, the laws and court decisions of the State of Texas shall control.

## **SECTION 19. LEGAL CONSTRUCTION**

In the case that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

## **SECTION 20. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

## **SECTION 21. CAPTIONS**

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

## **SECTION 22. AMENDMENTS; ENTIRE AGREEMENT**

This Agreement (with all referenced exhibits, attachments, and provisions incorporated by reference) embodies the entire agreement of all of the parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters set forth in this Agreement. This Agreement may be modified or amended only by written agreement of all of the parties, to be attached to and made a part of this Agreement.

**IN WITNESS WHEREOF**, by their signatures hereon, each of the undersigned represents and warrants that they are the duly authorized agents of each entity and have full right and authority to enter into this Agreement. This Agreement is to be effective upon the signature of both County and the Cities.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**[SIGNATURES APPEAR ON THE FOLLOWING PAGES]**



The City of Balch Springs, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution **908-22**, Minutes NA Dated the **8th** day of **August**, **2022**.

**APPROVED BY THE  
CITY OF BALCH SPRINGS:**

**RECOMMENDED BY:**

---

Charles Fenner, City Manager

---

Brent Hurley, Chief of Police

**APPROVED AS TO FORM BY:**

---

Susan Thomas, City Attorney

The City of Carrollton, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF CARROLLTON:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Erin Rinehart, City Manager

\_\_\_\_\_  
Roberto Arredondo, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Meredith A. Ladd, City Attorney

EXECUTED by the City of Dallas, signing by and through its City Manager, duly authorized to execute same by Resolution No. \_\_\_\_\_, adopted by the City Council on \_\_\_\_\_.

Acceptance of FY 2022 JAG awards by U.S. Conference of Mayors members (as designated in *Evanston v. Barr*) shall not be construed as acceptance of Special Conditions 31 through 41 of the FY 2022 grants, or similar conditions. Nor, given the injunction, currently in effect, in the litigation, against inclusion of those conditions in FY 2022 JAG awards, shall Special Conditions 31-41 be enforced against the foregoing jurisdictions while that ruling is in effect.

RECOMMENDED

\_\_\_\_\_  
Eddie Garcia, Chief of Police

APPROVED AS TO FORM  
CHRISTOPHER J. CASO  
CITY ATTORNEY

CITY OF DALLAS  
T. C. BROADNAX  
CITY MANAGER

By: \_\_\_\_\_  
Assistant City Attorney

By: \_\_\_\_\_  
City Manager

The City of DeSoto, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution **23-15**, Minutes N/A Dated the**16th** day of **August, 2022**.

**APPROVED BY THE CITY OF DESOTO:**

**RECOMMENDED BY:**

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Isom Cameron, City Manager

---

Joseph W. Costa, Chief of Police

**APPROVED AS TO FORM BY:**

---

Joseph J. Gorfida, Jr, City Attorney

The City of Duncanville, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF DUNCANVILLE:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Douglas E. Finch, City Manager

\_\_\_\_\_  
Matthew Stogner, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Robert Hager, City Attorney

The City of Garland, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution **\_10563\_**, Minutes **\_NA\_** Dated the **\_11th\_** day of **October, 2022**.

**APPROVED BY THE  
CITY OF GARLAND:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Judson Rex, City Manager

\_\_\_\_\_  
Jeff Bryan, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Brian C. England, City Attorney

The City of Grand Prairie, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution **5297**\_\_, Minutes **\_\_NA\_\_** Dated the **\_20th\_** day of **\_September\_**, **2022**.

**APPROVED BY THE  
CITY OF GRAND PRAIRIE:**

**RECOMMENDED BY:**

---

Bill Hills, City Manager

---

Daniel Scesney, Chief of Police

**APPROVED AS TO FORM BY:**

---

Megan Mahan, City Attorney

The City of Irving, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution 2022-443, Minutes N/A Dated the **27th day of October, 2022**.

**APPROVED BY THE CITY OF IRVING:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Richard H. Stopfer, Mayor

\_\_\_\_\_  
Derrick Miller, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Kuruvilla Oommen, City Attorney

The City of Lancaster, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution **2022-11-94**, Minutes **NA** Dated the **14th** day of **November**, **2022**.

**APPROVED BY THE  
CITY OF LANCASTER:**

**RECOMMENDED BY:**

---

Opal Mauldin-Jones, City Manager

---

Samuel Urbanski, Chief of Police

**APPROVED AS TO FORM:**

---

David Ritter, City Attorney

The City of Mesquite, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF MESQUITE:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Cliff Keheley, City Manager

\_\_\_\_\_  
David Gill, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
David L. Paschall, City Attorney

The City Manager for the City of Richardson, State of Texas, has executed the Agreement pursuant to Section 2-52 of the Richardson Code of Ordinances Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF RICHARDSON:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Don Magner, City Manager

\_\_\_\_\_  
Gary Tittle, Chief of Police

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Peter G. Smith, City Attorney



## Agenda Memo

File Number: 6649

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*23.

**CC MEETING:** April 16, 2024

**DATE:** April 9, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Roberto Arredondo, Chief of Police  
Marc Guy, Assistant City Manager

Consider A **Resolution Authorizing The City Manager To Execute An Agreement Between The City Of Carrollton And The City Of Dallas, As Fiscal Agent, And Various Other Texas Cities Providing For The FY 2023-24 Byrne Justice Assistance Grant Program Award Agreement.**

### **BACKGROUND:**

The Edward Byrne Memorial Justice Assistance Grant Program (JAG) allows states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. As of 2005, JAG combines two granting resources, the Byrne Formula and Local Law Enforcement Block Grant (LLEBG) programs, with a single funding mechanism that simplifies the administration process for grantees.

The procedure for allocating JAG funds is a formula based on population and crime statistics in combination with a minimum allocation to ensure that each state and territory receives an appropriate share. Traditionally, under the Byrne Formula and LLEBG Programs, funds were distributed 60/40 between state and local recipients. This distribution will continue under JAG.

The City of Carrollton is considered a Dallas County city for the purposes of administrative governance. With regard to Justice Assistance Grant (JAG) fund distributions, Dallas County is designated to receive 30 percent of the funding allocated to cities certified as falling into a “disparate funding allocation” category. Carrollton has again been certified as falling into this category, and as such must share allocated funding with Dallas County. Certification by the Attorney General’s Office, using the “disparate funding allocation” model, is based upon the fact that a city receives a higher funding allocation than the county, while the county incurs more than 50% of the costs for prosecution and incarceration of UCR Part I crimes against persons.

The allocation process for the 2023 JAG calls for only one of the entities in the shared funding agreement to act as the fiscal agent for all. As a result, the City of Dallas will again be acting as the fiscal agent and will charge a seven percent (7%) administration fee. The allocation process will require two separate agreements with accompanying resolutions for fund sharing, one with Dallas County and the second with the City of Dallas.

Each year the Carrollton Police Department has decided to use the JAG-allocated funding on equipment, software or supplies that further the criminal justice programs in the City. Under the 2023 program, CPD intends to use this allocation to purchase components for a SWAT rifle-resistant shield.

Staff has prepared a resolution to authorize the City Manager to enter into an agreement between the City of Carrollton, the City of Dallas, as fiscal agent, and Dallas County to make an application for the Byrne Justice Assistance Grant for the year 2023.

**FINANCIAL IMPLICATIONS:**

The action to approve a resolution authorizing an agreement for shared funding does not in itself create any financial obligations for the City of Carrollton. With approval of the resolution, the City can proceed with an application for the JAG funds allocated to the City.

If the City accepts the JAG grant funding, the City will not be required to provide any matching funds. There will be no negative financial impact to the General Fund budget of the City.

The following chart depicts the amount of funds allocated to the City of Carrollton, the required amount of matching funds from the City of Carrollton, the funds that will be shared with Dallas County and the City of Dallas administration fee.

**2023**

JAG Funds Allocated to the City	\$ 16,012.00
Less - Dallas County Allocation (30%)	\$ 4,803.60
Less - City of Dallas Administrative Fee (7%)	\$ 784.59
<b><u>City of Carrollton Matching Funds</u></b>	<b><u>\$ 0.00</u></b>
<b>Final Carrollton JAG Allocation</b>	<b>\$ 10,423.81</b>

**IMPACT ON COMMUNITY SUSTAINABILITY:**

The impact of this project seeks to sustain the community's quality of life through the improvement of public and officer safety.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends that City Council approve a resolution and authorize the City Manager to enter into an agreement with the City of Dallas, as fiscal agent, and Dallas County for the FY 2023-24 Byrne Justice Assistance Grant.

**JustGrants Award ID # 15PBJA-23-GG-03846-JAGX**  
**2023 EDWARD BYRNE MEMORIAL**  
**JUSTICE ASSISTANCE GRANT (JAG) PROGRAM**  
**FUNDS SHARING AND FISCAL AGENCY AGREEMENT**

**THIS AGREEMENT** (the “Agreement”), is made and entered into by and between the following parties:

The County of Dallas, Texas (the “County”) located at County Administration Building, 2nd Floor, 411 Elm Street, Dallas, Texas 75202, political body recognized as a legal subdivision of the State of Texas pursuant to Article XI, Section 1 of the Texas Constitution; and

The City of Balch Springs, Texas (“Balch Springs”), located at City Hall, 13503 Alexander Road, Balch Springs, Texas 75181, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Carrollton, Texas (“Carrollton”), located at City Hall, 1945 East Jackson Road, Carrollton, Texas 75006, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Dallas, Texas (“Dallas”), located at City Hall, 1500 Marilla Street, Dallas, Texas 75201, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of DeSoto, Texas (“DeSoto”), located at City Hall, 211 East Pleasant Run Road, Suite A, DeSoto, Texas 75115, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution;

The City of Duncanville, Texas (“Duncanville”), located at City Hall, 203 East Wheatland Road, Duncanville, TX 75116, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Garland, Texas (“Garland”), located at City Hall, 200 North Fifth Street, 4th Floor, Garland, Texas 75040, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Grand Prairie, Texas (“Grand Prairie”), located at City Hall, 300 W. Main Street, Grand Prairie, Texas 75050, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Irving, Texas (“Irving”), located at City Hall, 825 West Irving Boulevard, Irving, Texas 75060, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Lancaster, Texas (“Lancaster”), located at City Hall, 211 North Henry Street, Lancaster, Texas 75146, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Mesquite, Texas (“Mesquite”), located at City Hall, 757 North Galloway Avenue, Mesquite, Texas 75149, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution; and

The City of Richardson, Texas (“Richardson”), located at City Hall, 411 West Arapaho, Richardson, Texas 75080, a home rule municipality pursuant to Section 5, Article 11 of the Texas Constitution.

The aforementioned Cities shall be referred to collectively in this Agreement as the “Cities.”

The County and Cities that are signatories to this Agreement are the only parties to this Agreement.

**W I T N E S S E T H:**

**WHEREAS**, Part E of Title 1 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and the Edward Byrne Memorial Justice Assistance Grant Program (the “JAG Program”) authorize the Department of Justice’s Bureau of Justice Assistance (the “BJA”) to make funds (the “JAG Funds”) available to units of local government in order to support a broad range of activities to prevent and control crime and to improve the criminal justice system; and

**WHEREAS**, the County and the Cities are eligible for 2023 JAG Program Funds and have been certified by the BJA as a disparate jurisdiction; and

**WHEREAS**, for the purposes of simplifying the application process, the JAG Program permits the chief executive officer of one of the eligible units of local government in the disparate jurisdiction to submit a joint application for JAG Funds on behalf of the other eligible units of local governments within that jurisdiction and to act as the fiscal agent for those local governments in administering the JAG Funds; and

**WHEREAS**, certified disparate jurisdictions must reach an agreement regarding the sharing of JAG Funds prior to submission of the JAG Program application; and

**WHEREAS**, the County and the Cities agree and acknowledge that as a certified disparate jurisdiction, they must reach an agreement regarding the sharing of JAG Funds prior to submitting a JAG application with the BJA; and

**WHEREAS**, the County and the Cities hereby agree to name a fiscal agent to administer and distribute the JAG Funds and to designate a share of each jurisdiction's JAG Funds for administrative costs to be paid to the fiscal agent named below, prior to submission of the joint application for JAG Funds to the BJA; and

**WHEREAS**, the County and the Cities wish to name Dallas as the fiscal agent to administer and distribute the JAG Funds pursuant to the JAG Program; and

**WHEREAS**, a unit of local government may transfer up to ten percent (10%) of its allocation of JAG Funds for costs associated with administering the JAG Funds to the fiscal agent; and

**WHEREAS**, each governing body finds that the performance of this Agreement is in the best interests of the parties, that the undertaking will benefit the public, and that the share of the JAG Funds to each jurisdiction fairly compensates the parties for their respective functions under this Agreement; and

**NOW THEREFORE**, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

## **SECTION 1. PURPOSE**

This Agreement shall set forth the following: (A) the nature of the relationship between the County and the Cities and Dallas as fiscal agent for the County and the Cities; (B) the parties' reporting, legal, and audit obligations; (C) the amount of JAG Funds initially allocated by the BJA to the County and the Cities (the "Initial Allocations"); (D) the amount of the Initial Allocations of the JAG Funds to be transferred from the Cities to the County; (E) the allocation of JAG Funds for each jurisdiction *after* the transfer of a portion of the Initial Allocations of JAG Funds from the Cities to the County (the "Adjusted Allocations"); (F) the amount of the grant administration fees to be paid to Dallas as the fiscal agent for both the County and the Cities; (G) the allocation of JAG Funds for the County and the Cities *after* the grant administration fee has been deducted from the Adjusted Allocations (the "Final Allocations"); and (H) other rights and responsibilities of Dallas, the County, and the Cities with regard to Dallas' application for, administration of, and distribution of the JAG Funds on behalf of the County and the Cities.

## **SECTION 2. FISCAL AGENT**

A. Dallas as Fiscal Agent. The County and the Cities do hereby agree that Dallas shall act as the fiscal agent for purposes of applying for, administering, and distributing the JAG Funds on behalf of both the County and the Cities. In consideration for Dallas acting as the fiscal agent for purposes of the JAG Program, the County and the Cities, save Dallas, each agree to pay Dallas seven percent (7%) of their Adjusted Allocations for costs associated with administering the JAG Funds. Dallas shall allocate greater than seven percent (7%) of its Adjusted Allocation toward administration; provided, however, the total contribution of Adjusted Allocations toward grant administration, including Dallas' contribution, shall not exceed ten percent (10%) of the total allocation to the parties' disparate jurisdiction. Dallas further agrees to prioritize the expenditure of the grant administration fees to include the following activities: distributing the JAG Funds, monitoring the award, submitting reports to the BJA (including performance measures and program assessment data), and providing ongoing assistance to the County and the Cities as sub-recipients of the JAG Funds.

B. No Additional Funds. The County and the Cities agree that Dallas has no obligation to provide funds to the County and the Cities from any source other than the JAG Program and in any amount other than the Final Allocation of JAG Funds for each party as set forth in this Agreement regardless of whether the JAG Funds are sufficient to fully accomplish the priorities set forth in Section 2.A above. In the event a portion of the JAG grant administration fee remains upon completion of the project set forth in this Agreement, as determined by Dallas, Dallas may expend such funds on other eligible projects under the JAG Program at Dallas's sole discretion.

## **SECTION 3. REPORTING, LEGAL, AND AUDIT REQUIREMENTS**

### A. Reports.

(1) Quarterly Reports. The County and the Cities agree to provide Dallas with quarterly financial and programming reports no later than eighteen (18) days after the last day of the calendar quarter that demonstrate the appropriate use and management of the JAG Funds in conformance with the JAG Program and the BJA guidelines.

(2) Semi-Annual Reports. The County and the Cities agree to provide Dallas with semi-annual progress reports in conformance with the JAG Program and the BJA guidelines.

B. Legal Requirements. The County and the Cities agree to act in accordance with the Edward Byrne Memorial Justice Assistance Grant (JAG) Program Fiscal year (FY) 2023 Local Assistance Application, all Office of Justice Programs financial guidelines and the Mandatory Award Terms and Conditions, and all of the requirements of the JAG Program guidance, including but not limited to: Administrative Funds, Disparate Certification, Prohibited and Controlled Uses, Compliance with Applicable Federal Laws, Body-Worn Camera (BWC) purchases, Body Armor, DNA Testing of Evidentiary Materials and Upload of DNA Profiles to a Database, Interoperable

Communications, Non-Supplanting of State and Local Funds; Civil Rights Compliance; Anti-Lobbying Act; Financial and Government Audit Requirements, includes Single Audit Act Requirements; Employment Eligibility Verification; National Environmental Policy Act (NEPA); DOJ Information Technology Standards; Compliance with Office of Justice Programs Financial Guide; and Government Performance and Results Act (GPRA); Federal Funding Accountability and Transparency Act (FFATA) of 2006; and the Uniform Administrative Requirements, Cost Principles, and Audits Requirements of Federal Awards, particularly, those set out at 2 CFR 200.303 and 2 CFR 200.205.

C. Award Terms and Conditions. Cities and County shall comply with the award terms and conditions, and other legal requirements, including but not limited to Office of Management and Budget (OMB), Department of Justice (DOJ), or other federal regulations which will be included in the award and are incorporated by reference into the award and into this Agreement.

D. Audit Requirements. The County and the Cities shall maintain records to demonstrate proper expenditure of JAG Program Funds and Dallas, as fiscal agent, has the right to review and audit any and all of such financial records. The County and the Cities shall retain all such records for a minimum of five (5) years following completion of this Agreement. The County and the Cities must require that any of its contractors, subcontractors, vendors, or partner agencies allow Dallas to review and audit their financial records pertaining to any contracts they may have with the County or the Cities utilizing JAG Funds.

**SECTION 4. INITIAL ALLOCATIONS**

For 2023, the BJA has determined the Initial Allocations of JAG Funds for the parties to this Agreement as follows:

THE COUNTY	\$0.00
BALCH SPRINGS	\$13,619.00
CARROLLTON	\$16,012.00
DALLAS	\$968,981.00
DESOTO	\$14,939.00
DUNCANVILLE	\$13,371.00
GARLAND	\$56,868.00
GRAND PRAIRIE	\$37,610.00
IRVING	\$60,031.00

LANCASTER	\$16,012.00
MESQUITE	\$56,152.00
<u>RICHARDSON</u>	<u>\$14,334.00</u>
<b>TOTAL</b>	<b>\$1,267,929.00</b>

**SECTION 5. AMOUNT OF INITIAL ALLOCATIONS TO BE TRANSFERRED FROM THE CITIES TO THE COUNTY**

The Cities shall transfer a portion of their Initial Allocations of JAG Funds to the County pursuant to this Agreement as follows:

THE COUNTY	\$0.00
BALCH SPRINGS	\$4,085.70
CARROLLTON	\$4,803.60
DALLAS	\$290,694.30
DESOTO	\$4,481.70
DUNCANVILLE	\$17,060.40
GARLAND	\$16,418.70
GRAND PRAIRIE	\$11,283.00
IRVING	\$18,009.30
LANCASTER	\$4,803.60
MESQUITE	\$16,845.60
<u>RICHARDSON</u>	<u>\$4,300.20</u>
<b>TOTAL</b>	<b>\$380,378.70</b>

**SECTION 6. ADJUSTED ALLOCATIONS**

After the transfer of a portion of the Cities' Initial Allocations of JAG Funds to the County, the County and the Cities' Adjusted Allocations of JAG Funds are as follows:

THE COUNTY	\$390,412.50
BALCH SPRINGS	\$9,533.30
CARROLLTON	\$11,208.40
DALLAS	\$678,286.70
DESOTO	\$10,457.30
DUNCANVILLE	\$9,359.70
GARLAND	\$39,807.60
GRAND PRAIRIE	\$26,327.00
IRVING	\$42,021.70
LANCASTER	\$11,208.40
MESQUITE	\$39,306.40
<u>RICHARDSON</u>	<u>\$0.00</u>
<b>TOTAL</b>	<b>\$1,267,929.00</b>

**SECTION 7. FISCAL AGENT GRANT ADMINISTRATION FEES**

The County and the Cities other than Dallas agree to transfer grant administration fees equal to seven percent (7%) of each party's Adjusted Allocation of JAG Funds to Dallas, as fiscal agent for the County and the Cities and Dallas shall allocate greater than seven percent (7%) of its Adjusted Allocation toward administration as shown below. The total contribution of Adjusted Allocations toward grant administration, including Dallas' contribution, does not exceed ten percent (10%) of the total allocation to the parties' disparate jurisdiction

THE COUNTY	\$27,328.88
BALCH SPRINGS	\$667.33
CARROLLTON	\$784.59

DALLAS	\$85,517.94
DESOTO	\$732.01
DUNCANVILLE	\$655.18
GARLAND	\$2,786.53
GRAND PRAIRIE	\$1,842.89
IRVING	\$2,941.52
LANCASTER	\$784.59
MESQUITE	\$2,751.45
<u>RICHARDSON</u>	<u>\$0.00</u>
<b>TOTAL</b>	<b>\$126,792.90</b>

## SECTION 8. FINAL ALLOCATIONS

The Final Allocations of JAG Funds are the Initial Allocations (1) less the transfer of a portion of the Cities' Initial Allocations of JAG Funds to the County, which are the Adjusted Allocations and (2) less the transfer of the grant administration fees of the Adjusted Allocations to Dallas. Each jurisdiction shall include in its JAG Program application the following Final Allocations of JAG Funds:

THE COUNTY	\$363,083.63
BALCH SPRINGS	\$8,865.97
CARROLLTON	\$10,423.81
DALLAS	\$719,561.66
DESOTO	\$9,725.29
DUNCANVILLE	\$8,704.52
GARLAND	\$37,021.07
GRAND PRAIRIE	\$24,484.11

IRVING	\$39,080.18
LANCASTER	\$10,423.81
MESQUITE	\$36,554.95
<u>RICHARDSON</u>	<u>\$0.00</u>
<b>TOTAL</b>	<b>\$1,267,929.00</b>

**SECTION 9. APPLICATION OF COUNTY FUNDS**

The County agrees to prioritize the expenditure of its Final Allocation of Three Hundred Sixty Three Thousand, Eighty Three Dollars and Sixty Three cents (\$363,083.63) to continue the development and implementation of improvements to the criminal justice system. The Cities agree that the County has no obligation to provide any additional funds under this Agreement, even if the 2023 JAG Funds are insufficient to fully develop or implement the County’s chosen improvements to the criminal justice system. In the event any JAG Funds remain upon completion of the development and implementation of improvements to the criminal justice, the County may expend such funds on other eligible projects under the grant at the County’s discretion, subject to the approval of the BJA, as required under the JAG Program.

**SECTION 10. TERM**

The term of this Agreement shall begin on the date the last signature of either the County or the Cities authorizing approving this Agreement is obtained and shall terminate upon the fulfillment of all obligations hereunder.

**SECTION 11. AGENCY**

The County and the Cities agree and acknowledge that, except to the extent specified in Section 2 of this Agreement, each entity is not an agent of any other entity, and that each entity is responsible for its acts, forbearance, negligence, and deeds and each entity is responsible for those acts, forbearance, negligence, and deeds of its agents or employees in conjunction with performance under this Agreement.

**SECTION 12. FORMAL APPROVAL**

This Agreement is expressly subject to and contingent upon formal approval by the governing bodies of the County and the Cities.

**SECTION 13. NO THIRD-PARTY BENEFICIARY ENFORCEMENT**

It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement and any right of action relating to such enforcement shall be strictly reserved to the Cities and the County and nothing contained in this Agreement shall be construed to create any rights for any third parties.

#### **SECTION 14. NON-ASSIGNMENT**

The parties shall not sell, assign, transfer, or convey this Agreement, in whole or in part, without the prior written consent of the parties.

#### **SECTION 15. NOTICE OF CONTRACT CLAIM**

This Agreement is subject to the provisions of Section 2-86 of the Dallas City Code, as amended, relating to requirements for filing a notice of breach of contract claim against the City. Section 2-86 of the Dallas City Code, as amended, is expressly incorporated by reference and made a part of this Agreement. County and Cities shall fully comply with the requirements of this ordinance as a condition precedent to any claim relating to this Agreement, in addition to all other requirements in this Agreement related to claims and notice of claims. This Agreement is also subject to the provisions of TEX. LOC. GOV'T CODE § 89.0041 (Notice of Suit Against County).

#### **SECTION 16. RESPONSIBILITY**

Dallas, the County, and the Cities shall each be responsible for the sole negligent acts of their officers, agents, employees, or separate contractors. In the event of joint and concurrent negligence of the parties to this Agreement, responsibility, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, without waiving any governmental immunity available to the parties under Texas law and without waiving any defenses of the parties under Texas law.

#### **SECTION 17. NOTICE**

Any notice, payment, statement, communication, report, or demand required or permitted to be given under this Agreement by any party to another may be affected by personal delivery in writing or deposited in the U.S. mail by certified letter, return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

To the County:

Dir. of Criminal Justice, Charlene Randolph  
Dallas County – Frank Crowley Courts  
Building  
133 N. Riverfront Boulevard, 4th Floor  
LB5

Dallas, TX 75207

To Balch Springs:

Chief of Police, Brent Hurley  
Balch Springs Police Department  
12500 Elam Road  
Balch Springs, Texas 75180

To Carrollton:

Chief of Police, Roberto Arredondo  
Carrollton Police Department  
2025 East Jackson Road  
Carrollton, Texas 75006

To Dallas:

City Manager, T.C. Broadnax  
Dallas City Hall  
1500 Marilla, 4EN  
Dallas, Texas 75201

To DeSoto:

Chief of Police, Joseph Costa  
DeSoto Police Department  
714 East Belt Line Road  
DeSoto, Texas 75115

To Duncanville:

Chief of Police, Mark LiVigni  
Duncanville Police Department  
203 East Wheatland Rd.  
Duncanville, Texas 75116

To Garland:

Chief of Police, Jeff Bryan  
Garland Police Department  
1891 Forest Lane  
Garland, Texas 75042

To Grand Prairie:

Chief of Police, Daniel Scesney  
Police Department  
1525 Arkansas Lane  
Grand Prairie, Texas 75052

To Irving:

Chief of Police, Derick Miller  
Irving Police Department  
305 N O'Connor Rd  
Irving, TX 75061

To Lancaster:

Chief of Police, Samuel Urbanski

Public Safety Building  
100 Craig Shaw Memorial Parkway  
Lancaster, TX 75134

To Mesquite:

Chief of Police, David Gill  
Mesquite Police Department  
PO Box 850137  
Mesquite, Texas 75185-0137

To Richardson:

Chief of Police, Gary Tittle  
Richardson Police Department  
200 North Greenville Ave.  
Richardson, TX 75081

## **SECTION 18. GOVERNING LAW AND VENUE**

The obligations of the parties to this Agreement shall be performed in Dallas County, Texas, and venue for any legal action under this Agreement shall lie exclusively in Dallas County, Texas. In construing this Agreement, the laws and court decisions of the State of Texas shall control.

## **SECTION 19. LEGAL CONSTRUCTION**

In the case that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

## **SECTION 20. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

## **SECTION 21. CAPTIONS**

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

## **SECTION 22. AMENDMENTS; ENTIRE AGREEMENT**

This Agreement (with all referenced exhibits, attachments, and provisions incorporated by reference) embodies the entire agreement of all of the parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters set forth in this Agreement. This Agreement may be modified or amended only by written agreement of all of the parties, to be attached to and made a part of this Agreement.

**IN WITNESS WHEREOF**, by their signatures hereon, each of the undersigned represents and warrants that they are the duly authorized agents of each entity and have full right and authority to enter into this Agreement. This Agreement is to be effective upon the signature of both County and the Cities.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

The County of Dallas, State of Texas, has executed this Agreement pursuant to Commissioners Court Order Number \_\_\_\_\_ and passed on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE COUNTY OF DALLAS:**

\_\_\_\_\_  
Clay Lewis Jenkins, County Judge

APPROVED AS TO FORM\*:

JOHN CREUZOT  
DISTRICT ATTORNEY

\_\_\_\_\_  
Randall Miller, Assistant District Attorney

**\*BY LAW, THE DISTRICT ATTORNEY'S OFFICE MAY ONLY ADVISE OR APPROVE CONTRACTS OR LEGAL DOCUMENTS ON BEHALF OF ITS CLIENTS. IT MAY NOT ADVISE OR APPROVE A LEASE, CONTRACT, OR LEGAL DOCUMENT ON BEHALF OF OTHER PARTIES. OUR REVIEW OF THIS DOCUMENT WAS CONDUCTED SOLELY FROM THE LEGAL PERSPECTIVE OF OUR CLIENT. OUR APPROVAL OF THIS DOCUMENT WAS OFFERED SOLELY FOR THE BENEFIT OF OUR CLIENT. OTHER PARTIES SHOULD NOT RELY ON THIS APPROVAL AND SHOULD SEEK REVIEW AND APPROVAL BY THEIR OWN RESPECTIVE ATTORNEY(S).**

The City of Balch Springs, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF BALCH SPRINGS:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Charles R. Fenner, City Manager

\_\_\_\_\_  
Brent Hurley, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Andy Messer, City Attorney

The City of Carrollton, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF CARROLLTON:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Erin Rinehart, City Manager

\_\_\_\_\_  
Roberto Arredondo, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Meredith A. Ladd, City Attorney

EXECUTED by the City of Dallas, signing by and through its City Manager, duly authorized to execute same by Resolution No. \_\_\_\_\_, adopted by the City Council on \_\_\_\_\_.

RECOMMENDED

\_\_\_\_\_  
Eddie Garcia, Chief of Police

APPROVED AS TO FORM  
Tammy Palomino  
City Attorney

CITY OF DALLAS  
T.C. Broadnax  
City Manager

By: \_\_\_\_\_  
Assistant City Attorney

By: \_\_\_\_\_  
Assistant City Manager

The City of DeSoto, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution 23-24, Minutes N/A Dated the 5th day of September, 2023.

**APPROVED BY THE CITY OF DESOTO:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Isom Cameron, Interim City Manager

\_\_\_\_\_  
Joseph W. Costa, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Joseph J. Gorfida, Jr, City Attorney

The City of Duncanville, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF DUNCANVILLE:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Douglas Finch, City Manager

\_\_\_\_\_  
Matthew Stogner, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Robert Hager, City Attorney

The City of Garland, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF GARLAND:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Judson Rex, City Manager

\_\_\_\_\_  
Jeff Bryan, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Brian England, City Attorney

The City of Grand Prairie, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF GRAND PRAIRIE:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Bill Hills, City Manager

\_\_\_\_\_  
Daniel Scesney, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Megan Mahan, City Attorney

The City of Irving, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE CITY OF IRVING:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Chris Hillman, City Manager

\_\_\_\_\_  
Derick Miller, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
Kuruvilla Oommen, City Attorney

The City of Lancaster, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF LANCASTER:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Opal Mauldin-Jones, City Manager

\_\_\_\_\_  
Samuel Urbanski, Chief of Police

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David Ritter, City Attorney

The City of Mesquite, State of Texas, has executed the Agreement pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_ Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF MESQUITE:**

**RECOMMENDED BY:**

\_\_\_\_\_  
Cliff Keheley, City Manager

\_\_\_\_\_  
David Gill, Chief of Police

**APPROVED AS TO FORM BY:**

\_\_\_\_\_  
David L. Paschall, City Attorney

The City Manager for the City of Richardson, State of Texas, has executed the Agreement pursuant to Section 2-52 of the Richardson Code of Ordinances Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED BY THE  
CITY OF RICHARDSON:**

\_\_\_\_\_  
Don Magner, City Manager

**RECOMMENDED BY:**

\_\_\_\_\_  
Gary Tittle, Chief of Police

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Peter G. Smith, City Attorney

RESOLUTION NO: \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF CARROLLTON, TEXAS, VARIOUS CITIES INCLUDING THE CITY OF DALLAS, TEXAS, AS FISCAL AGENT, AND THE COUNTY OF DALLAS, TEXAS PROVIDING FOR THE 2022 BYRNE JUSTICE ASSISTANCE GRANT PROGRAM AWARD, AND TO TAKE ALL ACTION NECESSARY TO ACCOMPLISH THE INTENT AND PURPOSES OF THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, THAT:

Section 1

The City Manager, or her designee, is hereby authorized to execute the Agreement between the City of Carrollton, various Texas cities, including the City of Dallas as fiscal agent, and the County of Dallas regarding the 2023 Byrne Justice Assistance Grant Program Award, and to take all other action reasonably necessary to accomplish the intent and purposes of this Resolution.

Section 2

This resolution shall become effective from and after its passage.

PASSED AND APPROVED THIS 16<sup>th</sup> DAY OF APRIL, 2024.

City of Carrollton, Texas

By: \_\_\_\_\_  
Steve Babick, Mayor

ATTEST:

\_\_\_\_\_  
Chloe Sawatsky  
City Secretary

Approved as to content:

\_\_\_\_\_  
Roberto Arredondo  
Chief of Police



**Agenda Memo**  
**File Number: 6658**

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*24.

**CC MEETING: April 16, 2024**

**DATE:** April 10, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Melissa Everett, Finance Director  
Chrystal Davis, Assistant City Manager

Consider A **Resolution Authorizing The City Manager To Enter Into A Contract With FORVIS, LLP For Independent Auditing Services In An Amount Not to Exceed \$130,000.**

**BACKGROUND:**

On May 4, 2021, a proposed fee commitment schedule was signed with BKD LLP for the Financial Statement Audit in Accordance with Government Auditing Standards and Compliance Audit in Accordance with Uniform Guidance. In 2022, BKD, LLP merged with Dixon Hughes Goodman (DHG) and became the new firm FORVIS, LLP. The original contract included a three-year commitment with two additional year-long extension options.

The proposed fee amount for fiscal year 2024 is \$122,000 and is based on testing one major federal program. If required, fees for additional major programs are \$8,000 each.

**FINANCIAL IMPLICATIONS:**

The services covered by this contract will be paid for by funding in the Administrative Services Internal Service Fund. The audit fees for fiscal year 2024 audit are \$122,000 in base fees, and an additional \$8,000 contingency for additional federal program testing.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Consider approving the attached resolution appointing FORVIS LLP as the City’s Independent Auditors and authorizing the City Manager to enter into a contract with FORVIS LLP for independent auditing services in an amount not to exceed \$130,000.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPOINTING FORVIS LLP AS THE CITY’S INDEPENDENT AUDITORS; AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH FORVIS LLP TO PROVIDE AUDITING SERVICES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024 AND PROVIDING AN EFFECTIVE DATE.**

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

**SECTION 1**

FORVIS LLP is hereby appointed as the independent auditors for the City of Carrollton and awarded a contract for auditing services for the fiscal year ending September 30, 2024 in an amount not to exceed \$130,000.

**SECTION 2**

That the City Manager is authorized to take those steps reasonable and necessary to comply with the intent of this resolution.

**SECTION 3**

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

**DULY PASSED AND APPROVED** by the City Council of the City of Carrollton, Texas, this 16th day of April 2024.

**CITY OF CARROLLTON, TEXAS**

\_\_\_\_\_  
Steve Babick, Mayor

**ATTEST:**

\_\_\_\_\_  
Chloe Sawatzky, City Secretary

**APPROVED AS TO FORM:**

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Meredith Ladd, City Attorney

\_\_\_\_\_  
Melissa Everett, Finance Director



## Agenda Memo File Number: 6664

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*25.

**CC MEETING:** April 16, 2024

**DATE:** April 11, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Robert Winningham, Director of Economic Development  
Marc Guy, Assistant City Manager

Consider A **Resolution Authorizing The City To Participate In The State Of Texas Events Trust Fund Program To Support A Request From LIV Golf For A Golf Event At The Maridoe Golf Course In September 2024, With A Local Funding Match From The City Of Carrollton In The Amount Of \$124,110.00.**

### **BACKGROUND:**

The State of Texas established an Events Trust Fund (ETF) Program in 2015. It is administered by the Texas Comptroller of Public Accounts through the Economic Development and Tourism Office. The ETF program permits local governments and organizing committees to apply to the State for an event trust fund to help pay for certain costs associated with conducting events if all requirements of the Texas Local Government Code are met. The trust fund would be established for each event with an amount contributed by the State and local governments based on an estimated increase in tax receipts which would be generated as a result of the event. Tax receipts can be generated from sales and use taxes, hotel occupancy taxes, vehicle rental taxes, mixed beverage taxes and wholesale alcoholic beverage taxes.

The ETF program requires a local government match at a ratio of 1:6.25. In accordance with State law, the State's share cannot exceed 6.25 times the local (city) share. The total fund is the State's share plus the local share.

The City of Carrollton has received a request from LIV Golf for participation in this program as a result of an upcoming event at the Maridoe Golf Course in September 2024. Based on an economic analysis conducted by LIV, this event is estimated to generate \$899,798 in tax receipts for the region. The requested local share match from the City is \$124,110.00.

**FINANCIAL IMPLICATIONS:**

Funding for the program would be provided through the General Facility and Capital Projects Fund and the Strategic Community Investment program.

**COMMUNITY SUSTAINABILITY:**

By participating in the program, the City continues its focus of being a place that the community calls “HOME” through creating partnerships and events which benefit the citizens.

**STAFF RECOMMENDATION:**

Staff recommends City Council consider a resolution authorizing the City to participate in the State of Texas Events Trust Fund Program for the LIV Golf event at the Maridoe Golf Course in September 2024.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, ENDORSING THE LIV GOLF TEAM CHAMPIONSHIP DALLAS TO BE HELD AT THE MARIDOE GOLF CLUB; AUTHORIZING THE SUBMISSION OF AN EVENTS TRUST FUND APPLICATION PURSUANT TO TEXAS GOVERNMENT CODE CHAPTER 480; AUTHORIZING THE MAYOR TO EXECUTE ALL NECESSARY DOCUMENTS TO PROVIDE A SALES TAX GRANT FOR THE EVENT THROUGH THE EVENTS TRUST FUND PROGRAM; AUTHORIZING A LOCAL MATCH AMOUNT NOT TO EXCEED \$124,110; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Chapter 480 of the Texas Government Code (the “Act”) provides authority for local government to apply to the State for the establishment of an Events Trust Fund to help pay for certain eligible costs associated with conducting events if all statutory and administrative requirements are met; and

**WHEREAS**, after a highly competitive request for proposal, proposal, and selection process (including sites not located in Texas) by Maridoe Golf Club (“Maridoe”), Maridoe was selected as the sole site to host the LIV Golf Team Championship Dallas (the “Event”) in the City of Carrollton (the “City”)

**WHEREAS**, the Act provides authority for the Texas Economic Development & Tourism Office (the “EDT”) within the Office of the Governor to establish the Events Trust Fund (as defined in the Act) for the Event (the “Fund”) if the City complies with the prerequisites of the Act; and

**WHEREAS**, the City was not involved in the proposal process for the Event; and

**WHEREAS**, the City endorses the Event for the purposes of the Fund and authorizes the execution of the Event Support Contract by the Mayor; and

**WHEREAS**, the Event organizer, Outlyr Inc., has presented the City with the projected economic impact on the City’s economy based on sales tax revenues, pursuant to the Act, which includes the incremental increase in certain sales and use, hotel occupancy and mixed beverage tax receipts to be collected by or on behalf of the City directly attributable to the preparation for and presentation of the Event, and estimated that amount will be \$124,110.00; and

**WHEREAS**, the City desires to submit the applicant to the EDT for the Event to promote local economic development, to stimulate business and commercial activity in the City by hosting the Event in Carrollton, Texas; and

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

Resolution No. \_\_\_\_

**SECTION 1**

All of the above premises are found to be true and correct legislative and factual findings of the City Council, and they are hereby approved, ratified, and incorporated into the body of this Resolution as if copied in their entirety.

**SECTION 2**

The City Council hereby approves the submission of an application pursuant to Texas Government Code, Chapter 480, for the establishment of an Events Trust Fund for the LIV Golf Team Championship Dallas to be held at Maridoe Golf Club located in Carrollton with a proposed local match, as determined by the EDT in an amount not to exceed \$124,110.

**SECTION 3**

The Mayor is authorized to take those steps reasonable and necessary to comply with the intent of this Resolution.

**SECTION 4**

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

**DULY PASSED AND APPROVED** by the City Council of the City of Carrollton, Texas this 16th day of April, 2024

**CITY OF CARROLLTON**

\_\_\_\_\_  
Steve Babick, Mayor

**ATTEST:**

\_\_\_\_\_  
Chloe Sawatzky, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Meredith A. Ladd, City Attorney

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Robert Winningham,  
Director of Economic Development

# EVENTS TRUST FUND

## Application

Office of the Governor  
Economic Development and Tourism (EDT)

**APPLICANT NAME:** City of Carrollton

**APPLICANT MAILING ADDRESS:** 1945 E. Jackson Road, Carrollton, Texas 75006

**EVENT NAME:** LIV Golf Team Championship Dallas

**DATE(S) OF EVENT:** September 16 - 22, 2024

**EVENT LOCATION (CITY):** Maridoe Golf Club, Carrollton, Texas

**DATE APPLICATION SUBMITTED:** April 17, 2024

**Events Trust Fund Application**  
**Event Trust Fund (ETF), Major Events Reimbursement Program (MERP)**  
**or Motor Sports Racing Trust Fund (MSRTF)**

Please review the Events Trust Fund Guidelines document and applicable statutes and rules before submitting this application. Links can be found at <https://gov.texas.gov/business/page/event-trust-funds-program>.

An application is not complete until all required documents are submitted, with the exception of the Event Support Contract and the MERP required Human Trafficking Prevention Plan. See checklist in Section 7 of the application for required documents.

Deadlines for submission are as follows:

ETF & MSRTF: No later than 120 days prior to the first day of the event.

MERP: No later than 45 days prior to the first day of the event, but not earlier than 1 year before the event. Not later than the 30th day before the first day of the event, a site selection organization must submit a plan to prevent the trafficking of persons in connection with the event to the Office of the Attorney General and the Chief of the Texas Division of Emergency Management (see Guidelines document for trafficking plan submittal details).

*Please submit **all** documents to [eventsfund@gov.texas.gov](mailto:eventsfund@gov.texas.gov).*

**SECTION 1: ENDORSING MUNICIPALITY OR COUNTY**

Name of Endorsing Municipality or County:	City of Carrollton
Municipality or County Contact Name:	Steve Babick
Contact Title:	Mayor
Contact Email:	Steve.Babick@cityofcarrollton.com
Contact Phone Number:	972-466-3000

- Has the endorsing municipality or county reviewed the event and found that it meets all eligibility requirements as listed in Texas Government Code Chapter 478. Major Events Reimbursement Program, Chapter 479. Motor Sports Racing Trust Fund, or Chapter 480. Events Trust Fund?  
**Yes**  **No**
- Has the endorsing municipality or county determined that it will contribute local funding (“local match”) to the Event Trust Fund, if established?  
**Yes**  **No**

**SECTION 2: LOCAL ORGANIZING COMMITTEE**

- Has the municipality or county authorized a *nonprofit* Local Organizing Committee (LOC) to enter into an agreement with the Site Selection Organization to host the event on behalf of the municipality or county?  
**Yes**  **No**

2. If Question 1 is selected as “No,” the municipality or county must directly enter into the Event Support Contract with the Site Selection Organization.

If “Yes,” provide the following information for the LOC:

Complete Business Name of LOC:	
LOC Contact Name:	
LOC Contact Title:	
Contact Email:	
Contact Phone Number:	

Is the LOC designated in the official request letter submitted with the application?      Yes     No

**SECTION 3: SITE SELECTION ORGANIZATION**

Full Name of Site Selection Organization:	Outlyr, LLC
Site Selection Contact Name:	James Clark
Site Selection Contact Title:	Vice President
Site Selection Contact Email:	jclark@outlyr.com
Contact Phone Number:	847-826-8739

\*EDT reserves the right to contact the Site Selection Organization or any other organization directly related to this event.

**SECTION 4: FUND REQUEST AMOUNT**

Total Fund Amount Requested:	\$899,798
State Share:	\$775,688
Local Share:	\$124,110

\*In accordance with statute, the State Share must be no more than 6.25 times the Local Share. To calculate the Local Share, divide the State Share by 6.25. Total Fund = State Share + Local Share.

**For MERP Applications only:**

Estimated Direct Impact Total:	
Estimated Secondary Impact Total:	

\*Direct Impact + Secondary Impact = State Share. Calculate the Total Fund, and then determine the Local Share and State Share.

## SECTION 5: EVENT INFORMATION

Official Event Name:	LIV Golf Team Championship Dallas
Event Fund/Program being applied for: (ETF, MERP, MSRTF)	ETF
Venue(s) of Event:	Maridoe Golf Club
Event Website:	<a href="https://www.livgolf.com/">https://www.livgolf.com/</a>
Date(s) of the Primary Event:	September 16 - 22, 2024
Day set-up/load-in for the event will begin:	August 1, 2024
Day take-down/load-out of the event will end:	October 10, 2024
Location of Event for the previous 5 years: (List most recent year first)	<ol style="list-style-type: none"> <li>1. Trump National Doral, Miami FL</li> <li>2. n/a</li> <li>3. n/a</li> <li>4. n/a</li> <li>5. n/a</li> </ol>
Source of information for previous Events:	Outlyr
Other locations outside of Texas considered to host the event:	National Sites
Was the site selected as a part of a multi-year agreement? If yes, what years (past and future)?	Yes - 2024 & 2025
Will there be a fee charged by the Site Selection Organization, which must be paid as a condition to holding the event, including host fees, sanction fees, participation fees, or bid fees for the event?*	No
If yes, what is the <b>total</b> amount of the above referenced fee(s)?*	
Additional information:	

\*Reimbursement will not be made for such a fee in excess of the amount listed. See TAC Rule § 184.45(18).

## SECTION 6: ECONOMIC IMPACT INFORMATION

Please provide the following information. The information provided should align with the information provided in the Economic Impact Statement.

**Estimated Attendance Chart:** Complete the chart in the supplemental excel document and include with the submission of the application. Instructions for completing the chart and an example are in the worksheet.

**Estimated Attendance Data:** The information provided below should align with the information provided in the Estimated Attendance Chart.

Desired Market Area (area that will be affected by the economic impact of the event. This is usually the county in which the event is held and may sometimes include adjacent counties):	City of Carrollton
Primary event day(s) on which attendance counts will be collected and used for reporting attendance after the event:	September 16 - 22, 2024
Anticipated Daily Average Attendance at Primary Event (average of the total estimated attendance from the day(s) listed above):	7,902
Anticipated Out-of-State Attendance at Primary Event:	5,290
Anticipated percentage of all attendees that will be from Out-of-State:	46%
Anticipated percentage of total attendance from Texas, but who are visiting from outside of the market area:	18%

**Spending Rates and Percentages:** Provide the estimated daily average spending in the following categories for all attendees below. Include only taxable expense(s) (e.g. most food purchased at a grocery store is not taxed and would not be included, but food purchased at a restaurant is taxed and may be included.)

Spending Rate for Food & Non-Alcoholic Beverages:	\$94.93
Spending Rate for Shopping & Entertainment:	\$65.26
Spending Rate for Alcoholic Beverages:	\$46.17
What percentage of all attendees will consume alcoholic beverages?	67%
Spending Rate for Hotel:	\$206.67
What percentage of all attendees will stay in hotels?	41%
On average, how many people per hotel room?	1-2
Spending Rate for Car Rental:	\$82.50
What percentage of all attendees will rent cars?	31%
On average, how many people per rental car?	1-2

## SECTION 7: ATTENDANCE REQUIREMENT

In accordance with TAC Rule § 184.13(d), 184.23(d) and 184.30, no later than 45 days after the event, the total actual attendance and the estimated number of attendees that are not residents of Texas at the event must be provided to EDT. Supporting documentation must be submitted for verification. The following methods will be accepted: ticket sales count, turnstile count, ticket scan count, convention registration check-in count, or participant totals (must be accompanied by ticket or turnstile count for MERP & MSRTF). Other methods may be approved by the OOG in its sole discretion prior to the first day of the event.

Please explain which of these methods or another method, subject to approval, that will be used:

Ticket Sales, Participant Totals

## SECTION 8: CHECKLIST

***EDT must receive the following documents (except the Event Support Contract and Human Trafficking Prevention Plan) by the application deadline before it can issue an estimate of incremental taxes.***

EDT is statutorily required to make a determination within 30 days after receiving a complete application. If an application is incomplete, it will not be processed until all required information is submitted. Early submission is encouraged.

- Events Trust Fund Application** completed and signed by someone the applying entity has determined is eligible to bind the applying entity.
- Estimated Attendance Chart** completed with information that aligns with the Economic Impact Study. Submitted in pdf format.
- Endorsement Documentation** from the endorsing municipality or endorsing county requesting participation in the trust fund program and signed by a person authorized to bind the municipality or county. The documentation should clearly indicate the municipality or county's endorsement of the event and the name of the LOC, if applicable. The information in the document should coincide with the Selection Letter.
- Selection Letter** A signed letter from the Site Selection Organization selecting the site in Texas that clearly indicates and describes a highly competitive selection process by which site selection occurred, and that the selection was based on an application by the endorsing municipality, county or LOC. This selection letter must clearly indicate the selected LOC, the selected municipality or county, and the event date. The event date indicated in the letter must match the requested event date.
- Economic Impact Study** or other data sufficient for EDT to make the determination of the estimated incremental increase in tax revenue directly attributable to the preparation or presentation of the event, including data for any related activities. The Study should contain detailed information on the direct expenditures for the event in the requested market area relating to the economic activity of attendees and other persons associated with the event. The study may also include information on event expenditures, if available. For MERP's only, secondary impacts must be included, and stated separately from the direct impact in order for these impacts to be considered in development of the EDT estimate.
- Affidavit for Economic Impact** signed by the person(s) who prepared the Study for the application.
- Affidavit of Endorsing Entity** signed by each endorsing municipality, county and/or LOC.

- Human Trafficking Prevention Plan (MERP Only)** No later than the 30th day before the first day of the event, the Site Selection Organization must submit a plan to the trafficking of persons in connection with the event to the office of the attorney general and the chief of the Texas Division of Emergency Management. Plans shall be submitted to the following contacts:

Captain James T. (Tim) Ferguson – Office of the Attorney General [james.ferguson@oag.texas.gov](mailto:james.ferguson@oag.texas.gov)

Seth Christensen, Blair Walsh – Texas Division of Emergency Management [seth.christensen@tdem.texas.gov](mailto:seth.christensen@tdem.texas.gov), [blair.walsh@tdem.texas.gov](mailto:blair.walsh@tdem.texas.gov)

- Event Support Contract** is a contract by and between a Site Selection Organization and a local organizing committee, an endorsing municipality, or an endorsing county setting out the representations and assurances of the parties with respect to the selection of a site in this state for the location of an event, and the requirements and costs necessary for the preparation or presentation of an event. Due before the first day of the event, early submission will provide EDT with the opportunity to review the contract and address any issues prior to the event.

**Note: Disclosure of Information under the Public Information Act.** All documents submitted to the Office of the Governor (OOG) may be subject to disclosure under the Texas Public Information Act, Chapter 552 of the Texas Government Code ("the Act"), including, but not limited to, the application, event support contract, economic impact analysis, and all disbursement documentation submitted after the event, whether created or produced by the applicant or by any third-party. If it is necessary to include proprietary or otherwise confidential information in the documents submitted, that particular information should be clearly identified as such. **Merely making a blanket claim that the all documents are protected from disclosure because they may contain some proprietary or confidential information is not acceptable, and will not render the information confidential.** Any information that is not clearly identified as proprietary or confidential will be released in accordance with the Act.

I, the authorized representative of the applicant, certify that the representations made, the facts stated in this application and all supplemental documents are true and correct, and that no relevant facts have been intentionally omitted, as evidenced by my signature below. I hereby agree, on behalf of the applicant, to comply with the reporting requirements and will provide other documentation as requested.

---

Signature

---

Name (Printed)

---

Title

---

Date

2024 LIV Golf Team Championship Dallas - Daily Attendance

	Players	Player Support Team	Broadcast Media & Tech	Ticketed Spectators	Vendors	Staff & Officials	Totals
16-Sep	104	624	150	-	250	345	1,473
17-Sep	104	624	150	-	250	345	1,473
18-Sep	104	624	150	-	250	345	1,473
19-Sep	104	624	150	-	250	345	1,473
20-Sep	104	624	150	15,000	250	345	16,473
21-Sep	104	624	150	15,000	250	345	16,473
22-Sep	104	624	150	15,000	250	345	16,473

Average                      7,902



April 10, 2024

Mr. Gene Cervenka  
Deputy Director – Economic Development Finance  
Economic Development & Tourism  
Office of Governor Greg Abbott  
1100 San Jacinto, 3rd Floor  
Austin, TX 78701

*via email: [eventsfund@gov.texas.gov](mailto:eventsfund@gov.texas.gov)*

*RE: 2024 LIV Golf Dallas*

Dear Mr. Cervenka:

Pursuant to Texas Government Code Chapter 480, the City of Carrollton respectfully requests that your office prepare an estimate of the economic impact of the 2024 LIV Golf Dallas for purposes of establishing an Event Trust Fund to be funded by local and state tax revenue under the provisions of the Statute.

The City of Carrollton has been advised that LIV Golf selected Carrollton as its host city through a highly competitive selection process, and fielded solicitations from outside the State of Texas. The site selection was not based upon an application by the municipality to the site selection organization, as provided in Texas Government Code § 480.0102, but the City fully supports and endorses the event. Please be advised that LIV Golf will hold a tournament in Houston on June 7 – 9, 2024; however, this event in Carrollton is a championship tournament.

Included within this application are direct economic spending projections for the 2024 event. Outlyr Inc.'s consultant has projected, and request that your office certify, that the event will generate the following eligible State taxes from direct expenditures:

LIV Golf Team Championship Dallas:	\$899,798
September 16 - 22, 2024	

We appreciate our relationship with the Governors' Office and look forward to your response regarding this special application. Please contact me if you should have any questions or require further information.

Sincerely,

Mayor Steve Babick  
City of Carrollton

**City of Carrollton**

1945 E. Jackson Rd, Carrollton, TX 75006 | 972.466.3167(VM) | 972.896-3568(C)  
P.O. Box 110535, Carrollton, TX 75011-0535 | [Steve.Babick@cityofcarrollton.com](mailto:Steve.Babick@cityofcarrollton.com)



Steve Babick  
Mayor  
The City of Carrollton  
1945 E. Jackson Road  
Carrollton, Texas 75006

April, 8<sup>th</sup> 2024

Dear Mayor Babick,

Hope all is well as we move through 2024. As a leader in the sports and entertainment space, Outlyr has seen the positive impact that live sports and entertainment have on communities across the country.

We are excited to bring an event of this magnitude to the City of Carrollton in the fall of 2024. For the first time, Outlyr will partner with Maridoe Golf Club to bring the LIV Golf Team Championship Dallas to Carrollton, TX from September 16<sup>th</sup> – September 22<sup>nd</sup>.

This event will offer more than the three-day golf tournament. It will include a week of programming and activities designed to engage the community. Events may include (but are not limited to): Official Pro-Ams, VIP Welcome Party, Team Celebration, Community Programming, Family Zones, Sustainability Initiatives, Concerts, and more. We are confident this weeklong celebration will bring entertainment to both North Texas residents as well as folks from out-of-state, in a safe and secure manner, as the best golfers in the world compete on a global stage.

Outlyr has more than 30 years of experience in building sustainable events in regions that recognize the importance of community, culture, and charitable enhancements. Hosting the 2024 LIV Golf Team Championship Dallas here in Carrollton, TX, is largely predicated around this recognition of community, culture and charitable enhancements that is foundational to North Texas. The opportunity to partner with an incredible host club like Maridoe Golf Club helped us – and our partners – decide on the location.

We look forward to developing a strong partnership with the City of Carrollton and to building a safe, special, and beneficial event for the community. Please let us know if you have any further questions.

Sincerely,  
James Clark  
Vice President  
Outlyr LLC.

# *2024 LIV Golf Team Championship Dallas*

*Projected Economic Impact on  
the City of Carrollton Economy  
and Texas State Tax Revenues*



*Prepared by:*

**HIGHLAND**  
MARKET RESEARCH

# 2024 Event Projections

The LIV Golf Team Championship Dallas will be held in Carrollton, Texas from September 16-22, 2024.

Table 1. Projected People Attending the 2024 LIV Golf Dallas

	Out-of-State	Texas (Non-Market)	Carrollton Market Area	Totals
Players & Caddies	98	6	-	104
	94%	6%	0%	
Player Support Team	588	36	-	624
	94%	6%	0%	
Broadcast Media & Tech	104	23	23	150
	70%	15%	15%	
Ticketed Spectators	4,020	2,010	4,020	10,050
	40%	20%	40%	
Vendors	150	25	75	250
	60%	10%	30%	
Staff & Officials	330	-	15	345
	96%	0.0%	4%	
<b>Grand Totals</b>	<b>5,290</b>	<b>2,100</b>	<b>4,133</b>	<b>11,523</b>
	46%	18%	36%	

Table 2. Projected Out-of-State and Non-Market Attendees

<b>Players &amp; Caddies</b>	
out-of-state	98
TX non-market	6
<b>Player Support Team</b>	
out-of-state	588
TX non-market	36
<b>Broadcast Media &amp; Tech</b>	
out-of-state	104
TX non-market	23
<b>Ticketed Spectators</b>	
out-of-state	4,020
TX non-market	2,010
<b>Vendors</b>	
out-of-state	150
TX non-market	25
<b>Staff &amp; Officials</b>	
out-of-state	330
TX non-market	-
<i>Total Eligible</i>	<i>7,390</i>

Table 3. Projected Daily Attendance

	Players	Player Support Team	Broadcast Media & Tech	Ticketed Spectators	Vendors	Staff & Officials	Totals
16-Sep	104	624	150	-	250	345	1,473
17-Sep	104	624	150	-	250	345	1,473
18-Sep	104	624	150	-	250	345	1,473
19-Sep	104	624	150	-	250	345	1,473
20-Sep	104	624	150	15,000	250	345	16,473
21-Sep	104	624	150	15,000	250	345	16,473
22-Sep	104	624	150	15,000	250	345	16,473

Table 4. Projected Expenditures on Food/Dining

	Individuals	Days Attending Event	Total Segment Days	Average per Person per Day	Total Expenditures
Players	104	7	728	\$100.00	\$72,800
Player Support Team	624	7	4,368	\$100.00	\$436,800
Broadcast Media & Tech	127	7	889	\$65.00	\$57,785
Ticketed Spectators	6,030	5	30,150	\$100.00	\$3,015,000
Vendors	175	7	1,225	\$65.00	\$79,625
Staff & Officials	330	7	2,310	\$45.00	\$103,950
Grand Totals	7,390		39,670		\$3,765,960
Average				\$94.93	

Table 5. Projected Expenditures on Alcoholic Drinks with Meals

	Individuals	Days Attending Event	Total Segment Days	Percent Having Drinks	Segment Days Having Drinks	Average Cost per Day	Total Spending on Drinks
Players	104	7	728	-	-	\$0.00	\$0
Player Support Team	624	7	4,368	50%	2,184	\$25.00	\$54,600
Broadcast Media & Tech	127	7	889	50%	445	\$25.00	\$11,113
Ticketed Spectators	6,030	5	30,150	75%	22,613	\$50.00	\$1,130,625
Vendors	175	7	1,225	50%	613	\$25.00	\$15,313
Staff & Officials	330	7	2,310	25%	578	\$15.00	\$8,663
Grand Totals	7,390		39,670		26,431		\$1,220,313
Average				67%		\$46.17	

Table 6. Projected Expenditures on Carrollton Hotels/Motels

	Individuals	People per Room	Total Potential Rooms	Percent in Motels	Number in Motels	Average Nights	Rate	Total Cost
Players	104	2.0	52	15%	8	6	\$250.00	\$11,700
Player Support	624	2.0	312	15%	47	6	\$250.00	\$70,200
Media & Tech	127	1.0	127	75%	95	6	\$185.00	\$105,728
Ticketed Spectators	6,030	2.0	3,015	35%	1,055	4	\$185.00	\$780,885
Vendors	175	1.0	175	75%	131	6	\$185.00	\$145,688
Staff & Officials	330	1.0	330	90%	297	6	\$185.00	\$329,670
Grand Totals	7,390		4,011		1,633			\$1,443,870
Average		1.50		41%			\$206.67	

Table 7. Projected Eligible Rental Car Expenditures

	Players	Player Support Team	Broadcast Media & Tech	Ticketed Spectators	Vendors	Staff & Officials	Totals & Averages
Individuals	104	624	127	6,030	175	330	7,390
People per Vehicle	2.0	2.0	1.0	2.0	1.0	1.0	1.50
Total potential Rentals	52	312	127	3,015	175	330	
Car Rental	75%	75%	75%	50%	75%	75%	31%
Number Renting	39	234	95	1,508	131	248	2,255
Avg Daily Expenditure	\$82.50	\$82.50	\$82.50	\$82.50	\$82.50	\$82.50	\$82.50
Avg Days Renting	6	6	6	4	6	6	5.67
Total Expenditures	\$19,305	\$115,830	\$47,149	\$497,475	\$64,969	\$122,513	\$867,240
Avg Rental Expenditure	\$495	\$495	\$495	\$330	\$495	\$495	

*Table 8. Projected Total Eligible Taxes from Retail & Entertainment Expenditures*

	Individuals	Days Attending Event	Total Segment Days	Average Retail Spend per Day	Total Spending on Retail
Players	104	7	728	-	\$0
Player Support Team	624	7	4,368	\$75.00	\$327,600
Broadcast Media & Tech	127	7	889	-	\$0
Ticketed Spectators	6,030	5	30,150	\$75.00	\$2,261,250
Vendors	175	7	1,225	-	\$0
Staff & Officials	330	7	2,310	-	\$0
Grand Totals	7,390		39,670		\$2,588,850
Average				\$65.26	

*Table 9. Projected Total Eligible Taxes from Ticket Sales*

	Individuals	Average Ticket Price	Total Spending on Retail
Players	104	-	\$0
Player Support Team	624	-	\$0
Broadcast Media & Tech	150	-	\$0
Top Tier Tickets	1,500	\$500.00	\$750,000
Ticketed Spectators	8,550	\$45.00	\$384,750
Vendors	250	-	\$0
Staff & Officials	345	-	\$0
Grand Totals	11,523		\$1,134,750
Average			

*Table 10. Projected Total Eligible Taxes from Direct Expenditures*

	Projected Direct Expenditures	Texas Tax Rate	Eligible Texas Taxes
Retail & Entertainment	\$2,588,850	6.25%	\$161,803
Car Rental	\$867,240	10.00%	\$86,724
Hotel & Motel Expenditures	\$1,443,870	6.00%	\$86,632
Food/Meals (excluding drinks)	\$3,765,960	6.25%	\$235,373
Alcoholic Drinks with Meals	\$1,220,313	11.00%	\$134,234
Ticket Sales	\$1,134,750	6.25%	\$70,922
Total Eligible Expenditures	\$11,020,983		\$775,688
Eligible Texas Tax Generated	\$775,688		

*Table 11. Summary Funding Request*

Requested State Share	\$775,688
Requested Local Share	\$124,110
Total Request	\$899,798



OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

## **AFFIDAVIT**

### **for Economic Impact Documentation**

**Affidavit to be completed, including signed and notarized, by any and all party(ies) providing economic data to support an application for an Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund.**

I, Angie Highland, am providing information to be used by a City, County or Local Organizing Committee for the purpose of receiving funding through the Event Trust Fund, Major Events Reimbursement Program, or Motor Sports Racing Trust Fund ("the Act"), and hereby swear and affirm that, to the best of my knowledge, any data provided is true and accurate, and any projections made are based on reasonable assumptions documented in the information provided. I further swear and affirm that I have reviewed the information being submitted, and that all of the statements made and information provided herein, including statements made and information provided in any attachments are true, complete, and correct, to the best of my knowledge. Information provided includes but is not limited to an economic impact study or other data sufficient for the Economic Development and Tourism Office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities.

I understand that the City, County or Local Organizing Committee is receiving funding under the Act for the purposes of facilitating this event: LIV Golf Team Championship Dallas on these dates: September 16-22, 2024 and that the information will be provided by the City, County or Local Organizing Committee as a government document.

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.



OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

*[Handwritten Signature]*

Affiant Signature

*Angie Highland*

Printed Name

*President, Highland Market Research*

Title and Name of Organization

*4/9/2024*

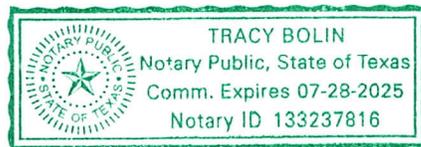
Date

The State of Texas

County of Parker

Before me, a Notary Public, on this day personally appeared Angie Highland, known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 9 day of April, 2024



(PERSONALIZED SEAL)

*Tracy Bolin*  
(Notary Public, State of Texas)

*Tracy Bolin*  
(Print name of Notary Public here)

My commission expires the 28 day of July, 2025



OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

**AFFIDAVIT**  
**for Economic Impact Documentation**

**Affidavit to be completed, including signed and notarized, by any and all party(ies) providing economic data to support an application for an Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund.**

I, James Clark, am providing information to be used by a City, County or Local Organizing Committee for the purpose of receiving funding through the Event Trust Fund, Major Events Reimbursement Program, or Motor Sports Racing Trust Fund ("the Act"), and hereby swear and affirm that, to the best of my knowledge, any data provided is true and accurate, and any projections made are based on reasonable assumptions documented in the information provided. I further swear and affirm that I have reviewed the information being submitted, and that all of the statements made and information provided herein, including statements made and information provided in any attachments are true, complete, and correct, to the best of my knowledge. Information provided includes but is not limited to an economic impact study or other data sufficient for the Economic Development and Tourism Office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities.

I understand that the City, County or Local Organizing Committee is receiving funding under the Act for the purposes of facilitating this event: LIV Golf Team Championship Dallas on these dates: September 16-22, 2024 and that the information will be provided by the City, County or Local Organizing Committee as a government document.

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.



OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

[Signature] \_\_\_\_\_ JAMES CLARK \_\_\_\_\_  
 Affiant Signature Printed Name  
VICE PRESIDENT, OUTWR, LLC 04-08-24 \_\_\_\_\_  
 Title and Name of Organization Date

The State of Texas

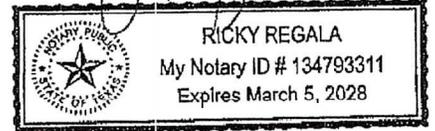
County of Dallas

Before me, a Notary Public, on this day personally appeared James Clark, known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 08 day of April, 20 24

[Signature]  
Notary Public, State of Texas

(PERSONALIZED SEAL)



Ricky Regala  
(Print name of Notary Public here)

My commission expires the 5 day of March, 20 28



OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

## AFFIDAVIT of Endorsing Entity

### **Affidavit to be completed, including signed and notarized, by any and all Municipalities, Counties, and/or LOCs endorsing an Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund.**

I, Steve Babick, an authorized representative of the City of Carrollton, a [Local Organizing Committee (nonprofit corporation), endorsing municipality or endorsing county] (circle one) ("Requestor") that is receiving funding through the Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund ("the Act"), hereby swear and affirm that, to the best of my knowledge, the Requestor has designed and implemented internal controls, processes and procedures to help the Requestor ensure that the Requestor and its use of these funds complies with all applicable laws, rules, and written guidance from the Economic Development and Tourism Office. I further swear and affirm that I, or my duly authorized employee, representative, or agent, have reviewed the information, and that all of the statements made and information provided therein, including statements made and information provided in any attachments are true, complete, and correct to the best of my knowledge. All other information submitted as part of this request for participation is being represented by me as true and correct, and I am unaware of any information contained therein that is false, misleading, or fraudulent. Information provided includes but is not limited to:

- (1) A letter from the municipality or county requesting participation in the Events Trust Fund program and signed by a person authorized to bind the municipality or county;
- (2) A letter from the site selection organization on organization letterhead selecting the site in Texas;
- (3) An economic impact study or other data sufficient for the Economic Development and Tourism Office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities;
- (4) An application for an Events Trust Fund program and any attachments; and
- (5) An Event Support Contract

I understand that I am receiving funding under the Act for the purposes of facilitating this event: LIV Golf Team Championship Dallas on these dates: September 16 - 22, 2024. I understand that non-compliance with reporting requirements could be treated as a violation of the statute and/or program rules resulting in the possible withholding of disbursement funding.

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with



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intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.

\_\_\_\_\_  
Affiant Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title and Name of Organization

\_\_\_\_\_  
Date

**The State of Texas**

County of \_\_\_\_\_

Before me, a Notary Public, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

(PERSONALIZED SEAL)

\_\_\_\_\_  
(Print name of Notary Public here)

My commission expires the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_





## Agenda Memo File Number: 6654

**Agenda Date:** 4/16/2024

**Version:** 1

**Status:** Other Business

**In Control:** City Council

**File Type:** Procedural Item

**Agenda Number:** 26.

**CC MEETING: April 16, 2024**

**DATE:** April 10, 2024

**TO:** Erin Rinehart, City Manager

**FROM:** Melissa Everett, Finance Director  
Chrystal Davis, Assistant City Manager

Consider **Adopting The Community Funding Policy.**

### **BACKGROUND:**

The Community Funding Program is intended to continue the City Council's goal to improve the quality of life for residents and foster community cohesion. Each year, the City receives requests for financial assistance to augment the efforts of various nonprofit organizations that provide a variety of services, events, arts programs, special projects, or major events throughout the community. Changes were made in an effort to streamline the application, review, and funding processes ahead of the Fiscal Year 2025 Program. The Community Funding Committee has reviewed and recommends adoptions of the following changes to include:

- Merges the Community Services Policy and Community Events Policy into a single document and application.
- Creates a grant of up to \$5,000 for events, arts, or other qualified programs.
- Establishes a "Major Events" program allowing for funding up to \$100,000 for one-time events.
- Sets a review process for the policy.
- Establishes that any use of the City's name will be in accordance with the City's previously adopted Marketing Guidelines.

### **FINANCIAL IMPLICATIONS:**

The Community Funding Program is part of the annual budgeting process funded by the City's General Fund.

### **IMPACT ON COMMUNITY SUSTAINABILITY:**

The Community Funding Program continues the City's efforts to be a good partner in our community

and ensure residents and groups feel supported.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends adoption of the Community Funding Policy.



# Community Funding Policy and Procedures

## Purpose

The City frequently receives requests from Organizations for funding and other assistance to provide support for activities that benefit the Carrollton community. The City recognizes that certain Services, Special Events, Arts Programs, Major Events, and Special Projects, as defined herein, provide general benefits to the residents of the City as a whole and desires to assist in the funding when the City, in its sole discretion, deems it appropriate and feasible for the purposes of encouraging the ethnic, cultural, historic, health, recreational, or environmental aspects of the City in ways that are not already provided in or by the City. The purpose of this Policy is to establish processing and evaluation criteria for funding requests received from Organizations that provide Services, Special Events, Arts Programs, Major Events, or Special Projects for the benefit of Carrollton residents. Each fiscal year, the City Council may allocate funds in the operating budget for Organizations.

## General Policy

This Policy provides a statement of guidelines and criteria for distributing Community Funding Grants. Community Funding is intended to augment the efforts of nonprofit organizations to benefit residents in Carrollton. It is the City's policy to have a program that can channel requests through an application review, thereby ensuring that all requests are evaluated consistently to enter into agreements for specific measurable services and to ensure that funding recipients are held accountable for providing the agreed upon services within the specified time frame. Regardless of eligibility, however, nothing in this Policy entitles an Organization to assistance from the City. All decisions about whether, and the amount of, assistance will be provided shall be made by the City Council in its sole discretion.

By law, Community Funding may only be spent for a public purpose benefiting the residents of the City and must comply with all applicable state and federal laws. The activities recommended for funding must be an activity which benefits the general community of Carrollton residents, including social welfare services, and promotion of the arts. The City Council authorizes the City Manager to make administrative modifications to the Community Funding Program and Application to ensure compliance with applicable laws. This Policy and the funding mechanisms should be reviewed every two years by the Community Funding Committee, for adoption by Council.

## Funding Philosophy

Requests for funding received from organizations will be considered during a specified time period annually. The Community Funding Committee will determine the appropriate avenue for funding based on the activities the Organization will perform: Services, Special Events, Arts Programs, Major Events, or Special Projects.

Due to limited resources, not all requests will be funded. It is not the City's intention to fund each request received, but rather to evaluate each proposal and provide funding to those organizations which most effectively serve the needs and improve the well-being of the residents of Carrollton.

Special consideration is given to proposals that replace or enhance services that the City may otherwise provide. The City also puts a higher priority on services that have broad community appeal.

Community Funding Grants made in excess of \$5,000 will be reimbursement based as set forth in each Organization's contract, which shall be based upon the amount of funds granted. All funds will be dispersed in accordance with the guidelines established below.

There is no roll-over of the funds for the Community Funding Program (within the City's operating budget) from one fiscal year to another. Any funds that were not allocated by the end of the fiscal year or spent by an Organization during the fiscal year in which they were granted will be returned to the City's General Fund.

The City Council encourages a goal of self-sufficiency for all Organizations. The City Council supports providing funding to Organizations that have demonstrated their effectiveness in raising funds and volunteer services for their programs within the community. The Council discourages an over-reliance on City financial assistance to maintain such programs on an ongoing basis. Therefore, all Organizations requesting funds from the City must continue efforts to develop stable private funding sources and City funds may not exceed ten percent (10%) of the annual budget of the Organization.

## Definitions

1. "Organization" means (a) a nonprofit organization that qualifies for tax-exempt status under Section 501 of the Internal Revenue Code, (b) a group consisting of employees of a business or businesses located in the City, or (c) a group consisting of individuals the majority of whom are residents of the City that has been formed for the purpose of planning and conducting a Special Event or performing a Special Project.
  - a. The term "Organization" does not include citizen groups formed for the purpose of supporting or partnering with existing City services, such as the Friends of the Library, Friends of the Perry Museum, or other similar groups.

2. “Services” means any activity as developed by an Organization that provides programs and services designed to improve life situations of the residents of the City of Carrollton, regardless of which county the resident resides. Examples of Services include the following:
  - a. Information and Referral Services: health and social services, job opportunities, support groups or transportation; and
  - b. Indirect Assistance: in collaboration with other organizations, provides awareness of needs and how to maximize utilization of resources, community education, participation in community-wide issues, and provide volunteer opportunities for community-wide involvement.
3. “Special Event” means an activity to be held or offered within the City developed by an Organization that draws participants who may reside inside and/or outside the City and that provides a general benefit for the residents of the City as a whole. A Special Event is categorized as either (a) a cultural Special Event that encompasses creative expressions through theater, music, dance, art, and similar artistic endeavors that showcase or celebrate the City's ethnic diversity, or (b) an educational Special Event that provides informational programs relating to ethnic, cultural, historic, health, recreational, environmental, or similar interests.
4. “Arts Program” means providing encouragement and promotion of tourism, historic preservation, business development, and/or arts programming.
5. “Special Project” means an undertaking by an Organization that results in a tangible item built or located on City property or an on-going improvement to City property that provides a general benefit to the residents of the City as a whole.
6. “Major Event” means an event that is held not more than once per year, where the anticipated attendance will exceed 50,000 persons over the course of the event, which can be one or more days, that provides a benefit to the residents of the City as a whole. An Organization may be eligible for a Community Funding Grant as a Major Event not more than once every five (5) years.
7. “Occurrence” means a Special Event, Arts Program, Major Event, or Special Project.
8. “Eligible Expenses” means costs that are solely related to the production, promotion and hosting of an Occurrence. Examples of Eligible Expenses include permit costs; public safety costs; staffing; décor; Carrollton-based venue; Carrollton-based lodging; transportation; equipment rental; and entertainment. Eligible Expenses do not include costs related to alcohol (for sale or consumption); taxes; gifts; existing deficits, loans,

interest on loans, fines, penalties or costs of litigation; projects or events that are extensions of training (i.e., academic programs, conferences, classes and workshops); costs related to performances or programs already funded or reimbursed by another entity; scholarships or cash prizes; any funding for activities, including hotel expenses, taking place outside of the city limits City; faith-based organizations using funds for events or activities which have a primary purpose that is religious, or programming that exists as part of religious services; purchase of equipment (except rental costs directly affiliated with the Occurrence); capital building expenses; or meals, refreshments, and/or catering expenses.

9. "Community Funding Committee" means the ad hoc committee, consisting of three City Councilmembers appointed by the Mayor for the purpose of reviewing the applications received for Services, Special Events, Arts Programs, Major Event, or Special Project grants and making recommendations to the City Council with respect to such applications.

## Eligibility

To be eligible for funding, Organizations:

- Must be tax exempt;
- Must be nonprofit (and must be able to provide the 501(c)(3) status form);
- Cannot include scholarships as part of their funding request;
- Cannot include debts as part of their funding request;
- Must benefit the general community of the City of Carrollton and its residents;
- Must provide evidence of insurance as acceptable to the City of Carrollton;
- Must be free from discrimination based on race, color, creed, nationality, sex, marital status, disability, religion, or political affiliation; and
- Must be located in Carrollton or a majority of its members must live in Carrollton.

## Determination of Assistance:

By law, Community Funding may only be spent for a public purpose benefiting the residents of the City and must comply with all applicable state and federal laws. The activities recommended for funding must be an activity which benefits the general community of Carrollton residents, including social welfare services, promotion of the arts, and community promotion of the City. The City Council authorizes the City Manager to make administrative modifications to the Community Funding Program and Application to ensure compliance with applicable laws.

There is no roll-over of the budgeted funds for the Community Funding Program (within the City's operating budget) from one fiscal year to another. Any funds that were not allocated by the end of the fiscal year or spent by the Organization during the fiscal year in which they were granted will be returned to the City's General Fund.

The event should benefit the general community of Carrollton residents. The Application must

be completed in full and submitted by the deadline. Incomplete or untimely Applications will not be considered.

### *Services Guidelines*

#### **1) Procedure**

Any Organization providing Services in the City of Carrollton may apply for Community Funding by submitted to the City a Community Funding Application (“Application”) in the form required by the City. The Application must include a full explanation about the Services. The Application shall be submitted to City staff, who will review the Application for completeness. The Community Funding Committee will evaluate completed Applications to determine which Organizations will receive funding. Additional information, an interview, or presentation to the Committee may be required.

- 2) Applying for funds does not ensure that the request will be granted. Funding for the City’s Community Funding Program is limited and some Applications, while worthy, will not be funded due to the limited resources.

Community Funding is limited to Organizations that have completed the Internal Revenue Service (IRS) process to become a 501(c)(3), nonprofit organization. Formal nonprofit status must be up-to-date and submitted as requested on the Application. Organizations must be in good standing. Organizations may apply for funding only if the entity serves a public purpose and follows the laws governing the use of public funds.

#### **3) Payment and Use of Community Funding Grant Funds for Services**

- a) Organizations that receive funding will be required to enter into a contract with the City that specifies the responsibilities of the Organization with respect to the use of the Community Funding Grant. Once approved, the Community Funding Grant will be processed by City staff, as set forth herein or in the contract.
- b) Organizations providing social welfare services will be required to submit, on a quarterly basis, a Social Services Report that provides demographics on individuals serviced by the Organization. All funding will be disbursed on a quarterly basis. The first disbursement will coincide with the beginning of the fiscal year upon completion of the contract for Services; all subsequent disbursements will be made upon receipt of the Social Services Quarterly Report.

### *Special Event, Arts Program, Major Event, or Special Project Guidelines*

- 1) Organizations seeking assistance from the City with respect to an Occurrence must complete an Application and submit it to the City’s Finance Department by the established deadline. The Application should include a detailed description of the Occurrence, the total budget for

the Occurrence, the estimated resident and non-resident attendance at the Occurrence, and such other information as the City may request.

- 2) The Community Funding Committee will review the Applications received for Occurrences scheduled to be held during the next fiscal year and make a recommendation to City Council with respect to which Organization, if any, should receive a Community Funding Grant and the amount of the recommended grant. Such recommendations shall be presented to the City Council as part of its budget considerations for the following fiscal year.
- 3) For purposes of this Policy, reimbursements, if applicable, will only be made for Eligible Expenses.

### *Special Events & Arts Programs*

- 1) The Community Funding Committee should analyze the Applications and base any grant recommendation on the following factors:
  - a) The quality of the Special Event or Arts Program (collectively referred to as “Activity”) as demonstrated by the description and history of previous Activities, including the extent to which the Activity’s theme and events reinforce the social values in the community and provide the type of desired programs that reflect the City’s diverse interests;
  - b) The extent and feasibility of the administrative oversight of the Activity provided by the Organization;
  - c) The potential of the Activity to attract visitors to the City and the economic impact the Activity will have for the City’s hotels, restaurants, and retail community;
  - d) The overall benefits of the Activity to the residents of the City as a whole; and
  - e) The total attendance at the Activity in the previous and prior years. First-time Activities or Activities that cannot provide a verifiable attendance record in the previous year are not eligible for a Community Funding Grant.
- 2) The total amount of the Community Funding Grant to be awarded to an approved Activity shall be based on the verifiable attendance at the Activity in the previous year as follows:

<b>Attendance in the Prior Year</b>	<b>Maximum Amount of Grant</b>
Under 1,000	\$1,000
1,000 to 2,499	\$2,500
2,500 to 4,999	\$5,000
5,000 to 9,999	\$7,500
10,000 to 19,999	\$10,000

20,000 to 39,999	\$15,000
40,000+	\$25,000

- a) “Verifiable attendance” means that the Activity’s attendance numbers in the previous year are based upon either (1) actual ticket sales at the event or (2) an actual head count provided by a reliable source independent from the Organization. The Community Funding Committee may evaluate the reliability of the attendance numbers provided by the Organization from either source and make reasonable adjustments to such attendance numbers as the Community Funding Committee deems appropriate.
- 3) The maximum grant shall not exceed 25% of the Eligible Expenses for the Activity or \$25,000, whichever is less.
- 4) For Organizations providing an Activity, funding will be provided in one payment upon completion of the contract, if the amount of the Community Funding Grant does not to exceed \$5,000. If an Organization is granted funding in an amount that exceeds \$5,000, grant funding will be paid on a reimbursement basis as further described in this Policy.
- 5) Payment and Use of Community Funding Grant Funds.
  - a) Organizations receiving a Community Funding Grant for an Activity may use the funds to pay for Eligible Expenses incurred by the Organization related to the Activity.
  - b) The City will pay an approved Community Funding Grant to the Organization within thirty (30) days after submission by the Organization to the Finance Department of detailed invoices or receipts reflecting Eligible Expenses relating to the Activity. Such documentation shall be submitted to the City within thirty (30) days after the completion of the Activity, or it will not be considered.

*Special Projects*

- 1) The Community Funding Committee should analyze the Application for a Special Project and base any grant recommendation on the following factors:
  - a) The overall benefits of the Special Project to the residents of the City as a whole;
  - b) The extent and feasibility of the administrative oversight of the Special Project provided by the Organization; and
  - c) The cost to the City of ongoing maintenance and upkeep of the Special Project after its completion.

- 2) The maximum grant shall not exceed 25% of the Eligible Expenses for the Special Project or \$10,000, whichever is less.
- 3) Payment and Use of Community Funding Grant Funds.
  - a) Organizations receiving a Community Funding grant may use the funds to pay for any Eligible Expenses incurred by the Organization for completing the Special Project.
  - b) The City will pay an approved Community Funding Grant to the Organization within thirty (30) days after submission by the Organization to the Finance Department of detailed invoices or receipts reflecting Eligible Expenses relating to the Special Project. Such documentation shall be submitted to the City within thirty (30) days after the completion of the Special Project, or it will not be considered.

### Major Event

- 1) A Major Event may be considered for a Community Funding Grant award of Eligible Expenses in an amount not to exceed 25% of the Eligible Expenses for the Major Event or \$100,000, whichever is less. A Major Event Application may be considered outside of the standard budget process and is not due by the regular Application date.
- 2) The Community Funding Committee should analyze the Application and base any grant recommendation on the following factors:
  - a. The quality of the Major Event as demonstrated by the description and history of previous events held by the Organization, including the extent to which the Major Event's theme and events reinforce the social values in the community and provide the type of desired programs that reflect the City's diverse interests;
  - b. The extent and feasibility of the administrative oversight of the Major Event provided by the Organization;
  - c. The potential of the Major Event to attract visitors to the City and the economic impact the Major Event will have on the City and for the City's hotels, restaurants, and retail community; and
  - d. The overall benefits of the Major Event to the residents of the City as a whole.
- 3) Payment and Use of Community Funding Grant Funds.
  - a) Organizations receiving a Community Funding grant may use the funds to pay for any Eligible Expenses incurred by the Organization related to the Major Event.

- b) The City will pay an approved Community Funding Grant to the Organization within thirty (30) days after submission by the Organization to the Finance Department of detailed invoices or receipts reflecting Eligible Expenses relating to the Major Event. Such documentation shall be submitted to the City within thirty (30) days after the completion of the Major Event, or it will not be considered.

## Criteria

In making funding determinations, the City may consider the following criteria; among others:

- Does the Organization provide a service to the overall community of Carrollton?
- How will the Organization use the funding to benefit the citizens of Carrollton?
- Is the size and make-up of the Organization equipped to provide services to the overall community?
- Does the Organization have a positive image in the community?
- Does the Organization have a high level of fiscal management?
- Is the Organization well organized to ensure longevity in the City of Carrollton?
  - Does the Organization have an active Board of Directors?
- Is there a history of satisfactory service provided to Carrollton citizens?
- Does the Organization provide services without requiring attendance or participation in any political or religious group?
- Did the Organization attend and present their requests to the Community Funding Committee? Did the Organization provide an annual budget and financial statements (prepared using an appropriate method of accounting) to demonstrate sound financial management?
- Does the Organization make its services available to all applicants based on established non-discrimination criteria?
- Does the Organization possess ongoing program evaluation tools?
- How will the Organization leverage the City dollars provided to help their Organization succeed?

## Timelines

Application and supporting documentation must be submitted by the deadline listed on the Application. Applications will be reviewed and considered by the City only as part of the City's annual budget process for the next succeeding fiscal year. As a result, Applications must be submitted no later than May 31. Applications received after the deadline, that fail to respond to all of the requested information, or that provide inadequate responses to the requested information shall be returned to the applicant and are not eligible for consideration for a grant.

## Compliance

- 1) The City Council shall have the final determination regarding whether to provide a grant for any Service, Special Event, Arts Program, Major Event, or Special Project and

the amount of any such grant. Such determination may be based upon the criteria listed in this policy, the recommendations of the Community Funding Committee, the availability of sufficient funds in the City budget, the prioritization of the use of City funds, or such other reasons as the City Council may, in its sole discretion, deem appropriate to ensure the expenditure serves the general benefit of the residents of the City. The City Council is not obligated to provide a Community Funding grant to any Organization or for any Services, Special Event, Arts Program, Major Event, or Special Project to which it provided a grant in any previous year. The City reserves the right to discontinue funding of this Policy at any time and for any reason.

If funds are not spent in accordance with the approved purpose, the Organization will be required to return the granted funds. Failure to provide proper documentation in a timely manner may jeopardize any future funding. The City of Carrollton reserves the right to conduct an audit and/or require additional back-up information to substantiate how funds received from the City were spent.

- 2) The approval of a Community Funding Grant does not obligate the City to provide marketing support for the Organization. Any marketing support will be provided, if at all, consistent with the City's Guidelines for Public Access to City Information Sources. Any use of the City's Logo must be used in accordance with the City's policy as established by the City of Carrollton's Marketing Services Department.
- 3) Prior to reimbursement of Eligible Expenses, the Organization shall provide City with a notarized affidavit attesting that all bills and expenses have been paid by the Organization. Failure to submit such affidavit within ten (10) calendar days after submitting receipts shall invalidate the Community Funding Grant award made by the City and the Organization shall be ineligible for funds during the then-current fiscal year.
- 4) Should the City receive notice that the Organization has failed to pay a vendor for any event that has been awarded a Community Funding Grant, the Organization shall be ineligible for funding until the vendor supplies the City with a notarized affidavit that the outstanding expense has been paid. This requirement shall not extend any deadlines set forth above and may cause loss of funding during any fiscal year. It is solely the Organization's responsibility to ensure payment to its vendors and nothing in this Policy shall be read to create a partnership, joint venture, or joint enterprise between the Organization and the City.
- 5) In the event that the City receives evidence of non-payment from a vendor for any event in which an Organization previously submitted an affidavit that all expenses have been paid, the Organization shall be ineligible for a Community Funding Grant for a period of five (5) years.

- 6) Unless otherwise provided herein, all Community Funding Grant awards shall be made as part of the annual budget process and adopted by Council in its formal budget.
- 7) Any Community Funding Grant made under this Policy is not intended to be nor may it be considered to be an endorsement of the Organization or its event. The Organization is solely responsible for all the content, performance, venue, activities, and liabilities for the Service, Special Event, Arts Program, Major Event, or Special Project and nothing in this Policy, nor the contract for the grant, shall be read to create a partnership, joint venture, or joint enterprise between the Organization and the City. This policy is created pursuant to the City's authority under Texas Local Government Code § 380.002(a) in order to develop and expand the economy or commerce within the City or to eliminate unemployment or underemployment.

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# Community Funding Policy and Procedures

## Purpose

The City frequently receives requests from Organizations for funding and other assistance to provide support for activities that benefit the Carrollton community. The City recognizes that certain Services, Special Events, [Community Arts Programs](#), [Major Events](#), and Special Projects, as defined herein, provide general benefits to the residents of the City as a whole and desires to assist in the funding when the City, in its sole discretion, deems it appropriate and feasible for the purposes of encouraging the ethnic, cultural, historic, health, recreational, or environmental aspects of the City in ways that are not already provided in or by the City. The purpose of this Policy ~~and Application~~ is to establish processing and evaluation criteria for funding requests received from Organizations that provide Services, Special Events, Arts Programs, [Major Events](#), or Special Projects for the benefit of Carrollton residents. Each fiscal year, the City Council may allocate funds in the operating budget for Organizations.

## General Policy

This ~~P~~olicy provides a statement of guidelines and criteria for distributing Community Funding ~~G~~grants. Community Funding is intended to augment the efforts of nonprofit organizations to benefit residents in Carrollton. It is the City's policy to have a program that can channel requests through an application review, thereby ensuring that all requests are evaluated consistently to enter into agreements for specific measurable services and to ensure that funding recipients are held accountable for providing the agreed upon services within the specified time frame. Regardless of eligibility, however, nothing in this ~~P~~olicy entitles an Organization to assistance from the City. All decisions ~~of~~about whether, and the amount of, assistance will be provided shall be made by the City Council in its sole discretion.

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Carrollton residents, including social welfare services, and promotion of the arts, ~~and community promotion of the City.~~ The City Council authorizes the City Manager to make administrative modifications to the Community Funding Program and Application to ensure compliance with applicable laws. This Policy and the funding mechanisms should be reviewed every two years by the Community Funding Committee, for adoption by Council.

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Requests for funding received from organizations will be considered during a specified time period annually. The Community Funding Committee will best determine the appropriate avenue for funding based on the activities the Organization will perform: Services, Special Events, Arts Programs, Major Events, or Special Projects.

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Community Funding Grants made in excess of \$5,000 will be ~~considered~~ reimbursement based ~~or lump sum~~ or service based as defined set forth in each ~~Organization's specified contract, which shall be based upon the amount of funds granted.~~ All funds will be dispersed in accordance with the guidelines established below.

There ~~will be~~ is no roll-over of the ~~budgeted~~ funds for the Community Funding Program (within the City's operating budget) from one fiscal year to another. Any funds that were not allocated to a nonprofit organization by the end of the fiscal year or spent by an Organization during the fiscal year in which they were granted will be returned to the City's General Fund.

The City Council encourages a goal of self-sufficiency for all local Organizations. The City Council supports providing funding to Organizations that have demonstrated their effectiveness in raising funds and volunteer services for their programs within the community. The Council

discourages an over-reliance on City financial assistance to maintain such programs on an ongoing basis. Therefore, all Organizations requesting funds from the City ~~should~~must continue efforts to develop stable private funding sources and City funds may not exceed ten percent (10%) of the annual budget of the Organization.

## Definitions

1. "Organization" means (a) a nonprofit organization that qualifies for tax-exempt status under Section 501 of the Internal Revenue Code, (b) a group consisting of employees of a business or businesses located in the City, or (c) a group consisting of individuals the majority of whom are residents of the City that has been formed for the purpose of planning and conducting a Special Event or performing a Special Project.
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2. "Services" means any activity as developed by ~~the~~an eOrganization that provides programs and services designed to improve life situations of the residents of the City of Carrollton, regardless of which county the resident resides. Examples of Sservices include the following:
  - ~~3.~~
    - a. Information and Referral Services: health and social services, job opportunities, support groups or transportation; and
    - ~~b.~~
      - b. Indirect Assistance: in collaboration with other organizations, provides awareness of needs and how to maximize utilization of resources, community education, participation in community-wide issues, and provide volunteer opportunities for community-wide involvement.
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## Eligibility



To be eligible for funding, ~~e~~Organizations:

- Must be tax exempt;
- Must be nonprofit (and must be able to provide the 501(c)(3) status form);
- Cannot include scholarships as part of their funding request;
- Cannot include debts as part of their funding request;
- Must benefit the general community of the City of Carrollton and its residents;
- Must provide evidence of insurance as acceptable to the City of Carrollton;
- Must be free from discrimination based on race, color, creed, nationality, sex, marital status, disability, religion, or political affiliation; and
- Must be located in Carrollton or a majority of its members must live in Carrollton.

### **Determination of Assistance:**

By law, ~~a~~ll Community Funding may only be spent for a public purpose benefiting the residents of the City and must comply with all applicable state and federal laws. The activities recommended for funding must be an activity which benefits the general community of Carrollton residents, including social welfare services, promotion of the arts, and community promotion of the City. The City Council authorizes the City Manager to make administrative modifications to the Community Funding Program and Application to ensure compliance with applicable laws.

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There is no roll-over of the budgeted funds for the Community Funding Program (within the City's operating budget) from one fiscal year to another. Any funds that were not allocated by the end of the fiscal year or spent by the Organization during the fiscal year in which they were granted will be returned to the City's General Fund.

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The ~~community~~Services event should benefit the general community of Carrollton residents. ~~Community Service Funding shall not exceed the greater of 10% of the applying Organization's annual operating budget or \$10,000.~~ The ~~A~~application must be completed in full and submitted by the deadline. Incomplete or untimely ~~A~~applications will not be considered.

### Services Guidelines

#### 1) **Procedure**

Any Organization providing ~~S~~services in the City of Carrollton may apply for Community Funding by submitted to the City a Community Funding Application ("Application") in the form required by the City. The Application must include a full explanation about the ~~activity~~Services. The Application shall be submitted to City staff, who will review the



Application for completeness. The Community Funding Committee will evaluate completed Applications to determine which Organizations will receive funding. Additional information, an interview, or a presentation to the Committee ~~is~~ may be required.

- 32) Applying for funds does not ensure that the request will be granted. Funding for the City's Community Funding Program is limited and some Applications, while worthy, will not be funded due to the limited resources.

Community Funding is limited to Organizations that have completed the Internal Revenue Service (IRS) process to become a 501(c)(3), nonprofit organization. Formal nonprofit status must be up-to-date and submitted as requested on the Application. Organizations must be in good standing. ~~Nonprofit o~~rganizations may apply for funding only if the entity serves a public purpose and follows the laws governing ~~use~~ the use of public funds.

### 3) Payment and Use of Community Funding Grant Funds for Services

- a) Organizations that receive funding will be required to enter into a contract for services with the City that specifies the responsibilities of the Organization with respect to the use of the Community Funding Ggrant. Once approved, the Community Funding ~~award~~ Grant will be processed by City staff, as set forth herein or in the contract.
- b) Organizations providing social welfare services will be required to submit on a quarterly basis, the a Social Services Report that provides demographics on individuals serviced by the Organization. All funding will be disbursed on a quarterly basis. The first disbursement will coincide with the beginning of the fiscal year upon completion of the contract for Services; all subsequent disbursements will be made upon receipt of the Social Services Quarterly Report.

### *Special Event, Arts Program, Major Event, or Special Project Guidelines*

- 1) Organizations seeking assistance from the City with respect to an ~~Special Event or Special Project Occurrence~~ must complete an Application and a submit it to the City's Finance Department by the established deadline. ~~Grant~~ The aApplications should include a detailed description of the ~~Special Event, Arts Program, or Special Project Occurrence~~, the total budget for the ~~Occurrence~~ Special Event activity, the estimated resident and non-resident attendance at the ~~Occurrence~~ Special Event activity, and such other information as the City may request.

- 2) The Community Funding Committee will review the grant applications received for programming activities Occurrences scheduled to be held during the next fiscal year and make a recommendation to City Council with respect to which Organization, if any, should receive a Community Funding Grant and the amount of the recommended grant. Such recommendations shall be presented to the City Council as part of its budget considerations for the following fiscal year.
  
- 3) For purposes of this Policy, reimbursements, if applicable, will only be made for Eligible Expenses as provided herein. Eligible Expenses are costs that are solely related to the production, promotion and hosting of the activity. Examples of Eligible Expenses include permit costs; public safety costs; staffing; décor; Carrollton based venue; Carrollton based lodging; transportation; equipment rental; and entertainment. Eligible Expenses do not include costs related to alcohol (for sale or consumption); taxes; gifts; existing deficits, loans, interest on loans, fines, penalties or costs of litigation; projects or events that are extensions of training (i.e., academic programs, conferences, classes and workshops); costs related to performances or programs already funded or reimbursed by another entity; scholarships or cash prizes; any funding for activities, including hotel expenses, taking place outside of the city limits City; faith-based organizations using funds for events or activities which have a primary purpose that is religious, or programming that exists as part of religious services; purchase of equipment (except rental costs directly affiliated with the activities); capital building expenses; or meals, refreshments, and/or catering expenses.

#### *Special Events & Arts Programs*

- 1) The Community Funding Committee should analyze the applications and base any grant recommendation on the following factors:
  - a) The quality of the Special Event or Arts Program (collectively referred to as “Activity”) as demonstrated by the description and history of previous eventsActivities, including the extent to which the event’s-Activity’s theme and activities-events reinforce the predominant social values in the community and provide the type of desired programs that reflect the City’s diverse interests;
  
  - b) The extent and feasibility of the administrative oversight of the Special Event-Activity provided by the Organization;-
  
  - c) The potential of the Special Event-Activity to attract visitors to the City and the economic impact the Special EventActivity will have for the City’s hotels, restaurants, and retail community;

- d) The overall benefits of the Special Event Activity to the residents of the City as a whole; and
- e) The total attendance at the Special Event Activity in the previous and prior years. First-time Special Events Activities or Special Events Activities that cannot provide a verifiable attendance record in the previous year are not eligible for a Community Funding Grant under this policy.
- 2) The total amount of the Community Funding Grant to be awarded to an approved Special Event Activity shall be based on the verifiable attendance at the Special Event Activity in the previous year as follows:

<u>Attendance in the Prior Year</u>	<u>Maximum Amount of Grant</u>
<u>Under 1,000</u>	<u>\$1,000</u>
<u>1,000 to 2,499</u>	<u>\$2,500</u>
<u>2,500 to 4,999</u>	<u>\$5,000</u>
<u>5,000 to 9,999</u>	<u>\$7,500</u>
<u>10,000 to 19,999</u>	<u>\$10,000</u>
<u>20,000 to 39,999</u>	<u>\$15,000</u>
<u>40,000+</u>	<u>\$25,000</u>

- a) “Verifiable attendance” means that the Special Event Activity’s attendance numbers in the previous year are based upon either (1) actual ticket sales at the event or (2) an actual head count provided by a reliable source independent from the applicant Organization. The Grant Recommendation Community Funding Committee may evaluate the reliability of the attendance numbers provided by the applicant Organization from either source and make reasonable adjustments to such attendance numbers as the Grant Recommendation Community Funding Committee deems appropriate.
- 3) the maximum grant award for any Special Event shall not exceed \$25,000 in a single fiscal year. The maximum grant shall not exceed 25% of the Eligible Expenses for the Activity or \$25,000, whichever is less.
- 4) For entities Organizations providing promotion of the arts or communityan Activity, funding will be provided in one payment upon completion of the contract, for services if it the amount of the Community Funding Grant is awarded in an amount does not to exceed \$5,000. If an Organization requests and is awarded granted funding for more in an amount that exceeds

~~than \$5,000, staff will determine the best avenue for grant funding will be paid on a reimbursement basis as further described elsewhere in this Policy.~~

5) Payment and Use of Special Event Community Funding Grant Funds.

a) Organizations receiving a Community Funding Grant for an Activity Special Event Grant may use the funds to pay for any permit fees charged by the City for holding the Special Event, costs related to required public safety resources for the Special Event, or other actual Eligible expenditures Expenses incurred by the Organization for related to holding the Special Event Activity.

b) The City will pay an approved Special Event grant to the Organization within thirty days after the end of the Special Event. The City will pay an approved Community Funding Grant to the Organization within thirty (30) days after submission by the Organization to the Finance Department of detailed invoices or receipts reflecting Eligible Expenses relating to the Activity. Such documentation shall be submitted to the City within thirty (30) days after the completion of the Activity, or it will not be considered.

4) Special Projects Special Projects

1) The Grant Recommendation Community Funding Committee should analyze the Special Project Grant Applications for a Special Project and base any grant recommendation on the following factors:

a) The overall benefits of the Special Project to the residents of the City as a whole;

b) The extent and feasibility of the administrative oversight of the Special Project provided by the Organization; and

c) The cost to the City of ongoing maintenance and upkeep of the Special Project after its completion.

2) The maximum grant shall not exceed 25% of the actual Eligible Expenses for the Special Project or \$10,000, whichever is less. Eligible expenses do not include costs related to alcohol (for sale or consumption); taxes; gifts; existing deficits, loans, interest on loans, fines, penalties or costs of litigation; projects or events that are extensions of training (i.e., academic programs, conferences, classes and workshops); costs related to performances or programs already funded or reimbursed by another entity; scholarships or cash prizes; any

~~funding for activities taking place outside of the city limits City; faith-based organizations using funds for events or activities which have a primary purpose that is religious, or programming that exists as part of religious sermons or services; purchase of equipment (except rental costs directly affiliated with the Special Project); capital building expenses; or meals, refreshments, and/or catering expenses.~~

3) Payment and Use of Special Project Community Funding Grant Funds.

- a) Organizations receiving a Special Project Community Funding Grant may use the funds to pay for any permit fees charged by the City in relation to the Special Project or other actual expenditures Eligible Expenses incurred by the Organization for completing the Special Project.
- b) The City will pay an approved Special Project Community Funding Grant to the Organization within thirty (30) days after submission by the Organization to the Finance Department of detailed invoices or receipts reflecting applicable Eligible Expenses and charges relating to the Special Project. Such invoices documentation shall be submitted to the City within thirty (30) days after the completion of the Special Project, or it will not be considered.

Major Event

- 1) A Major Event may be considered for a Community Funding Grant award of Eligible Expenses in an amount not to exceed 25% of the Eligible Expenses for the Major Event or \$100,000, whichever is less. A Major Event Application may be considered outside of the standard budget process and is not due by the regular Application date.
- 2) The Community Funding Committee should analyze the Application and base any grant recommendation on the following factors:
- a. The quality of the Major Event as demonstrated by the description and history of previous events held by the Organization, including the extent to which the Major Event's theme and events reinforce the social values in the community and provide the type of desired programs that reflect the City's diverse interests;
  - b. The extent and feasibility of the administrative oversight of the Major Event provided by the Organization;

c. The potential of the Major Event to attract visitors to the City and the economic impact the Major Event will have on the City and for the City's hotels, restaurants, and retail community; and

d. The overall benefits of the Major Event to the residents of the City as a whole.

### 3) Payment and Use of Community Funding Grant Funds.

a) Organizations receiving a Community Funding grant may use the funds to pay for any Eligible Expenses incurred by the Organization related to the Major Event.

b) The City will pay an approved Community Funding Grant to the Organization within thirty (30) days after submission by the Organization to the Finance Department of detailed invoices or receipts reflecting Eligible Expenses relating to the Major Event. Such documentation shall be submitted to the City within thirty (30) days after the completion of the Major Event, or it will not be considered.

### Criteria

In making funding determinations, the City may consider the following criteria; among others:

- Does the Organization provide a service to the overall community of Carrollton?
- How will the eOrganization use the funding to benefit the citizens of Carrollton?
- Is the size and make-up of the Organization equipped to provide services to the overall community?
- Does the group-Organization have a positive image in the community?
- Does the Organization have a high level of fiscal management?
- Is the group-Organization well organized to ensure longevity in the City of Carrollton?
  - Does the group-Organization have an active Board of Directors?
- Is there a history of satisfactory service provided to Carrollton citizens?
- Does-Did the Organization provide services without requiring attendance or participation in any political or religious organizationgroup?
- Did the Organization attend and present their requests to the Community Funding Committee?
- Does-Did the Organization provide an annual budget and financial statements (prepared using an appropriate method of accounting) to demonstrate sound financial management?



- Does the Organization make its services available to all applicants based on established non-discrimination criteria?
- Does the Organization possess ongoing program evaluation tools?
- How will the Organization leverage the City dollars provided to help their Organization succeed?

### **Timelines**

Application and supporting documentation must be submitted by the deadline listed on the Application. Applications will be reviewed and considered by the City only as part of the City's annual budget process for the next succeeding fiscal year. As a result, grant Applications for a Special Event to be held during the subsequent fiscal year must be submitted no later than May 31 of the preceding fiscal year. Applications received after the deadline, that fail to respond to all of the requested information, or that provide inadequate responses to the requested information shall be returned to the applicant and are not eligible for consideration for a grant.

### **Compliance**

- 1) The City Council shall have the final determination regarding whether to provide a grant for any Service, Special Event, Arts or Program, Major Event, or Special Project and the amount of any such grant. Such determination may be based upon the criteria listed in this policy, the recommendations of the Grant Recommendation Community Funding Committee, the availability of sufficient funds in the City budget, the prioritization of the use of City funds, or such other reasons as the City Council may, in its sole discretion, deem appropriate to ensure the expenditure serves the general benefit of the residents of the City. The City Council is not obligated to provide a Special Event Community Funding grant to any Organization or for any Services, Special Event, Arts Program, Major Event, or Special Project to which it provided a grant in any previous year. The City reserves the right to discontinue funding of this Policy at any time and for any reason.
- 1) If funds are not spent in accordance with the approved purpose, the Oorganization will be required to return the awarded-granted funds. Failure to provide proper documentation in a timely manner may jeopardize any future funding. The City of Carrollton reserves the right to conduct an audit and/or require additional back-up information to substantiate how funds received from the City were spent.



- 2) The approval of a Community Funding Grant does not obligate the City to provide marketing support for the Special Event Organization. Any marketing support for an approved Special Event will be provided, if at all, consistent with the City's Guidelines for Public Access to City Information Sources. Any use of the City's Logo must be used in accordance with the City's policy as established by the City of Carrollton's Marketing Services Department. An Organization may not use the City logo without written permission, even if they have received grant funding.
- 3) Prior to reimbursement of Eligible Expenses, the Organization shall provide City with a notarized affidavit attesting that all bills and expenses have been paid by the Organization. Failure to submit such affidavit within ten (10) calendar days after submitting receipts shall invalidate the Community Funding Grant award made by the City and the Organization shall be ineligible for funds during the then-current fiscal year.
- 4) Should the City receive notice that the Organization has failed to pay a vendor for any event that has been awarded a Community Funding Grant, the Organization shall be ineligible for funding until the vendor supplies the City with a notarized affidavit that the outstanding expense has been paid. This requirement shall not extend any deadlines set forth above and may cause loss of funding during any fiscal year. It is solely the Organization's responsibility to ensure payment to its vendors and nothing in this Policy shall be read to create a partnership, joint venture, or joint enterprise between the Organization and the City.
- 5) In the event that the City receives evidence of non-payment from a vendor for any event in which an Organization previously submitted an affidavit that all expenses have been paid, the Organization shall be ineligible for a Community Funding Grant for a period of five (5) years.
- 6) Unless otherwise provided herein, all Community Funding Grant awards shall be made as part of the annual budget process and adopted by Council in its formal budget.
- 7) Any Community Funding Grant made under this Policy is not intended to be nor may it be considered to be an endorsement of the Organization or its event. The Organization is solely responsible for all the content, performance, venue, activities, and liabilities for the Service, Special Event, Arts Program, Major Event, or Special Project and nothing in this Policy, nor the contract for the grant, shall be read to create a partnership, joint venture, or joint enterprise between the Organization and the City. This policy is created pursuant to the City's authority under Texas Local



**CARROLLTON**  
TEXAS

*Where Connections Happen*

Government Code § 380.002(a) in order to develop and expand the economy or commerce within the City or to eliminate unemployment or underemployment.

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## Agenda Memo

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**Agenda Date:**

**Version:** 1

**Status:** Public Forum

**In Control:** City Council

**File Type:** Public Forum

**Agenda Number:** 27.

**Hearing of any citizen/visitor on items not listed on the regular meeting agenda. Citizens wishing to address the Council regarding items on the posted agenda will be called to speak during the Council's consideration of such items.**

Citizens/visitors should complete an appearance card located on the table at the entrance to the City Council Chambers. Speakers must address their comments to the presiding officer rather than to individual Council members or staff; Stand at the podium, speak clearly into the microphone and state your name and address prior to beginning your remarks; Speakers will be allowed between 2 and 5 minutes for testimony; Speakers making personal, impertinent, profane or slanderous remarks may be removed from the room; Unauthorized remarks from the audience, stamping of feet, whistles, yells, clapping, and similar demonstrations will not be permitted; No placards, banners or signs will be permitted in the Chambers or in any other room in which the Council is meeting. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.