

# City of Carrollton

*1945 E. Jackson Road  
Carrollton, TX 75006*



## REGULAR WORKSESSION & MEETING

**Tuesday, March 19, 2019**

**5:45 PM**

**CITY HALL, 2nd Floor**

### **City Council**

*Mayor Kevin Falconer  
Mayor Pro Tem John Sutter  
Deputy Mayor Pro Tem Young Sung  
Councilmember Steve Babick  
Councilmember Mike Hennefer  
Councilmember Pat Cochran  
Councilmember Frances Cruz  
Councilmember Glen Blanscet*

**\*\*\*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.
  - **Section 551.087** to discuss Economic Development.
3. Council will **reconvene in open session** to consider action, if any, on matters discussed in the Executive Session.

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

4. Discuss Proposed Amendments To The Sign Code.
5. Discuss Cotton Belt Regional Veloweb Trail And The Carrollton Hike-And-Bike Trail Program.
6. Mayor and Council reports and information sharing.

**\*\*\*REGULAR MEETING 7:00 PM\*\*\*****INVOCATION****PLEDGE OF ALLEGIANCE****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**

- \*7. Consider Approval Of The March 5, 2019 Regular Meeting Minutes.

**BIDS & PURCHASES**

- \*8. Consider Approval Of The Purchase Of One (1) Ford Explorer For Police Operations And Three (3) Ford F-150's For Various City Departments From Sam Pack Five Star Ford Through An Inter-Local Agreement With Tarrant County In An Amount Not To Exceed \$107,979.00.
- \*9. Consider Authorizing An Increase In The Contract Amount For Janitorial Services To CTJ Maintenance, Inc., In The Amount Of \$80,290.00 For A Revised Annual Contract Not To Exceed Amount Of \$447,430.00.

## CONTRACTS & AGREEMENTS

- \*10. Consider Authorizing The City Manager To Approve A Contract With IBCTX, LLC For The 2019 Bridge Rail Painting Project In The Amount Of \$211,700.00.

## ORDINANCE

- \*11. Consider An Ordinance Adopting Amendments To Section 151 Of The Carrollton Code Of Ordinances (Sign Code).
- \*12. Consider All Matters Incident And Related To The Issuance And Sale Of "City Of Carrollton, Texas, General Obligation Improvement And Refunding Bonds, Series 2019", Including The Adoption Of An Ordinance Authorizing The Issuance Of Such Bonds, Establishing Parameters For The Sale And Issuance Of Such Bonds And Delegating Certain Matters To Authorized Representatives Of The City.
- \*13. Consider All Matters Incident And Related To The Issuance And Sale Of "City Of Carrollton, Texas, Waterworks and Sewer System Revenue Bonds Series 2019", Including The Adoption Of An Ordinance Authorizing The Issuance Of Such Bonds, Establishing Parameters For The Sale And Issuance Of Such Bonds And Delegating Certain Matters To Authorized Representatives Of The City.

## RESOLUTIONS

- \*14. Consider A Resolution Authorizing The City Manager To Execute Documents Necessary To Acquire Two Temporary Construction Easements For The Construction Of A Drainage Channel And Bridge Adjacent To And Beneath Crosby Road For The Crosby Road Channel Improvements Project.

- \*15. Consider A Resolution Authorizing The City Manager To Execute Documents Necessary To Enter Into An Easement Encroachment Agreement With Denton County Electric Cooperative, Inc., DBA CoServ Electric, To Allow For The Placement Of Electric Conduit And Wiring Across And Within Easements Dedicated To The City Of Carrollton.
- \*16. Consider A Resolution Authorizing The City Manager To Enter Into Single-Family Rehabilitation Grant Incentive Agreements On Three Eligible Properties Located Within Neighborhood Empowerment Zones, In A Total Grant Amount Not To Exceed \$15,010.07.
- \*17. Consider A Resolution Acknowledging Receipt Of The Comprehensive Annual Financial Report For The Fiscal Year Ended September 30, 2018.

#### **PUBLIC HEARING - INDIVIDUAL CONSIDERATION**

18. Hold A Public Hearing And Consider An Ordinance Adopting Standards Of Care For Administering Summer Camp.

#### **PUBLIC FORUM**

19. **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 15th day of March 2019 at 12:00pm.*

*Jacqueline Williams*

*Jacqueline Williams, Deputy 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 972-466-3005. 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

## Agenda Memo

File Number: 4060

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**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Work Session

**In Control:** City Council

**File Type:** Work Session Item

**Agenda Number:** 4.

**CC MEETING:** March 19, 2019

**DATE:** March 11, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Brett L. King, Building Official

Discuss **Proposed Amendments To The Sign Code.**

Staff will provide a briefing to City Council regarding proposed amendments and updates to the City's Sign Code.







# City of Carrollton

## Agenda Memo

File Number: 4236

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**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Work Session

**In Control:** City Council

**File Type:** Work Session Item

**Agenda Number:** 5.

**CC MEETING:** March 19, 2019

**DATE:** March 12, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Cesar J. Molina, Jr., P.E., Director of Engineering

Discuss **Cotton Belt Regional Veloweb Trail And The Carrollton Hike-And-Bike Trail Program.**

**BACKGROUND:**

Staff will brief City Council on a recommendation to submit a grant to fund a portion of the Cotton Belt Regional Veloweb trail. This briefing is related to a consent agenda item of the same name.





# City of Carrollton

## Agenda Memo

File Number: 4244

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**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Minutes

**Agenda Number:** \*7.

**CC MEETING:** March 19, 2019

**DATE:** March 14, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Laurie Garber, City Secretary/Admin. Services Director

Consider Approval Of The March 5, 2019 Regular Meeting Minutes.

**CARROLLTON CITY COUNCIL  
REGULAR MEETING AND WORKSESSION  
MARCH 5, 2019**

The City Council of the City of Carrollton, Texas convened in a Regular Meeting and Worksession on Tuesday, March 5, 2019 at 5:45 pm with the following members present; Mayor Kevin Falconer, Mayor Pro Tem John Sutter, Deputy Mayor Pro Tem Young Sung, Councilmembers Glen Blanscet, Frances Cruz, Mike Hennefer, Pat Cochran and Steve Babick. Also present were City Manager Erin Rinehart, Assistant City Managers Marc Guy, Chrystal Davis and Bob Scott, City Attorney Meredith Ladd and City Secretary Laurie Garber.

**5:45 P.M. – COUNCIL BRIEFING ROOM**

**\*\*\*PRE-MEETING/EXECUTIVE SESSION \*\*\***

Mayor Falconer convened the meeting at 5:47 pm.

- 1. Receive information and discuss Agenda.**

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

- 6. Receive An Update On Legislative Session.**

Asst City Manager/CFO Bob Scott introduced Robert Howden, Legislative Consultant, and asked him to present an update regarding the current Legislative Session. Mr. Howden provided a brief employment history and the work he has been involved with at the State level. He stated that the governor, lieutenant governor and speaker have made property taxes a high priority. He noted that he works with only one other city; the City of The Colony, mainly on economic development issues. He stated his goal is to brand Carrollton in Austin and make the legislators realize that Carrollton is a viable city and a player with a stake in the process. He advised that the legislature is moving slower than normal noting there were 12 new House members and stated that March and April will be busy with a lot of hearings and Bill movement. Mayor Falconer stated that the weekly briefing memo by Mr. Howden would be distributed to the Council members.

- 4. Receive An Update From The Metrocrest Chamber Of Commerce.**

Erin Carney, President, provided a membership snapshot of 2016 to date and noted that in 2018, there were 568 total members, 17 board members and 43 ribbon cuttings with 19 being in Carrollton. In 2019 there are 572 total members (25 new), 18 board members and thus far there have been 8 ribbon cuttings, 5 of which were in Carrollton. She talked about partnerships and the innovative program of work and stated they were excited to continue to partner with the City. Mayor Falconer expressed the City's appreciation for the Chamber's work and events and Councilmember Blanscet spoke highly of the Chamber's work to bring in new businesses as well as to retain business. With regard to strengths and weaknesses, Ms. Carney stated that the greatest strength is access to elective leaders and decision makers, and the greatest challenge is the dilution of services.

- 5. Receive An Update From Metrocrest Services.**

Tracy Eubanks, CEO, reviewed the Mission and Core Values noting the focus on self-sufficiency and talked about Housing Stability, Carrollton Key Partners and provided the following 2018 statistics.

- Served 14,153 individuals (4,945 families)
- 44% of individuals served were under the age of 18
- 13% were seniors (age 60+)
- Over 3,900 volunteers contributed over 44,000 hours
- Provided rent assistance to 1,827 individuals (704 families)
- Provided utility assistance to 1,657 individuals (607 families)

Mr. Eubanks stated that rent assistance was 48% higher than the prior year and is 29% higher this year after four months. Over 60% of the families helped have an annual household income of \$25,000 or less. He advised that 7,205 of the individuals served (2,421 families) were Carrollton residents. Lastly he talked about the Point in Time (PIT) results from the Homeless count conducted in January and he also referenced the number of homeless students in CFBISD (245), Coppell ISD (43) and Lewisville ISD (113).

Unsheltered (*living outdoor or in a car*) – Total=33 individuals

Adults – 30

Children – 3

Veterans – 0

By City:

Carrollton – 19

Farmers Branch – 6

Addison – 4

Coppell – 2

Dallas - 2

Living in Motels – 1,202 individuals

Carrollton – 425

Farmers Branch – 74

Addison - 703

Mr. Eubanks specifically thanked Councilmember Hennefer for the idea for a website that would be a resource for individuals and agencies needing assistance; [metrocrestresourceguide.org](http://metrocrestresourceguide.org). He also talked about the challenge of providing transportation for seniors noting that Metrocrest focuses on rides for medical needs and food access.

Mayor Falconer thanked Mr. Eubanks and Metrocrest Social Services for their work and assistance.

**7. Discuss The Arterial Street Screening Wall In-Fill Program.**

Director of Engineering, Cesar Molina, briefed Council on the recommendations of the Re-Development Sub-Committee to create a process for prioritizing candidate locations to install in-fill screening walls on arterial streets, and presented a recommended workplan for implementation.

**Screening Criteria**

- Locations near community entryways (3 pts)
- Connectivity to other aesthetic initiatives (2 pts)
- Special high impact areas (1 pt)
- Locations where wall can be built completely on public property (1 pt)

Cesar Molina stated there were 42 locations in total with an estimated cost of \$6.5M. Based on the criteria, the top seven locations (Priority 1) would be on Webb Chapel, Hebron Parkway, Frankford Road and three locations on Rosemead Parkway with an estimated cost of \$1,750,000. The next 11 locations (Priority 2) had an estimated cost of \$1,340,000. The remaining 24 locations represent approximately \$3,400,000 based on 2018 prices and does not include plan preparation cost or inflation.

**Sub-Committee Recommendation**

- Design and build Webb Chapel screening wall; use \$400,000 of the \$500,000;
- Use remaining \$100,000 to begin designing screening wall on Hebron Parkway; and
- Recommend Council consider a future ATB for additional screening walls

Molina stated that the standard screening wall would be 6 ft and he explained that the Sub-committee stated they would be amenable to considering a screening wall up to 8 ft if the HOA pays the difference. He also presented an estimated timeframe.

Councilmember Blanscet, Chair of the Sub-committee, stated the goal was to create criteria that were very objective. He felt it was very important to continue the process and fund more walls. Discussion was held about feasibility, work load and funding. A consensus was reached with moving forward as recommended.

Mayor Falconer recessed the Worksession at 7:04 pm to convene the Regular Meeting.

**\*\*\*REGULAR MEETING 7:00 PM\*\*\***

Mayor Falconer convened the Regular Meeting at 7:15 pm.

**INVOCATION** – Mayor Pro Tem John Sutter

**PLEDGE OF ALLEGIANCE** – ROTC high school females representing women in military service

**PRESENTATIONS**

**10. Present A Proclamation Declaring March 2019 Women’s History Month.**

**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 Falconer announced that Item 13 was pulled from the agenda.

**Councilmember Blanscet moved approval of Consent Agenda Items 11-12 and 14-21; second by Councilmember Cruz and the motion was approved with a unanimous 7-0 vote,**

**MINUTES**

**\*11. Consider Approval Of The February 19, 2019 Regular Meeting Minutes.**

**BIDS & PURCHASES**

**\*12. Consider Approval Of The Purchase Of 50 Automated External Defibrillators (AEDs) For Use In City Police And Fire Administration Vehicles From Cardio Partners, Inc. Through An Interlocal Agreement With The Government Division Of National Purchasing Partners (NPPGOV) In An Amount Not To Exceed \$62,500.00.**

~~**\*13. Consider Approval Of The Purchase Of One (1) Ford Explorer For Police Operations And Three (3) Ford F-150's For Various City Departments From Sam Pack Five Star Ford Through An Inter-Local Agreement With Tarrant County In An Amount Not To Exceed \$119,965.50.**~~

**\*14. Consider Approval Of The Purchase Of Seven (7) Chevrolet Colorados For Various City Departments From Reliable Chevrolet Through An Inter-Local Agreement With Tarrant County In An Amount Not To Exceed \$159,971.00.**

**CONTRACTS & AGREEMENTS**

**\*15. Consider Authorizing The City Manager To Approve A Contract With Iowa Bridge And Culvert, LC For The 2019 Bridge Aesthetics Project In The Amount Of \$559,150.00.**

**\*16. Consider Authorizing The City Manager To Approve A Contract For An IT Project Manager From Matrix Technology Group Through A North Central Texas Council Of Governments Cooperative Purchasing Program In An Amount Not To Exceed \$90,720.00.**

**RESOLUTIONS**

**\*17. Consider A Resolution Accepting The Investment Officer's Quarterly Report For First Quarter Ended December 31, 2018.**

**\*18. Consider A Resolution Authorizing The City Manager To Negotiate And Execute Professional Services Contracts With Terracon Consultants, Inc., ECS Southwest, LLP, Henley-Johnson And Associates, Inc., And Intertek-PSL, Inc. For Engineering Services For Geotechnical And Materials Testing Associated With Capital Improvement Projects For A Not To Exceed Maximum Fee Of \$500,000.00.**

**\*19. Consider A Resolution Authorizing The City Manager To Negotiate And Execute A Continuing Disclosure Agreement By And Between The City Of Carrollton And The Trinity River Authority Of Texas Including Future Amendments As A Result Of Regulatory Changes; And Providing An Effective Date.**

**\*20. Consider A Resolution Authorizing The City Manager To Negotiate and Execute An Improved Property Commercial Contract For The Purchase Of 0.44 Acres Of Land Located At 1439 Elm Street And 1440 South Broadway In An Amount Not To Exceed \$418,000.00.**

**\*21. Consider A Resolution Authorizing The City Manager To Negotiate And Execute A Non-Binding Term Sheet Between Dallas Area Rapid Transit And Integral Urban, LLC Regarding The Development Of The Trinity Mills Urban Village Within The Trinity Mills Transit Center District.**

**PUBLIC HEARING - INDIVIDUAL CONSIDERATION**

**22. Hold A Public Hearing And Consider An Ordinance Amending the Zoning On An Approximately 71-Acre Tract Zoned PD-181 And Located On The South Side Of Sandy Lake Road, West Of IH-35E To Amend Planned Development District 181 To Allow For Alternative Exterior Materials For Buildings, Provide Screening And Buffering Standards, And Amending Various Development Regulations; Amending The Official Zoning Map Accordingly. Case No. 02-19Z1 Western Extrusion.**

Chief Planner Loren Shapiro explained that the reason for the request is to improve buffering along the periphery, specifically along Luna Road and Sandy Lake Road; flexibility to allow alternative façade materials for buildings that are greater than 300 ft from Luna Road and Sandy Lake Road; allow expansion within the site more than 300 ft from both roadways; allow an ornamental metal fence along Sandy Lake Road in lieu of a 9 ft masonry wall; provide for an average 10 ft landscape buffer along Sandy Lake Road to ensure that trees could grow to screen the site; and provide for a license agreement for a 10 ft area along Luna Road for the planting of trees. Staff recommended approval.

The applicant declined the opportunity to make a presentation and there were no questions for staff or the applicant.

Mayor Falconer opened the public hearing; there being no speakers, he closed the public hearing and opened the floor for a motion.

**Councilmember Babick moved approval of Item 22 as presented; second by Councilmember Cruz.** Councilmembers Babick and Cruz expressed appreciation to Western Extrusion to work with staff and continue to expand in Carrollton. **The motion was approved with a unanimous 7-0 vote.**

**PUBLIC FORUM**

**23. 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 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.*

Shirley Tarpley, 1507 Milam Way, addressed the Council regarding Women's History Month and Black Women in History specifically recognizing Marie Brown, Alice Parker, Miriam Benjamin, and Lydia Newman.

Mayor Falconer recognized the attendance of Sarah Davis, Mrs. Carrollton, who would be representing Carrollton on May 4 in the Mrs. Texas pageant. He adjourned the Regular meeting at 7:43 pm and announced that Council would reconvene in Worksession.



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

Mayor Falconer reconvened the Worksession at 7:50 pm.

**8. Discuss Multi-Year Budget And Financial Forecast.**

Asst City Manager/CFO Bob Scott stated the purpose of the multi-year forecast is to provide Council with an early look at upcoming budget, identify topics for future work sessions, confirm assumptions used for projections and incorporate the future year financial impacts of decisions made to date. He stressed that none of the 2020 ATBs, departmental requests for additional funding, have been included in the forecast. He presented the following information.

**SUMMARY OF PROJECTIONS:****General Fund**

- FY 2020 - \$1,843,903 surplus based on 2018 year end savings
  - 1.7% of recurring uses
  - 1.24 cents on the tax rate
- By FY 2024 there is a projected deficit of \$10,294,985

**Utility Fund**

- Rate increases needed:
  - 7.45% in FY 2020
  - 6.74% in FY 2021
  - <1.0% in FY 2022
  - 0.00% in FY 2023
  - 0.00% in FY 2024
- Extreme weather outside of historic averages would impact these projections

**GENERAL FUND KEY ASSUMPTIONS****FY 2019 Sources of Fund estimates:**

- Recurring - \$867,226 or 0.8% more than original budget
- Non-recurring – (\$462,827) or 3.4% less than original budget

These re-estimates used as base for future projections.

**Ad Valorem Taxes** – 4.0% increase in FY 2020, 2.0% in FY 2021 & 1% increase each year thereafter. Tax rebates of \$1.8m are scheduled to end in 2023.

**Sales Taxes** – projected to increase 2% per year

**Franchise Fees**

- Telecommunications – 3% annual decrease
- Natural Gas – 1% annual increase
- Electricity and Solid Waste – no change
- Cable – no change

**Fines and Forfeitures** – projected in FY 2019 to end the year about at the original budget and remain flat in future years

**Investment Income** – increase 1% per year

**Employee Compensation**

- 3% compensation increase pool in FYs 2020 to 2024
- Civil Service employees will also receive scheduled step increases
- Health Insurance costs projected to increase by 10% annually

Bob Scott used charts to illustrate the sources of funds with the #1 source being property taxes, #2 being sales taxes, and #3 being franchise fees. With regard to recurring uses of funds per capita, he pointed out that in 2008 it was \$629.37 per capita and in 2018 it was \$638.63; a difference of approximately \$9 in a 10 year time frame which is a minimal increase of about 1.5% on a per capita basis.

**GENERAL FUND KEY ASSUMPTIONS CONT'D****Annual Cost Additions**

- Rosemeade Recreation Center Expansion - \$6.025 starting 7/2/21, \$24,100 annually thereafter
- Rosemeade Rainforest Enhancements - \$7,000 additional per year
- Jail Pod Expansion - \$7,479 starting 1/1/22
- Trail Expansions - \$10,500 additional per year each year FY 2020 to FY 2023
- Trees/Corridors - \$20,000 additional per year in FY 21 and FY 23
- NTECC support - \$648,935 starting in FY 2020 and \$1,400,000 starting in 2021

**UTILITY FUND KEY ASSUMPTIONS**

- Water and sewer sales consumption anticipated to increase by a rate of 1% annually
- DWU charges reduce by \$968,015 in FY 2020 & \$983,781 in FY 2021 for the settlement with Sabine River Authority and then are forecasted to grow 5% annually
- Sewer treatment charges are based on growth factor of 1% plus projected changes from TRA of:
  - FY 2019 9.82%
  - FY 2020-2024 10.0%

**FINANCIAL UNCERTAINTIES****Economic**

- Price volatility – construction costs, health care costs
- Political Unrest – Brexit, terrorist actions impacting markets or global outlook; Trade tensions

**Proposed Legislation**

- Rollback rates and mandatory elections
- Additional Property Tax Exemptions
  - Over 80
  - Leased vehicles for personal use
- Additional State Fees
- Streamlined Sales Tax – implementation of Wayfair SC decisions

Scott used comparison charts to illustrate Carrollton's standing with regard to cost of municipal services per household (#4 of 20), tax base comparison per capita assessed value (#10 of 20), and per capita sales tax revenues (#14 of 20). He reviewed important calendar dates and stressed that the dates may change due to legislation. He advised that staff has currently structured the budget process so that there's no need for a special meeting, but if SB2 passes as is, staff would likely be developing a new calendar. With regard to revenue generated from personal use leased vehicles, he advised that it is approximately four tenths of a cent on the tax rate. He requested policy direction and asked if there were other priorities or concerns not previously discussed. Lastly, he stated staff would automatically provide all the major expenditures and projects that are planned to be in the budget as well as an IT briefing.

Councilmember Babick requested information on the Fire Study in terms of stations and also information about the impact of the Wayfair decisions. City Manager Erin Rinehart replied that staff

was watching the Wayfair issue closely. Councilmember Babick also asked for an overview regarding TRA. No changes were suggested with regard to taxation of leased vehicles for personal use. With regard to DENCO 9-1-1 and the increase in costs for NTECC, Bob Scott explained that outside counsel has been hired to notify telecomm providers that as of the end of November, all payments should be sent to Carrollton rather than DENCO 9-1-1. He stated staff has made a best-guess estimate of the amount expected to receive, but won't really know until the payments begin arriving. Receiving the 9-1-1 fees will offset the increase cost to NTECC. Erin Rinehart stated that staff would provide an NTECC work session closer to the actual transition event.

No other requests, changes or objections were raised.

**9. Mayor and Council reports and information sharing.**

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

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.
  - **Section 551.087** to discuss Economic Development
3. Council will **reconvene in open session** to consider action, if any, on matters discussed in the Executive Session. Council did not convene in Executive Session.

**ADJOURNMENT**

Mayor Falconer adjourned the meeting at 8:31 pm.

**ATTEST:**

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Laurie Garber, City Secretary

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Kevin W. Falconer, Mayor





# City of Carrollton

## Agenda Memo

File Number: 4221

**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Bid/Purchases

**Agenda Number:** \*8.

**CC MEETING: March 19, 2019**

**DATE:** February 27, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Dwayne Bianco, Fleet and Facilities Director

Consider Approval Of The Purchase Of One (1) Ford Explorer For Police Operations And Three (3) Ford F-150's For Various City Departments From Sam Pack Five Star Ford Through An Inter-Local Agreement With Tarrant County In An Amount Not To Exceed \$107,979.00.

### BACKGROUND:

Fleet Services is requesting the purchase of one (1) Ford Explorer and one (1) Ford F-150 truck for Police Operations. Council previously approved these units as ATB's for the Police Department. We are also requesting one (1) Ford F-150 assigned to Parks and one (1) Ford F-150 for Public Works. These two vehicles will be retired per Fleet's policy on age, mileage, and maintenance.

Replacement vehicles will be purchased from previously budgeted funds in the Fleet Replacement account. ATB's will be purchased from funds previously approved by Council in the current budget.

### QUOTES:

Sam Pack Five Star Ford (Tarrant County Coop)	\$107,979.00
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### FINANCIAL IMPLICATIONS:

The trucks will be purchased from budgeted funds from the accounts and amounts listed below.

<u>ACCOUNT UNIT</u>	<u>ACCOUNT</u>	<u>BUDGET AMOUNT</u>
Fleet Replacement	576190	\$ 53,186.00
Police Operations	203001-68500	\$ 54,793.00

### STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends approval to purchase one (1) Ford Explorer and three (3) Ford F-150 trucks from Sam Pack Five Star Ford through an Inter-Local agreement with Tarrant County in an amount not to exceed \$107,979.00.

March	
Units Approved By Council	21
Purchases under 50k not needing council approval	2
Units Currently Being Presented to Council	11
Remaining Purchases Needed	39
Total	73



# City of Carrollton

## Agenda Memo

File Number: 4242

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**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Bid/Purchases

**Agenda Number:** \*9.

**CC MEETING:** March 19, 2019

**DATE:** March 13, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Dwayne Bianco, Director of Fleet and Facilities

Consider Authorizing An Increase In The Contract Amount For Janitorial Services To CTJ Maintenance, Inc., In The Amount Of \$80,290.00 For A Revised Annual Contract Not To Exceed Amount Of \$447,430.00.

### **BACKGROUND:**

Council approved an initial two-year contract for janitorial services with CTJ Maintenance, Inc. in April 2013. The contract allowed for two two-year renewal periods following the initial term and we are currently in our final year of the second renewal.

Janitorial services are provided for the following facilities: City Hall, Hebron & Josey Library, Josey Ranch Lake Library, the Police Station and Justice Center, Central and South Service Centers, the Animal Services Building, Crosby and Rosemeade Recreation Centers, and other outlying facilities.

During the second renewal, the downtown kiosk/restroom, two floors of the Gravley Center and the new Police building came online without a financial adjustment to the contract. In addition, there were major flooring changes at Crosby Recreation Center as well as Rosemead Recreation Center that required additional equipment and maintenance. Now that we have the downtown kiosk/restroom it requires day porter services during large events such as Festival at the Switchyard and Tex-fest. The new hard surfaces at the Police Administration Building have required more janitorial care than before. The additional square footage and changes in various hard surfaces have driven up costs to clean the buildings.

### **FINANCIAL IMPLICATIONS:**

\$80,290.00 of additional funds are required to finish out the existing contract and will come from Account 61190 for Other Professional Services.

**IMPACT ON COMMUNITY SUSTAINABILITY:**

Providing facilities that are clean and well cared for supports the Council's vision of being the community that families and businesses want to call home.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends increasing the annual custodial service contract of \$367,140.00 with CTJ Maintenance, Inc., by \$80,290.00, for a new annual amount not to exceed \$447,430.00. This amount will allow us to complete the last year of the contract.





# City of Carrollton

## Agenda Memo

File Number: 4232

**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:**  
Contracts/Agreements

**Agenda Number:** \*10.

**CC MEETING: March 19, 2019**

**DATE:** March 11, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Cesar J. Molina, Jr., P.E., Director of Engineering

Consider Authorizing The City Manager To Approve A Contract With IBCTX, LLC For The 2019 Bridge Rail Painting Project In The Amount Of \$211,700.00.

### BACKGROUND:

This project involves aesthetic improvements to 28 bridges across the City. Included in the project is the painting of existing hand and guard rails on bridges which are not scheduled to be aesthetically improved by the Bridge Retrofit Program.

The project involves bridge improvements only. Therefore, environmental impacts should be minimal.

The duration of construction is 180 calendar days. The project will not directly affect any residents, has been placed on the monthly Construction Update, and is included on the City's web site.

### FINANCIAL IMPLICATIONS:

One (1) bid was received on February 27, 2019 in the amount of \$211,700.00. It was submitted by IBCTX, LLC, who has satisfactorily performed the same type of improvements for the City as part of the 2017 and 2019 Bridge Retrofit projects. Although the bid amount exceeds the engineer's estimate of \$150,000, staff has reviewed the bid and found pricing to be fair and competitive to comparable work on other projects. The exceedance appears to be mainly attributable to the very active construction market, and the overall number of bridges in this contract requiring multiple mobilizations. IBCTX, LLC also has a history of competitive bids on other City projects, and while they are the lone bidder on this project, there is no indication that their pricing is out of line with the market. They appear capable of completing this project in the allocated time of 180 calendar days. Funding is available in the Streets Consolidated Account in the amount of \$211,700.00.

### IMPACT ON COMMUNITY SUSTAINABILITY:

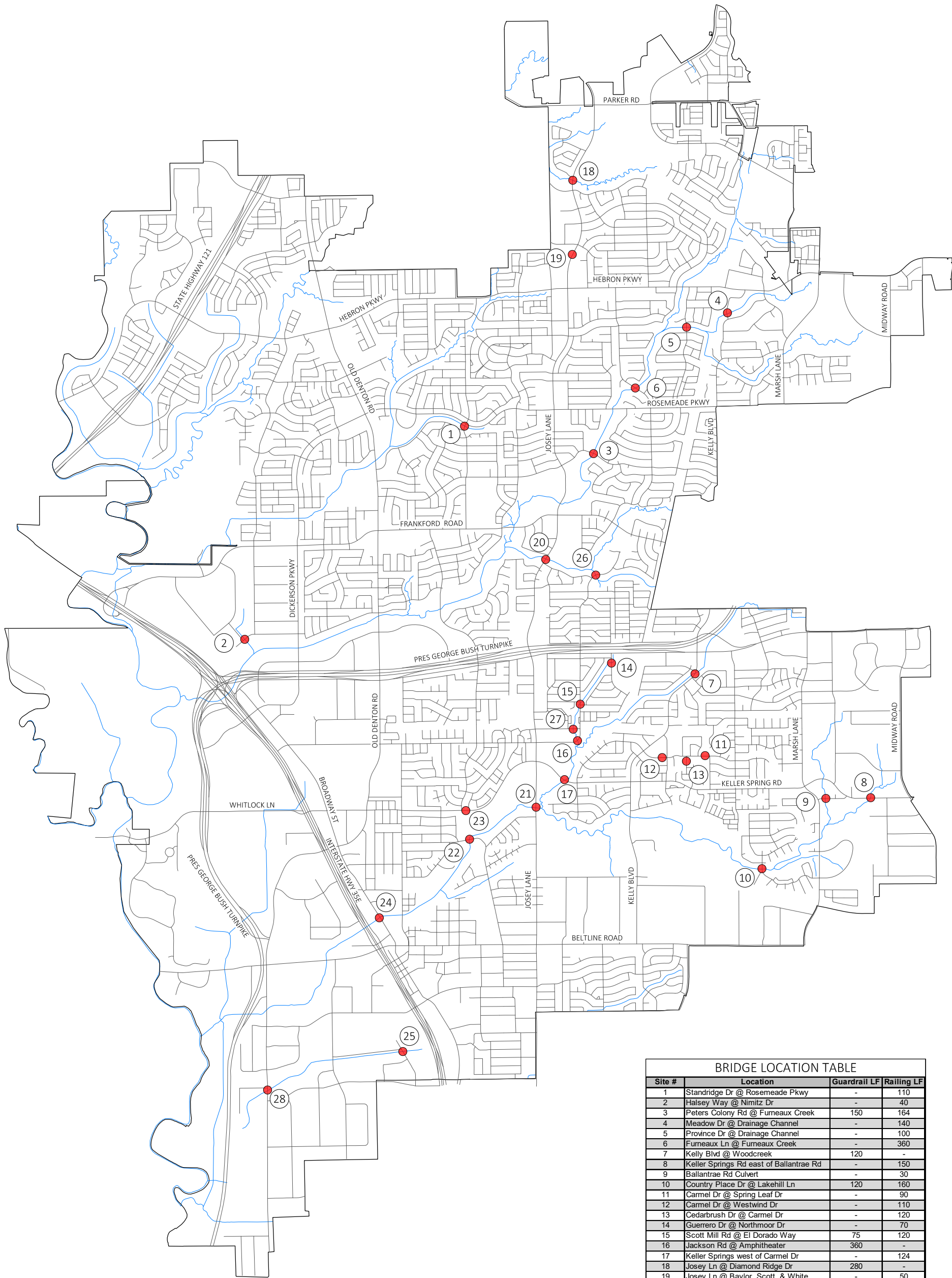
This project will support the City Council's strategic objectives and vision of building a community that

families and businesses want to call home by:

Sustaining quality of life - Improvements to the bridges should enhance the appearance of the thoroughfares and adjacent street corridors.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends City Council authorize the City Manager to approve a construction contract for the 2019 Bridge Rail Painting Project with IBCTX, LLC in the amount of \$211,700.00.



BRIDGE LOCATION TABLE			
Site #	Location	Guardrail LF	Railing LF
1	Standridge Dr @ Rosemeade Pkwy	-	110
2	Halsey Way @ Nimitz Dr	-	40
3	Peters Colony Rd @ Furneaux Creek	150	164
4	Meadow Dr @ Drainage Channel	-	140
5	Province Dr @ Drainage Channel	-	100
6	Furneaux Ln @ Furneaux Creek	-	360
7	Kelly Blvd @ Woodcreek	120	-
8	Keller Springs Rd east of Ballantrae Rd	-	150
9	Ballantrae Rd Culvert	-	30
10	Country Place Dr @ Lakehill Ln	120	160
11	Carmel Dr @ Spring Leaf Dr	-	90
12	Carmel Dr @ Westwind Dr	-	110
13	Cedarbrush Dr @ Carmel Dr	-	120
14	Guerrero Dr @ Northmoor Dr	-	70
15	Scott Mill Rd @ El Dorado Way	75	120
16	Jackson Rd @ Amphitheater	360	-
17	Keller Springs west of Carmel Dr	-	124
18	Josey Ln @ Diamond Ridge Dr	280	-
19	Josey Ln @ Baylor, Scott, & White	-	50
20	Josey Ln @ Southern Oaks	-	320
21	Josey Ln @ Sherwood Ln	-	185
22	Perry Rd east of Russell Ave	-	160
23	Keller Springs Rd @ McCoy Rd	-	160
24	Broadway St north of College St	275	270
25	Monetary Ln @ Electronic Dr	-	120
26	Scott Mill Rd @ Southern Oaks	220	-
27	Rainwater Ln @ Amphitheater	-	110
28	Luna Rd @ Briercroft Ct	-	300



BRIDGE PAINTING 2019  
PROJECT LOCATION MAP  
NOT TO SCALE

ATTACHMENT B

BIDDERS LIST

PROJECT: Bridge Rail Painting 2019 DATE: March 6, 2019

DAYS/COMPLETE: 180 ESTIMATED COST: \$150,000.00

CONTRACTOR	BID AMOUNT
IBCTX, LLC	\$211,700.00



# City of Carrollton

## Agenda Memo

File Number: 4194

**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Ordinance

**Agenda Number:** \*11.

**CC MEETING:** March 19, 2019

**DATE:** March 11, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Brett L. King, Building Official

Consider An **Ordinance Adopting Amendments To Section 151 Of The Carrollton Code Of Ordinances (Sign Code).**

### **BACKGROUND:**

Staff regularly proposes updates to the City's development codes and regulations to align with current industry technologies and trends. This agenda item proposes amendments and updates to the City's Sign Code. Over the years the Sign Code has been amended and updated many times, so this amendment also reformats the ordinance for easier review and reading by the customer.

On November 20, 2018, and February 5, 2019 staff presented recommended changes to the City Council Re-Development Sub-Committee, highlighting the key changes and discussing the re-formatting of the code.

### **FINANCIAL IMPLICATIONS:**

There are no direct financial impacts to the City to process the adoption and amendments to the Sign Code.

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

The consistent review and adjustment of development codes works to shape development in the City and support the City Council's strategic objective of maintaining and enhancing the quality, vitality and attractiveness of the community. New code language allows for the introduction of technological advancements in sign types, design trends, materials and construction methodology.

### **STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends City Council approval of an ordinance adopting amendments to, and reformatting of, the Sign Code.

## SUMMARY OF MAJOR CHANGES

### 2019 Sign Code Update

#### **Substantive changes:**

##### **Formatting changes:**

- Ordinance completely re-arranged for better organization; cross-references coordinated.
- Formatting, including indentation and subsection numbering, corrected throughout for consistency and legibility. Definitions combined into one section.

##### **Signs exempt from permit**

- Window signs now limited to one-story and two-story retail buildings and the ground floor of mixed-use buildings with retail at the ground floor to prevent mid-rise and high-rise buildings from having window signs.

##### **Prohibited signs and activities**

- Specifically limits “awning signs” to 1/3 of the vertical face of the awning to clarify how one can be used to place signs.

##### **Wall signs**

- Limits multi-story office buildings to one building identification sign per elevation, prevents individual tenants from each having a sign unless it is the primary tenant of the building.
- Adds specific language related to digital fuel price signs to gas station canopies, prevents them from being animated or changing copy other than to update a change in fuel price.

##### **Rooftop signs**

- Section created, to permit their use only in limited situations; sets forth standards consistent with what has been allowed for Switchyard and Sloane Street rooftop signs through meritorious exceptions granted by the PSB.

##### **Cold air inflatable devices**

- Added language to ensure devices are motionless, preventing dancing figures.

##### **Legal**

- Due to recent U.S. Supreme Court and Texas Supreme Court cases, Legal has reviewed and recommended changing/removal of sections that would render the ordinance unconstitutional.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF CARROLLTON, TEXAS TO AMEND CHAPTER 151, ENTITLED SIGN REGULATIONS, BY RESTATING, AMENDING IN ITS ENTIRETY, AND REPLACING CHAPTER 151 OF THE CITY'S CODE OF ORDINANCES BY AMENDING THE SIGN REGULATIONS TO COMPLY WITH THE FIRST AMENDMENT OF THE UNITED STATES CONSTITUTION, TO REMOVE OUTDATED SECTIONS, TO CLARIFY PROVISIONS, TO UPDATE SCRIVENER ERRORS AND TO ADJUST AND IMPROVE THE GENERAL ORGANIZATION OF THE SIGN ORDINANCE; TO PROVIDE A PURPOSE AND SCOPE; TO PROVIDE ENFORCEMENT PROVISIONS; DEFINING TERMS; TO AMEND REGULATIONS FOR WINDOW SIGNS, SIGNS ON AWNINGS, DIGITAL FUEL SIGNS, WALL SIGNS, ROOFTOP SIGNS, COLD AIR INFLATABLE DEVICES, STAKE SIGNS, RESIDENTIAL SIGNS, AND REMOVING EXEMPTIONS FOR ALLOWING SIGNS, INCLUDING POLITICAL SIGNS, TO BE PLACED ON PUBLIC PROPERTY, INCLUDING IN THE RIGHT OF WAY; CREATING OFFENSES; PROVIDING SAVINGS, PENALTY, SEVERABILITY AND REPEALING CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE ON AND AFTER ITS ADOPTION AND PUBLICATION.**

**WHEREAS**, the City of Carrollton, Texas (the "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;

**WHEREAS**, the City of Carrollton recognizes that signs obstruct views, distract motorists, displace alternative uses for land, and pose other problems that legitimately call for regulation;

**WHEREAS**, the City of Carrollton understands and acknowledges that under established Supreme Court precedent, a law that is content-based is presumptively unconstitutional and subject to strict scrutiny under the First Amendment of the U.S. Constitution, and as such, must satisfy a compelling governmental interest;

**WHEREAS**, the City intends to regulate signs in a manner consistent with the First Amendment that allows adequate communication through signage, and that also addresses the issues that call for regulation while encouraging aesthetic quality in the design, location, size and purpose of all signs;

**WHEREAS**, the purpose of the sign regulations is to regulate the size, color, electrification, illumination, movement, materials, location, height, maintenance, and condition of all signs placed on private property for exterior observation;

**WHEREAS**, the sign ordinance is not intended to regulate signs erected or maintained by the State of Texas, the U.S. Government, or the City related to traffic safety, public health and information, nor is it intended to prevent the posting of notices pursuant to state law; and

**WHEREAS**, the City Council hereby determines the following amendments to the Sign Code provide for and are in the best interests of the health, safety, property, and public welfare of all citizens.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY 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 Ordinance as if copied in their entirety.

**SECTION 2.**

Section 151 of the Code of Ordinances of the City of Carrollton, Texas, is hereby amended and replaced in its entirety to read in accordance with Exhibit A.

**SECTION 3.**

Save and except as amended by this ordinance, all other ordinances of the City of Carrollton, Texas, shall remain in full force and effect.

**SECTION 4.**

Violation of this ordinance shall be a misdemeanor punishable in accordance with Section 10.99 of the Code of Ordinances, City of Carrollton, Texas.

**SECTION 5.**

The Terms and provisions of this ordinance are severable in accordance with Section 10.07 of the Carrollton Code of Ordinances.

**SECTION 6.**

To the extent of any prior ordinance of the City of Carrollton (or any provision, clause, phrase, sentence or paragraph contained therein) conflicts with this ordinance, said conflicting ordinance, provision, clause, phrase, sentence or paragraph is hereby repealed.



**SECTION 7.**

This ordinance shall become effective on and after its adoption and publication.

**DULY PASSED AND APPROVED THIS 19<sup>th</sup> DAY OF MARCH 2019.**

By: \_\_\_\_\_  
Kevin W. Falconer, Mayor

**ATTEST:**

\_\_\_\_\_  
Laurie Garber, City Secretary

**APPROVED AS TO FORM:**

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Susan Keller, Assistant City Attorney

\_\_\_\_\_  
Brett L. King, Building Official

## **EXHIBIT A**

### **Section 151 of the Code of Ordinances**

## **GENERAL PROVISIONS**

### **151.01 TITLE AND PURPOSE.**

These regulations shall be known as the Carrollton Sign Code, may be cited as such, and will be referred to herein as “this code”.

Signs obstruct views, distract motorists, displace alternative uses for land, and pose other problems that legitimately call for regulation. The purpose of this ordinance is to regulate the size, color, electrification, illumination, movement, materials, location, height, maintenance and condition of all signs placed on private property for exterior observation, thus ensuring the protection of property values, the character of the various neighborhoods, the creation of a convenient, attractive and harmonious community, protection against destruction of or encroachment on historic convenience to citizens, and encouraging economic development. This ordinance intends to regulate signs in a manner consistent with the First Amendment while allowing adequate communication through signage while encouraging aesthetic quality in the design, location, size and purpose of all signs, and that protects the health, safety, property and public welfare of all citizens.

### **151.02 SCOPE.**

The regulations of this code are not intended to permit any violation of the provisions of any other lawful ordinance.

The regulations of this code are not intended to and do not apply to signs erected, maintained or otherwise posted, owned or leased by this State, the federal government or the City of Carrollton.

The regulations of this code are not intended to prohibit legal notices erected, maintained or otherwise posted in accordance with state law, including notices regarding concealed handguns on private property.

### **151.03 ENFORCEMENT.**

The Building Official is hereby authorized and directed to enforce all the provisions of this code.

### **151.04 RESPONSIBILITY OF COMPLIANCE.**

The permittee, owner, agent, person or persons having the beneficial use of a sign, the owner of the land or structure on which the sign is located, an applicant for a sign permit, a person in charge of erecting the sign, and any other person benefitting from or exercising control over the placement, removal, maintenance, change, or use of a sign may be held criminally responsible for a violation of this ordinance.

## **151.05 DEFINITIONS.**

**ALTER:** To change the size, shape, outline, intent or type of sign.

**ANCHOR TENANT:** A tenant with at least 20,000 square feet of retail space in a multi-tenant shopping center.

**AWNING:** An architectural projection, which provides weather protection, identity and decoration, attached and supported by the building. It is composed of a lightweight rigid or retractable frame over which a thin cover of fabric or other materials is attached, and may be illuminated.

**BANNER:** A temporary sign made of cloth, canvas or other light fabric not permanently affixed.

**BUILDING LINE:** A line established by ordinance beyond which a structure may not be built. A building line may be a property line.

**BUILDING OFFICIAL:** City Manager or designee charged with the administration and enforcement of this code, or the Building Official's duly authorized representative.

**CAN/BOX SIGN:** A metal non-molded square or rectangular casing with plastic or plexiglass face with adhesive lettering attached. The inside of the casing contains bulbs, tube lights and sliding tracks for simple replacement or exchange of the face. **Can / Box signs are prohibited in Carrollton.**

**CANOPY:** A roof-like structure which shelters a use and is supported by either one or more columns or by the building to which it is accessory and is open on two or more sides.

**CAPSULE SIGN:** A sign fabricated from aluminum or metal with an acrylic face that allows light to pass through and illuminate the letters or logo. Capsule signs typically include a company logo or other graphic that describes the product or service offered by the business. Capsule signs may not exceed 25% of the total combined area of the main sign and capsule sign.

**CHANNEL LETTER SIGN:** Individually constructed letters fabricated out of aluminum or other similar materials to form a three-dimensional letter that may accommodate a light source. Letters may be installed on a raceway or directly to the exterior wall.

**CITY PARKWAY:** The R.O.W. area between the street curb and the R.O.W/property line.

**COLD AIR INFLATABLE DEVICE:** A motionless, temporary object secured to the ground, constructed of plastic, cloth, canvas or other light fabric which assumes a three-dimensional shape when filled with air under pressure or helium gas, and does not create an occupiable space.

**COMMERCIAL BILLBOARD:** A sign that is intended to be leased, or for which payment of any type is intended to be or is received, for the display of any good, service, brand, slogan, message, product, or company, except that the term does not include a sign that is leased to a business entity and located on the same property on which the business is located; or a sign that is located on property owned or leased for the primary purpose of displaying a sign; or any sign that promotes or advertises off-premise commodities or services.

**DIGITAL BILLBOARD:** Any commercial billboard sign utilizing digital message technology, capable of changing the static message or copy on the sign electronically. Digital Billboards shall contain static messages only, and shall not have animation, movement or the appearance or optical illusion of movement. Each static message shall not include flashing, scintillating lighting or the varying of light intensity.

**ERECT:** To build, construct, attach, hang, place, suspend or affix, and shall also include the painting of signs on the exterior surface of a building or structure.

**FEATHER SIGN:** See “SAIL SIGN”.

**FLAG:** A piece of fabric, cloth, plastic, vinyl, canvas, leather, or other similar material attached to a staff cord on one end generally used as a symbol of a nation, state, city or other local government entity.

**FLAG POLE:** A permanent staff or pole specifically designed with pulleys and a cord on which a flag may be mounted.

**GROUND SIGN:** A temporary sign that is made of wood, metal or other rigid materials and supported by one or more uprights, poles in the ground.

**ILLUMINATED:** Any sign that has characters, letters, figures, designs or outline illuminated by electric lights, luminous tubes or other similar means.

**INCIDENTAL SIGN:** Small signs, less than two square feet in surface area, of a noncommercial nature, intended primarily for the convenience of the public. Included are signs designating restrooms, address numbers, and entrances to buildings, directions, help wanted, public telephone and so forth. Also included in this group of signs are those designed to guide or direct pedestrians or vehicular traffic to an area or place on the premises of a business building or development by means of a directory designating names and addresses only.

**LOT:** An individual parcel or tract of land approved by the city and recorded by a plat in the office of the appropriate County Clerk.

**LOT LINE:** A line dividing one lot from another, or from a street or place.

**MOLDED CABINET SIGN:** A uniquely shaped and molded sign illuminated with internal lamps. Light is transmitted through an acrylic or routed metal face. Acrylic, Plexiglas or Lexan faces are molded with unique shapes which would not be considered easily interchangeable.

**MONUMENT SIGN:** A sign having a low profile and made of stone, concrete, metal, routed wood planks or beams, brick or similar materials. A monument sign shall be solid from the ground up; pole(s) or supports shall be concealed.

**MURAL:** Non-commercial pictures painted on or attached to the exterior walls not advertising a product or service which is sold on the premises.

**NAMEPLATE:** Any sign showing only the name and address of the owner or occupant of the premises on which it is erected or placed.

**OBSOLETE:** Any sign which no longer serves a bona fide use or purpose on a lot with or without a structure.

**OFF-PREMISE:** A sign that pertains to a business, person, organization, activity, event, place, service, or product not principally located or primarily manufactured or sold on the premises on which the sign is located.

**OLD DOWNTOWN COMMERCIAL DISTRICT:** A 15.7 acre tract of land with a perimeter boundary measured at the R.O.W. center line of Belt Line Road, IH-35E, Vandergriff Drive and the Railroad, situated in the John Nix Survey, Abstract No. 1089, and the William Larnier Survey, Abstract No. 799, Dallas County, Texas.

**ON PREMISE:** A sign identifying or advertising a business, person, or activity, and installed and maintained on the same premises at the business, person, or activity.

**PAN SIGN:** A sign fabricated from aluminum or steel panel or other similar materials containing digitally printed artwork, cut out vinyl letters and logo or channel letters and logos mounted to the pan face. Pan signs may be designed with square or rounded corners and are not internally lit. **Pan signs are prohibited on retail buildings.**

**POLE SIGN:** A freestanding sign supported by a pole having no guys or braces to the ground or to any other structure. **Pole signs are allowed only on IH-35E.**

**POLITICAL SIGN:** An off-site sign which refers only to the candidates or issues involved in a political election, and designed to be seen from a road, but does not include a bumper sticker.

**PORTABLE SIGN:** Any sign not permanently attached to the ground or other permanent structure, or a sign designed to be transported by wheels including, but not limited to signs which are mounted on skids, trailers, wheels, legs or stakes; signs converted to A- or T-frames; menu and sandwich board signs; balloons used as signs; umbrellas used as signs.

**PREMISES:** Land together with any buildings or structures occupying it.

**PROJECTING SIGN:** Signs that project from a building and have one end attached to a building or other permanent structure. Projecting signs are prohibited in all districts except the Transit Center.

**PROPERTY LINE:** The line denoting the limits of legal ownership of property.

**PYLON SIGN:** A freestanding sign supported by two vertical pole supports encased in brick, stone or materials architecturally compatible with the main building or structure on the property.

**READERBOARD:** Alternating electronic data control components.

**REAR WALL:** A wall with no main entrances, no store fronts and which does not face the front of the lot. A building may have a maximum of one rear wall.

**SAIL SIGN:** A Wind Device that contains a harpoon-style pole or staff driven into the ground for support or mounted on a weighted portable base. Sail Signs are generally used in connection with a commercial promotion or to advertise a commercial product, service, business, activity condition, or person. **Sail Signs are prohibited in the City of Carrollton.**

**SANDWICH BOARD:** A self-supporting “A” shaped sign with two visible sides that is situated on or adjacent to a sidewalk. **Sandwich Boards are only allowed on sidewalks in the Transit Center District.**

**SETBACK:** The distance between the closest portion, whether the support structure or edge of the sign, to the back of street curb or edge of street pavement.

**SIGN:** Shall mean and include every sign, name, number, identification, description and announcement, declaration, demonstration, advertisement, device, display, flag, banner, pennant, illustration, beacon, light or insignia, and structure supporting any of the same, affixed directly or indirectly to or upon any building or outdoor structure, or erected or maintained upon a piece of land, which directs attention to any object, project, service, place, activity, person, institution, organization or business. Any interior illuminated or moving sign or lights which are visible from the exterior of the building or structure.

**SIGN AREA:** The square footage of a sign made up of letters, words or symbols within a frame shall be determined from the outside edge of the frame itself. The square footage of a sign composed of only letters, words or symbols shall be determined from imaginary rectangle drawn around the entire copy or grouping of such letters words or symbols. Double-faced signs shall be calculated as the area of one side only.

**SIGN PLACEMENT AREA:** A designated area on a building specifically designed for placement of signage, generally a feature that is architecturally designed to enhance the building and give specific prominence to the placement area.

**STAKE SIGN:** A temporary sign supported by a piece of material driven into the ground.

**TEMPORARY:** Any sign, banner, pennant, valance or display constructed of cloth, canvas, light fabric, cardboard, wallboard or other like materials, with or without frames, and any type sign not permanently attached to the ground, wall or building, intended or appears to be intended or is determined by the building official to be displayed for a limited period of time.

**VEHICLE:** For the purpose of this chapter shall mean any automobile, truck, camper, tractor, van, trailer or any device capable of being transported and shall be include a vehicle in both moving and stationary modes, irrespective of state of repair or condition.

**VEHICULAR SIGN:** Any sign attached to or painted on vehicles parked and visible from the public right-of-way; unless said vehicle is used in the normal day-to-day operations of the business. This definition shall not include signs that are being transported to a site of permanent erection.

**WALL SIGN:** Any sign attached to a wall with the sign facing parallel to and not more than 10 inches from the wall surface.

**WINDOW SIGN:** Any sign, pictures, symbol, paint or combination thereof, designed to communicate information about an activity, business, commodity, event, sale, or service that is placed inside a window or upon the windowpanes or glass and is visible from the exterior of the window.



## **PERMITS, FEES AND INSPECTIONS**

### **151.10 SIGN PERMIT REQUIRED.**

- A. It shall be unlawful for any person to erect, replace, enlarge or relocate any sign within the city without first obtaining a permit to do so from the Building Official, except as may be hereinafter provided.
- B. Multiple-tenant and multiple-building lot-coordinated signage; compatibility of design. All signs applied for under the provisions within this code are subject to the approval by the Development Services Department. The following criteria shall be considered:
  - 1. Compatibility with surrounding signage as related to location, height, size, setback, etc.
  - 2. Compatibility with aesthetics as related to color scheme, shapes, design, materials, etc.
  - 3. Relationship to proposed or existing landscaping.

## **151.11 SIGNS EXEMPT FROM PERMIT.**

A permit shall not be required for the following signs; provided, however, such signs shall otherwise comply with all other applicable provisions of this code.

- A. One temporary banner not exceeding eight square feet in area shall be allowed for the period of time the suite or building on which such sign is located is available for sale, rental or lease, but in no event for longer than 180 days per calendar year.
- B. Nameplates, memorial plaques, building identification signs and building cornerstones not exceeding two square feet in area when cut or carved into the masonry surface or when made of noncombustible material and made an integral part of the building or structure.
- C. Permanent on-site signs limited to the following:
  - 1. One sign at a drive-through lane entrance, maximum three feet in height and four square feet in area, located behind the required front building setback;
  - 2. One sign at a drive-through lane exit, maximum three feet in height and four square feet in area, located behind the required front building setback.
- D. Multi-tenant buildings shall be allowed one sign which complies with the following:
  - 1. Maximum area shall be twenty (20) square feet;
  - 2. Maximum height shall be five (5) feet;
  - 3. Sign shall be set back in accordance with the required setbacks of the zoning district;
  - 4. Each tenant panel shall be the same size and color, and shall be a maximum of 4" tall;
  - 5. Each tenant panel shall have the same size, color, and typeface of font;
  - 6. Each tenant shall be limited to one panel; and
  - 7. Sign construction shall be of decorative metal or some similar durable material.
- E. Legal notices or warning signs posted in compliance with state or federal law including criminal trespass warning signs, open carry signs, and disabled parking signs.
- F. Designated parking space signs which are no larger than twelve inches by eighteen inches with a maximum overall height of seven (7) feet.
- G. Temporary signs warning of a particularly dangerous or hazardous condition containing only sufficient information to warn of such danger or condition.
- H. Scoreboards, golf course tee signs, and athletic field identification signs.
- I. Athletic field fencing signs facing into an athletic field that are intended to be visible only from inside the field or spectator area for the field or stadium, and are no taller than the fence or wall upon which the sign is located.

- J. Signs fabricated into windscreens for tennis courts on City of Carrollton park facilities only for identification purposes.
- K. Sculptures when installed in compliance with the comprehensive zoning ordinance and construction codes.
- L. The changing of messages or copy on signs designed and intended to be changed on a regular basis provided the sign is not altered. Examples of these type signs are theater marquees, electronic reader boards, menus, fuel prices, billboards, directories and the like.
- M. The removal and replacement of interchangeable panels for signs designed and approved for this specific purpose.
- N. Window signs/painted window signs: with a maximum size not exceeding 25% of the total window area for any linear wall segment; and limited to one- or two-story retail buildings or the ground floor of a mixed-use building with retail at the ground floor. Blinking signs are prohibited.
- O. Gasoline/service station informational signage. Signs located beneath a canopy are exempt. Governmentally mandated signage and signage contained within the individual pumps are also exempt. In addition, ten square feet of signage is permitted per side under the canopy per set of gasoline product dispensers. Signage located beneath the canopy which is not intended to be read from the public right-of-way is exempt. Letters less than three inches in height shall not be counted as part of the sign allowance.
- P. Incidental signs as defined in 151.05, limited to one per building entrance.
- Q. Banners in conjunction with an approved special event permit as provided in 151.39.
- R. Stake signs as provided in 151.50.
- S. Political signs as provided in 151.51.
- T. Portable and vehicle signs as provided in 151.52.
- U. Flags and flagpoles as provided in 151.53.
- V. Sandwich board signs as provided in 151.54.

## **151.12 PROHIBITED SIGNS AND ACTIVITIES.**

The following signs and activities are prohibited.

- A. Signs not expressly allowed pursuant to this ordinance are prohibited.
- B. Signs erected in a manner that may cause confusion, or obstruct the view or interpretation of any official traffic sign, signal or device.
- C. Window signs, including painted window signs, except as expressly allowed in this ordinance.
- D. Any sign containing or displaying any obscene material.
- E. Commercial billboards as defined in 151.05 are prohibited.
- F. Off-premise signs are prohibited except as otherwise allowed by Carrollton City Code 92.32.
- G. Signs or material placed on or suspended from buildings, poles, sidewalks, vehicles and the like.
- H. Placing or suspending from any building, light pole, utility pole, structure, sidewalk, parkway, driveway or parking area, any goods, wares, merchandise or other advertising or displaying of such items other than a sign, as defined, regulated and permitted by this code.
- I. The attachment, suspension or hanging of cloth, paper, banner, flag, device or other similar matter to or on any sign, building, vehicle or structure, when the same shall create litter or a public nuisance.
- J. Attaching any sign, paper or other material, or painting, stenciling, writing or similar or otherwise marking on any sidewalk, curb, gutter, street, service poles, utility poles or boxes, public property, fence or structure except as otherwise expressly allowed by ordinance.
- K. Certain illuminated signs prohibited.
  - 1. No sign, whether required to be permitted or not, shall be illuminated to such an intensity or in such a manner, as to cause a glare of brightness to a degree that it constitutes a hazard or nuisance to traffic. Moving, flashing, blinking, intermittent lighted, changing color, beacons, revolving or similarly constructed signs shall not be allowed except for time and temperature on an otherwise permitted sign. See 151.30 (I), 151.31 (I), and 151.32 (I) for electronic message signs.
  - 2. No lighted sign shall be erected within 150 feet of a residential district unless the lighting is shielded from view of the residential district.

- L. Signs prohibited on or over public property. No portion of any sign shall be erected on or over public property, unless the same is erected by the City, or with the permission of the City, or as specified in section 151.51 (B).
- M. Any sign erected on a vertical framework supported by and located immediately and entirely over the roof of a building is prohibited except as specified in 151.34. Signs painted or attached on the roof of a structure are prohibited except as specified in 151.34 or 151.54.
- N. No person shall erect, maintain or permit the erection of any balloon or other floating device anchored to the ground or to any structure within the city except as specified in 151.38.
- O. Certain temporary signs prohibited:
  - 1. Stake signs, except as specified in 151.50.
  - 2. Portable signs, except as specified in 151.52.
  - 3. Sandwich board signs except as specified in 151.54.
  - 4. Freestanding self-supported advertising signs.
  - 5. Sail or Feather Signs.
  - 6. V-Shaped Signs.
  - 7. Skid Signs.
- P. Signs leaning against windows. All signs visible from the exterior of a window shall be attached to the window or to the structure and shall comply with 151.11 (N).
- Q. Signs on residential lots are prohibited except as specified in 151.36, 151.50, and 151.51.
- R. Windows where the back side of display shelving, storage or other fixtures is located adjacent to such windows. Windows shall be obscured up to four (4) feet from grade with an opaque window film adhered to the window such that the back side of display shelving, storage or other fixture are not visible through the window. Foil, newspaper, cardboard and other such materials placed in windows shall be prohibited.
- S. Awning signs are prohibited except as specified in 151.54.
- T. Can/Box signs are prohibited on all buildings in Carrollton.
- U. Pan signs are prohibited on retail buildings.
- V. Signs painted directly on faces of buildings are prohibited except as specified in 151.54.

W. LED or other continuous or connected series of lights:

Prohibitions: The following items shall be prohibited:

1. No lighting shall be permitted to outline individual windows.
2. No lighting shall be permitted to outline an individual occupancy in a multi-tenant building.
3. No lighting shall be permitted to outline any accessory structures, signs, light poles or other appurtenances on site.
4. No lighting shall be permitted to outline any vertical features of the building separate from the roof line.

Exception: Rope or other continuous or connected series of lights utilized to outline only the roof line of any building.

### **151.13 APPLICATION FOR SIGN PERMIT.**

Application for a sign permit shall be made in writing upon forms furnished by the Building Official. Such application shall contain the location by street and number of the proposed sign structure, as well as the name and address of the owner and the sign contractor or erector. The Building Official may require the filing of plans or other pertinent information where in his opinion such information is necessary to ensure compliance with this code. Standard plans may be filed with the Building Official.

### **151.14 FEES.**

Permit and non-refundable application fees for each sign shall be as provided for in the city approved fee schedule (Chapter 31 of the Carrollton Code of Ordinances).

### **151.15 PERSONS INELIGIBLE TO RECEIVE PERMITS.**

- A. The Building Official shall not issue a sign permit to any person who has previously failed or refused to pay any fees or costs assessed against him under the provisions of this code, until such fees are paid.
- B. The Building Official shall not issue a permit for a permanent sign to any business without a valid application for a Certificate of Occupancy.

### **151.16 PERMIT REVOCABLE.**

The Building Official may suspend or revoke any permit issued under the provisions of this code whenever he shall determine that the permit is issued in error or on the basis of incorrect or false information supplied, or whenever such permit be issued in violation of any of the provisions of this code or any other ordinance of this city or laws of this state or the federal governments. Such suspension or revocation shall be effective when communicated in writing to the person to whom the permit is issued, the owner of the sign or the owner of the premises upon which the sign is located.

### **151.17 PERMIT VALID FOR ONLY ONE HUNDRED AND EIGHTY DAYS.**

If the work authorized by a permit issued under this code has not been commenced within 180 days after the date of issuance, the permit shall become null and void.

### **151.18 INVESTIGATION FEES; WORK WITHOUT A PERMIT.**

- A. Investigation. Whenever any work for which a permit is required by this code has been commenced with-out first obtaining said permit, a special investigation shall be made before a permit may be issued for such work.
- B. Fee. An investigation fee, in addition to the permit fee, shall be collected, whether or not a permit is then or subsequently issued. The investigation fee shall be equal to the amount of the permit fee.

### **151.19 INSPECTIONS.**

- A. All signs for which a permit is required shall be subject to inspection by the Building Official.
- B. Footing inspections may be required by the Building Official for all signs having footings.
- C. All signs containing electrical wiring shall be subject to the provisions of the governing Electrical Code, and the electrical components used shall bear the label of an approved testing agency.
- D. All signs may be re-inspected at the discretion of the Building Official.

### **151.20 REMOVAL OF OBSOLETE SIGNS.**

Any sign which the Building Official determines no longer serves a bona fide use conforming to this code or an abandoned use, shall be removed by the owner, agent or person having the beneficial use of the land, buildings or structure upon which such sign is located within 15 days after written notification to do so from the Building Official. Upon failure to comply with such notice, the Building Official is hereby authorized to cause the removal of such sign, and any expense incident thereto shall be paid by the owner of the land, building or structure to which such sign is attached or upon which it is erected. Abandoned use shall be the voluntary act of the user and/or owner to discontinue a use for a period of one hundred eighty (180) consecutive days or more.

### **151.21 REMOVAL OR REPAIR OF UNSAFE SIGNS.**

If the Building Official shall determine that any sign is unsafe or insecure, or is a menace to the public, he shall give written notice to the person or persons responsible for such sign. If the permittee, owner, agent or person having the beneficial use of the premises fails to remove or repair the sign within 15 days after such notice, such sign may be removed by the Building Official at the expense of the permittee or owner of the property upon which it is located. The Building Official may cause any sign that is an immediate hazard to persons to be removed summarily and without notice.

### **151.22 MAINTENANCE AND REMOVAL OF SIGNS.**

All signs and sign support structures, together with all of their supports, braces, guys and anchors, shall be kept in good repair and in proper state of preservation. The display surfaces of all signs shall be kept neatly painted or posted at all times. The Building Official may order the removal of any sign that is not maintained in accordance with this section.

Signs posted in the right-of-way, in violation of this Code, unlawfully on City property, or signs posing a traffic or other safety hazard, may be removed by the City without prior notice. All costs associated with sign removal will be paid by the sign owner.

### **151.23 ELIMINATION OF CERTAIN SIGNS.**

The city may require the removal of any sign erected in violation of any regulations of the city.



#### **151.24 TEMPORARY SIGN PLACEMENT.**

The Building Official may approve a temporary sign setback reduction in the following circumstance:

- A. The existing street right-of-way is greater than necessary to accommodate current pavement width but will be necessary to meet future roadway design requirements;
- B. Traffic visibility shall not be obstructed;
- C. The sign shall be located entirely on private property. Requests for sign placement on property owned by the city may only be considered by the City Council; and
- D. The property owner executes an acknowledgment that at any time and for no reason whatsoever, the Building Official may give 90 days' written notice to the property owner requiring compliance with all provisions of ordinances regulating signs and that such modifications and changes shall be at the owner's expense. At the expiration of 90 days, if the sign has not been removed, the city shall have the right to enter property, remove the sign and the appurtenances and place a lien on the property for the cost of such removal.

## **SIGN TYPES AND DISTRICTS**

### **151.30 MONUMENT SIGNS.**

Monument signs shall comply with this section and all other applicable provisions of this code.

- A. Maximum height: Six (6) feet including base.

Exception: For lots over three acres or anchor tenants over 20,000 square feet, the maximum height may be twelve (12) feet.

- B. Maximum area: 60 square feet of sign copy.

Exceptions:

- a) For lots over three acres: 100 square feet of sign copy.
- b) Signs with multiple tenants can state the shopping or business center name without it being considered when calculating the area of sign copy.

- C. Maximum number: One per lot, except as permitted.

Exceptions:

- a) For lots over three acres that abut IH-35E: limited by a minimum 200-foot separation between other allowed monument, pylon or pole signs on the same lot.
- b) For lots over three acres: one per street frontage.
- c) For lots over twenty acres: limited by a minimum 300-foot separation between other allowed monument, pylon or pole signs.
- d) For multiple tenant buildings with anchor tenants exceeding 20,000 square feet: one additional sign for each anchor tenant.
- e) For freestanding buildings in multiple tenant centers: one additional sign for each additional freestanding building.
- f) Multiple retail lots may be considered as a single site in determining the maximum number of signs allowed, the maximum sign size, or determining whether the sign is an on premise sign. Determination shall be made by the City Manager or designee considering the following:
  - 1) The sign(s) will be consistent with the general purpose and intent of this code, and will serve the general welfare and preserve the community interest; and

2) The total area of the lots being considered is three acres or larger.

- D. Setback shall be 25' from back of curb or from edge of street pavement and shall comply with the Visibility Ordinance.
- E. Sign construction shall be of brick, stone or similar materials to those used to construct the building on the same lot. Such materials shall be used to frame the sign in such a way as to completely surround the sign area a minimum of eight inches (8") on the top, sides and bottom. No part of a metal can may be left exposed. Monument signs shall have a solid, opaque base.
- F. Sign panels for multiple tenant signs shall be a minimum 12" in height.
- G. Signs shall be on the premises of the advertised use.
- H. Website addresses and phone numbers shall not exceed 4" in height.
- I. Two-thirds of the sign area may be used for electronic messages. Message cycle is limited to a minimum of seven seconds.
- J. The ground level of a 6' monument sign may be raised a maximum of 3' from the top of the adjacent curb via a berm providing a landscape plan has been approved by the City Arborist.
- K. Shall include the four-digit address with a minimum of 6" tall numbers.
- L. Exceptions:
  - 1. Signs within the Transit Center District shall comply with 151.54.
  - 2. Signs within PD-169 shall comply with 151.55 (A).

### **151.31 PYLON SIGNS.**

Pylon signs shall comply with this section and all other applicable provisions of this code.

- A. Maximum height: For lots over five acres or anchor tenants over 50,000 square feet: 20 feet including base.
- B. Maximum area: For lots over five acres: 160 square feet of sign copy.

Exception: Signs with multiple tenants can state the shopping or business center name without it being considered when calculating the area of sign copy.

- C. Maximum number: One per lot, except as permitted.

Exceptions:

- a) For lots over three acres that abut IH-35E: limited by a minimum 200-foot separation between other allowed monument, pylon or pole signs on the same lot.
  - b) For lots over three acres: one per street frontage.
  - c) For lots over twenty acres: limited by a minimum 300-foot separation between other allowed monument, pylon or pole signs.
  - d) Multiple retail lots may be considered as a single site in determining the maximum number of signs allowed, the maximum sign size, or determining whether the sign is an on premise sign. Determination shall be made by the City Manager or designee considering the following:
    - 1) The sign(s) will be consistent with the general purpose and intent of this code, and will serve the general welfare and preserve the community interest; and
    - 2) The total area of the lots being considered is three acres or larger.
- D. Setback shall be 25' from back of curb or from edge of street pavement and shall comply with the Visibility Ordinance.
- E. Sign construction shall be of brick, stone or similar materials to those used to construct the building on the same lot. Such materials shall be used to frame the sign in such a way as to completely surround the sign area a minimum of eight inches (8") on the top, sides and bottom. No part of a metal can may be left exposed. Pylon signs shall have a solid, opaque base or two legs surrounded with the same materials as those used to frame the sign.
- F. Sign panels for multiple tenant signs shall be a minimum 12" in height.
- G. Signs shall be on the premises of the advertised use.

- H. Website addresses and phone numbers shall not exceed 4" in height.
- I. One-third of one pylon sign area may be used for electronic messages provided the sign is on a lot of five acres or larger, the lot abuts IH-35E and message cycles are limited to a minimum of seven seconds.
- J. Exceptions:
  - 1. Signs within the Transit Center District shall comply with 151.54.
  - 2. Signs within PD-169 shall comply with 151.55 (A).

### **151.32 POLE SIGNS.**

Pole signs shall comply with this section and all other applicable provisions of this code.

A. Maximum height:

1. For lots three acres or less that abut IH-35E: 35 feet and must be located adjacent to IH-35E.
2. For lots over three acres that abut IH-35E: 50 feet and must be located adjacent to IH-35E.

B. Maximum area:

1. For lots under three acres that abut IH-35E: 125 square feet.
2. For lots over three acres that abut IH-35E: 250 square feet of sign copy for the first sign and 125 square feet of sign copy for each additional allowed sign. Sign must be located adjacent to IH-35E.

C. Maximum number: One per lot, except as permitted.

Exceptions:

- a) For lots over three acres that abut IH-35E: limited by a minimum 200-foot separation between other allowed monument, pylon or pole signs on the same lot.
- b) For lots over three acres: one per street frontage.
- c) For lots over twenty acres: limited by a minimum 300-foot separation between other allowed monument, pylon or pole signs.
- d) For freestanding buildings in multiple tenant centers: one additional sign for each additional freestanding building.
- e) Multiple retail lots may be considered as a single site in determining the maximum number of signs allowed, the maximum sign size, or determining whether the sign is an on premise sign. Determination shall be made by the City Manager or designee considering the following:
  - 1) The sign(s) will be consistent with the general purpose and intent of this code, and will serve the general welfare and preserve the community interest; and
  - 2) The total area of the lots being considered is three acres or larger.

D. Setback shall be 25' from back of curb or from edge of street pavement and shall comply with the Visibility Ordinance.

- E. Sign construction may be as a pole sign or pylon sign.
- F. Sign panels for multiple tenant signs shall be a minimum 12" in height.
- G. Signs shall be on the premises of the advertised use.
- H. Website addresses and phone numbers shall not exceed 4" in height.
- I. One-third of one pole sign area may be used for electronic messages provided the sign is on a lot of five acres or larger, the lot abuts IH-35E and message cycles are limited to a minimum of seven seconds.
- J. Exceptions:
  - 1. Signs within the Transit Center District shall comply with 151.54.
  - 2. Signs within PD-169 shall comply with 151.55 (A).

### 151.33 WALL SIGNS.

Wall signs shall comply with this section and all other applicable provisions of this code.

- A. Maximum area per wall: 200 square feet for each 75 feet of wall length per business provided no more than 75% of the sign placement area's height or width is covered.

Exceptions:

- a) Gas price signs under island canopy: 40 square feet.
- b) Subdivision entry: 32 square feet.
- c) Mural: 50% of total exterior elevations
- d) Rear wall signs where allowed: 50 square feet.

- B. Maximum number: One per 50 feet of wall frontage.

Exceptions:

- a) Permanent subdivision walls: two per entry.
- b) Storage facilities, warehouses and industrial buildings: three per tenant.
- c) Multi-story office buildings: one building identification sign per elevation. Signage for individual tenants is prohibited except where the building identification sign is for the primary tenant.

- C. Placement: Wall of the business in which the business operates or placement as approved by the City Manager or designee. Wall signs shall be placed within the sign placement area of the building.

- D. Duration: Permanent.

- E. Rear wall signs: Rear wall signs are prohibited except where internal to site and not visible from street. Location must be approved by City Manager or designee.

Exception: When rear walls are constructed in such a way as to create a false façade, such as window walls, displays, etc. and approved by the City Manager or designee.

- F. Construction:

- 1. Channel letter signs
- 2. Molded cabinet signs



3. Capsule signs, not to exceed 25% of the total combined area of the main sign and capsule sign.
4. Pan signs, except that they are prohibited on office and retail buildings.
5. Digital gasoline price signs on fuel station canopies only. Sign copy may change only to update the fuel price, and cannot scroll through multiple fuel prices or be otherwise animated.

[Can/Box signs are prohibited on all buildings in Carrollton.]

- G. Website addresses and phone numbers shall not exceed 4" in height.

### **151.34 ROOFTOP SIGNS.**

Rooftop signs shall comply with this section and all other applicable provisions of this code.

- A. Building use: Multi-family apartments and condominiums, and mixed-use buildings whose primary nature is of the aforementioned uses. For mixed-use buildings to be considered for a rooftop sign, the division of uses shall be urban in nature with retail at the ground floor and apartments or condominiums above.
- B. Allowed sign use: Building identification only, non-tenant specific.
- C. Minimum building height: 4 stories
- D. Minimum building square footage: 225,000 square feet of at least 4-story construction.
- E. Placement:
  - 1. Signs shall be placed entirely above a flat roof, cantilever, or awning, and are prohibited above or in front of a residential-style pitched or mansard roof.
  - 2. Signs shall not face single-family residential houses or townhouses.
- F. Maximum sign copy height: 8 feet.
- G. Maximum sign copy area: 225 square feet per sign.
- H. Maximum overall sign height: 10 feet above the parapet.
- I. Maximum number: Two if located on a corner, otherwise one per development, even if development spans multiple lots.
- J. Duration: Permanent
- K. Construction: Supporting structure shall be visually minimized to the greatest extent possible. Signs shall be constructed of internally illuminated channel letters without a backer.

### **151.35 GROUND SIGNS.**

Ground signs shall comply with this section and all other applicable provisions of this code.

- A. Maximum height: Lots less than 2 acres – 8 feet; lots greater than 2 acres - 12 feet
- B. Maximum area: Lots less than 2 acres – 16 square feet; lots greater than 2 acres or located in LI Districts – 32 square feet

Exception: 96 square feet for multiple-use developments and residential subdivisions.

- C. Maximum number: One per legal lot of record.

Exception: For lots over three acres: one sign per street frontage.

- D. Setback: 25 feet from back of curb or from edge street pavement, and shall comply with the Visibility Ordinance.
- E. Construction: Signs shall be constructed as posts and panel with posts set in the ground at least 18” deep or concrete 12” deep.
- F. Duration: Shall be allowed for the period of time the suite or building on which such sign is located is actively available for sale, rental or lease. An annual renewal fee is required every 12 months.

Exception: Signs which are constructed in the following way shall not require an annual fee:

- 1. 3” minimum metal posts, with decorative finial on top of post. All exposed metal shall be painted black;
- 2. Posts shall be permanently mounted in concrete at least 12” deep in the ground;
- 3. Sign face shall be constructed of aluminum or steel panel;
- 4. Sign face shall be oriented in a vertical manner, with the short side parallel to the ground;
- 5. Sign copy shall be of block letters, with each line of copy in a uniform size; and
- 6. Signs shall be regularly maintained in sound condition and with fully legible sign copy.

- G. Placement:

- 1. Sign orientation shall be parallel to street or must be double faced if perpendicular to street.
- 2. Sign shall be separated a minimum of 50 feet from any other permanent or temporary sign.

- H. Decal or other device issued by the Building Inspection Department showing the expiration date shall be clearly displayed on the front of the ground sign.

### **151.36 MODEL HOME SIGNS.**

Model home signs shall comply with this section and all other applicable provisions of this code.

- A. Maximum height: Five (5) feet including base.
- B. Maximum area: Sixteen (16) square feet of sign copy.
- C. Maximum number: One per model home.
- D. Setback: Shall be as close to the home as possible.
- E. Construction: Shall be constructed with brick or stone matching the home surrounding all four sides of the sign.
- F. Duration: Renewable until home is sold.
- G. Placement:
  - 1. Sign orientation shall be parallel to street or must be double faced if perpendicular to street.
  - 2. Sign shall be separated a minimum of 50 feet from any other permanent or temporary sign.

### **151.37 MENU BOARDS.**

Menu boards shall comply with this section and all other applicable provisions of this code.

- A. Maximum height: Eight (8) feet including base.
- B. Maximum area: 60 square feet of sign copy.
- C. Maximum number: Two per drive-through lane.
- D. Placement: Shall be located on the driver's window side of a drive-through lane, prior to a drive-through window. Shall not be located in the required front building setback.

### **151.38 COLD AIR INFLATABLE DEVICES.**

Cold air inflatable devices shall comply with this section and all other applicable provisions of this code.

- A. General: Cold air inflatable devices are allowed for any business with a Certificate of Occupancy. Cold air inflatable devices shall be motionless, secured to the ground, and may not be mounted on buildings or structures.

- B. Maximum height: 25 feet
- C. Maximum number: One per business.
- D. Setback: Setback shall be 25' from back of curb or from edge of street pavement and shall comply with the Visibility Ordinance
- E. Placement: On the premises of the use. Shall not be located in a required parking space.
- F. Duration: Seven days, two times per year.

### **151.39 BANNERS.**

Banners shall comply with this section and all other applicable provisions of this code.

- A. Maximum area: 100 square feet. Banners shall not exceed 75% of the height and width of the placement area.
- B. Maximum number: One per business.
- C. Placement: Banners must be securely mounted to the building.

#### **Exceptions:**

- 1. Banners may be erected over city right-of-way when in conjunction with a special event permit.
  - 2. Roadway construction banners may be placed between two poles. Such banners shall be set back a minimum of fifteen (15) feet from the back of street curb or from edge of street pavement and shall comply with the Visibility Ordinance.
- D. Allowed uses: General banners and special event banners.
  - E. Duration:
    - 1. General banners – 30 days/four times per calendar year, 30 days within 90 days of C.O. issuance, for the duration of an active building permit, and for the period of time the suite or building on which such sign is located is actively available for sale, rental or lease, not to exceed one year.
    - 2. Special event banners – For the duration of the special event with a special event permit.
  - F. Decal or other device issued by the Building Inspection Department showing the expiration date shall be clearly displayed on the front of the banner.

## **151.50 STAKE SIGNS.**

Stake signs shall comply with this section and all other applicable provisions of this code.

- A. A commercial lot may have two (2) signs per tenant which comply with the following when roadway construction interferes with the usual access of the property:
  - 1. Shall be placed on private property with the consent of the property owner.
  - 2. Shall be placed at least three (3) feet from the back of curb or edge of street pavement, and shall not obstruct visibility.
  - 3. Maximum area shall be six (6) square feet.
  - 4. Maximum height shall be three (3) feet.
  - 5. Shall be constructed of durable, weather-resistant material.
  - 6. Signs may be placed for the duration of roadway construction only.
  
- B. A lot containing a single-family or two-family dwelling, or a lot owned by a Residential Property or Home Owners Association may have two (2) signs which comply with the following except as otherwise allowed by Carrollton City Code 92.32:
  - 1. Shall be placed on private property with the consent of the property owner.
  - 2. Shall be placed at least three (3) feet from the back of curb or edge of street pavement, and shall not obstruct visibility.
  - 3. Maximum area shall be six (6) square feet.
  - 4. Maximum height shall be four (4) feet.
  - 5. Shall be constructed of durable, weather-resistant material.

## **151.51 POLITICAL SIGNS.**

Political signs shall comply with this section and all other applicable provisions of this code.

- A. Political signs located on private real property shall:
  - 1. Be placed with consent of the property owner;
  - 2. Comply with the visibility ordinance;
  - 3. Be limited to thirty-six (36) square feet in area and eight (8) feet in height;
  - 4. Have no illumination;
  - 5. Have no moving elements; and
  - 6. Shall be placed at least three (3) feet from the back of curb or edge of street pavement.
- B. Political signs located on public property shall comply with the following:
  - 1. Signs are prohibited on public property or within any right-of-way, except as provided for in Sections 61.003 or 85.036 of the Texas Election Code, both as amended.
  - 2. A political sign placed in compliance with the Texas Election Code shall not:
    - a) Extend over or impede any public sidewalk or path;
    - b) Exceed thirty-six (36) square feet in area nor eight (8) feet in height;
    - c) Be illuminated;
    - d) Have moving elements; or
    - e) Be placed within a street or roadway median, block vehicular visibility, or block access to or mobility on the sidewalk.
  - 3. It is a rebuttable presumption that the right-of-way ends one (1) foot from the edge of the sidewalk furthest from the back of the curb of the public street or, in rights-of-way where there is no sidewalk, ten (10) feet from the back of the curb of the public street.

4. A political sign may be located at a polling place owned by the city during the voting period not before the first day of early voting and must be removed not later than twenty-four (24) hours following the date of the election. A political sign so located at a polling place shall not:
- a) Be placed within one hundred (100) feet of an outside door through which a voter may enter the building in which a polling place is located;
  - b) Be placed in such a manner as to block vehicular visibility;
  - c) Extend over any public sidewalk or path;
  - d) Exceed thirty-six (36) square feet in area nor eight (8) feet in height;
  - e) Be illuminated; or
  - f) Have moving elements.



## **151.52 PORTABLE AND VEHICLE SIGNS.**

Portable and vehicle signs shall comply with this section and all other applicable provisions of this code.

A. General:

1. It shall be unlawful to attach any sign to a vehicle, trailer, skid, or similar mobile structure, where the primary use of such structure is to provide a base for such sign or constitute the sign itself. This provision does not restrict the identification signs on vehicles used for bona fide business activity when said vehicle is legally licensed for use in public streets.
2. Signs attached to or upon any vehicle shall be prohibited where such vehicle is allowed to remain parked in the same location or in the same vicinity, at frequent or extended periods of time, where the intent is apparent to be one of using the vehicle and signs for purposes of advertising an establishment, service or product.

B. Maximum area: Six square feet or cubic feet.

C. Placement: Signs shall not project from the front, sides or rear surfaces of any vehicle.

D. Maximum number: Not applicable.

E. Allowed uses: Vehicle identification signs in or upon a motor vehicle.

## **151.53 FLAGS AND FLAGPOLES.**

Flags and flagpoles shall comply with this section and all other applicable provisions of this code.

A. Maximum height: See the Comprehensive Zoning Ordinance of the city.

B. Maximum area: Not regulated.

C. Placement: Roof mounted flags are prohibited. Flags shall not protrude over the right-of-way. Flagpoles shall be setback a minimum of 15' from back of street curb and edge of street pavement and shall comply with the Visibility Ordinance.

D. Maximum number: Limited to three flagpoles per lot and three flags per lot.

E. Duration: Not applicable.

## **151.54 TRANSIT CENTER DISTRICT.**

The following regulations shall apply in the Transit Center District, the boundaries and sub-districts/areas of which are defined by City ordinances. (These areas are shown on the Official Zoning Map.) All other provisions of this code which are not in conflict with this section shall apply in the Transit Center District. All signs requiring a permit must first obtain Development Plan approval prior to issuance of a permit.

- A. **Intent.** Signs in the Transit Center District are intended to respond to slow moving traffic and pedestrians. They are therefore generally smaller in size than other areas of the City and shall be located in prescribed locations so that they may be easily found and interpreted.
- B. **Development Plan Approval.** Prior to obtaining a sign permit, a Development Plan must be approved by the City Manager or designee, to certify that it meets the purpose, intent and standards contained in this Code.

Development plans must include the following information:

- 1. Site plan.
- 2. Building elevations.
- 3. Sign copy and dimensions.
- 4. Setbacks from property lines if applicable.
- 5. Materials used to fabricate sign.
- 6. Information on how the sign will be illuminated, if applicable.

Denial of a Development Plan by the City Manager or designee may be appealed to the Property Standards Board if the appeal is filed with the Development Services Department within ten (10) days of the denial.

### **C. Permitted Signs**

#### **1. Monument Signs**

- a) Maximum height: Four (4) feet including base, measured from ground level.
- b) Maximum area: Fifteen (15) square feet of sign copy.
- c) Setback: Fifteen (15) feet from the back of curb.
- d) Maximum number: One (1) per lot.

- e) Construction: Sign structure shall be of brick, stone or similar materials to those used to construct the building on the same lot. Sign may include ornamental metal.
- f) Compatibility: Landscaping, existing or proposed, shall be incorporated into any proposed sign design plan.
- g) Electronic message signs are prohibited.

## **2. Projecting Signs**

- a) Horizontal projecting signs are limited to:
  - 1) Height of three (3) feet.
  - 2) Width of seven (7) feet.
  - 3) Maximum area of twenty (20) square feet.
  - 4) Minimum clearance of seven & one-half (7.5) feet measured from grade to bottom of sign.
  - 5) Signs may overhang the R.O.W. upon approval of a development plan.
- b) Vertical projecting signs are limited to:
  - 1) Height of two (2) stories of building, and must be placed above the first floor. Sign shall not extend above the roof line or top of parapet.
  - 2) Width of six (6) feet set no more than twelve (12) inches from building.
  - 3) Not allowed on building less than three (3) stories in height.
  - 4) Signs may overhang the R.O.W. upon approval of a development plan.

## **3. Wall Signs**

- a) Maximum height: Shall not extend above roof line or top of parapet.
- b) Maximum area: 100 square feet for each 50 linear feet of wall length ( $LF \div 50 \times 100 = \text{Sign area SF}$ ).

Total signage for any individual tenant shall not exceed 200 SF.

Sign area SF shall not occupy more than seventy-five (75) percent of the height and / or width of the sign placement area.

- c) Placement: Wall of the business in which the business operates or placement as approved by the City Manager or designee.
- d) Construction: Wall signs shall be constructed as individual channel letters with accompanying logo.

Exceptions:

- 1) Pan signs shall be permitted to be placed on buildings that existed prior to January 1, 2005. A pan sign shall be defined as: A sign fabricated from a .050 / .063 / .080 aluminum or steel panel containing digitally printed artwork, cut out vinyl letters and logos or reverse channel letters or logos mounted to the pan face. Pan signs may be designed with square or rounded corners and shall be externally lit.
- 2) Signs shall be permitted to be painted on the exterior walls of buildings as approved through a Development Plan. Signs may also be painted on existing roof structures integral to the design of the building that function as true roofs and that cover enclosed portions of the building. Due to the nature of such signs that accommodate the unique character of older buildings in Carrollton's downtown area, such signs will only be considered on buildings within the Old Downtown Commercial District as defined in Section 151.05.

#### **4. Awning Signs**

- a) Signage is limited to the vertical front edge of the awning with letters that are stenciled. Letters shall cover no more than 75% of the height and / or width of the front edge.
- b) Business logos no larger than eight (8) square feet may be centered in the sloped part of the awning.
- c) The height of the vertical front edge of the awning shall not exceed 1/3 of the overall awning height.

#### **5. Window Signs**

Window signs / painted window signs shall not exceed 25% of the total visible window area for any linear wall segment. Windows where the back side of display shelving storage or other fixtures are located adjacent to such windows: Windows shall be obscured a minimum of four (4) feet from grade with an opaque window film adhered to the window such that the entire back side of display shelving, storage or other fixtures are not visible through the window. If necessary for uniformity or to screen these items, the entire window may be obscured. Foil, newspaper, cardboard and other such materials placed in windows shall be prohibited.

## **6. Sandwich Board Signs**

- a) Maximum height: Four (4) feet.
- b) Maximum area: Eight (8) square feet.
- c) Placement: Only allowed on sidewalks in the Transit Center District and may not be placed closer than four (4) feet from back of curb. A minimum sidewalk width of four (4) feet shall remain free from intrusion at all times.
- d) Maximum number: One per business.
- e) Allowed uses: Menu, food & beverage specials.
- f) Duration: Temporary, during business hours only.

## **7. Banners**

- a) Placement: Securely mounted to building.
- b) Maximum height: Four (4) feet from bottom to top of banner.
- c) Maximum area: Twenty (20) square feet.
- d) Maximum number: One per business.
- e) Duration: Thirty (30) days two (2) times per calendar year.

### **Exceptions:**

- 1) Shall be allowed for the period of time the suite or building on which such sign is located is available for sale, rental or lease.
- 2) Thirty (30) days within ninety (90) days of C.O. issuance.

## **8. Ground Signs**

### **a) Vacant Lots**

- 1) Placement: One per lot.
- 2) Construction: Painted metal posts and metal sign. Must meet city design criteria for each district.
- 3) Maximum height: Six (6) feet.
- 4) Maximum sign area: Sixteen (16) square feet - sign face may not be larger than four (4) feet in any dimension.

### **b) Vacant Suites**

- 1) Placement: Inside one window per each linear wall segment of vacant suite.
- 2) Maximum height: Forty eight (48) inches.
- 3) Maximum width: Thirty (30) inches.
- 4) Maximum sign area: Eight (8) square feet.

## **9. Signs Exempt from Permit**

- a) Onsite Directional Signs: Maximum size shall be four (4) square feet, with height not to exceed two (2) feet.
- b) Covered Walkway Signs: Under covered walkways which are only visible to the sidewalk over which they hang.
- c) Sandwich Board Signs.
- d) Window Signs.
- e) Building Directory Signs: Limited to eight (8) square feet adjacent to building entry.
- f) Political Signs: See Section 151.51.
- g) District Entry Signs: Such signs placed on city property, on easements or in the R.O.W. shall be approved through a Development Plan.

## **10. Prohibited Signs**

- a) Stake Signs.
- b) Cabinet or “can” signs of any kind.

Exception: Projecting signs shall be permitted to be constructed of a metal cabinet with internal lighting.

- c) Electronic message signs of any kind.

### **D. Illumination**

Signs may be illuminated using any of the following methods:

- a) Halo lighting, where the lighting source is hidden behind a solid, opaque letter and is lighting the background wall.
- b) Up or down-lighting, where fixtures are attached to the building under or over the letters and arranged to project light upwards or downwards onto the letters. The lights must be shielded so that there is no glare projected to the street or into upper story windows. Lighting shall meet the requirements of Article XXVII Section B of the Comprehensive Zoning Ordinance.
- c) Exposed neon lighting will be reviewed and approved on an individual basis as part of the Development Plan approval, except for neon signs on the inside of windows which are permitted. Neon signs may only be approved when it can be shown that the sign does not create a nuisance to neighboring properties.

## 151.55 SPECIAL DISTRICTS.

### A. PD-169

1. **Intent and Scope:** The area defined as PD-169 was originally developed for small-lot and/or residential, rather than commercial uses. Over time, conditions changed to make the original development pattern less appropriate and desirable. This area has re-developed and/or is redeveloping into a more commercial development pattern, although the lot size, building design and other factors make it difficult or impossible to meet the standard regulations for commercial uses.

It is the intent of this subsection to establish special sign development standards for these special areas or districts, as herein defined, to provide attractive, legible and appropriate signs in PD-169.

2. **General:** the following regulations shall apply in PD-169, the boundaries and sub-districts/areas of which are defined by Ordinance 3269, as amended, and the Comprehensive Zoning Ordinance of the City of Carrollton.
3. **Area 1** (properties with Carroll Avenue addresses): all signs shall be in accordance with the requirements for Single-Family Residential Districts.
4. **Area 2** (properties with Belt Line Road addresses west of Lerner Street, and 1011 Clint Street): all signs shall be in accordance with the requirements for the (LR-2) Local Retail District, except as otherwise modified below.

- a) **Monument Sign:**

Maximum Height: Four feet including base, measured to ground level at base.

Maximum Area: Fifteen square feet of sign copy.

Maximum Number: One per lot.

Minimum Setback: Fifteen feet from the back of curb.

Construction: A Monument Sign in this area shall be of materials and design that coordinate with the materials and design of the building on the site, or shall be constructed of decorative metal or some similar durable material.

- b) **Ground sign:** Not permitted.

- c) **Stake sign:** Not permitted.



d) Wall sign:

Maximum Height: Not applicable.

Maximum Area: Where facing Belt Line Road (or in the case of 1011 Clint Street, where facing Clint Street), fifty (50) square feet of sign copy for each one hundred (100) linear feet of wall; six square feet of sign copy if a rear wall sign.

Maximum Number: One on the building façade facing Belt Line Road (or in the case of 1011 Clint Street, one on the building façade facing Clint Street); one on the building façade facing an off-street parking lot (considered a rear wall sign).

Placement: As approved by the City Manager or designee. Wall Signs shall not extend beyond the wall of the building either vertically or horizontally and shall not encroach upon or cover any door or window.

Construction: Shall be of materials and design that coordinate with the materials and design of the building and/or any Monument Sign on the site.

e) Miscellaneous: No sign requiring a permit shall be internally illuminated.

No sign, including Window Signs, shall display any flashing, blinking or animation.

The background color of all signs shall be black, off-white or a color which coordinates with the preponderant color of the building.

Letters shall be three-dimensionally incised or applied, and shall be black, off-white, silver, gold or copper, and shall provide strong visual contrast to the background.

Letters shall be of a simple font designed to be easily read.

Signs as described in Section 151.11 (D) of this Code are prohibited.

5. **Area 3** (1017 Clint Street): all signs shall be in accordance with the requirements for Single-Family Residential Districts.

6. **Area 4** (properties with Belt Line Road addresses east of Lerner Street and west of Josey Lane): all signs shall be in accordance with the requirements for the (SF-12/20) Single-Family Residential District, except as otherwise modified below.

a) Monument sign:

Maximum Height: Four feet including base, measured to ground level at base.

Maximum Area: Fifteen square feet of sign copy.

Maximum Number: One per lot.

Minimum Setback: Fifteen feet from the back of curb.

Construction: A Monument Sign in this area shall be of materials and design that coordinate with the materials and design of the building on the site, or shall be constructed of decorative metal or some similar durable material.

b) Ground Sign: Not permitted.

c) Stake Sign: Not permitted.

d) Wall Sign:

Maximum Height: Not applicable.

Maximum Area: Where facing Belt Line Road, fifteen square feet of sign copy; six square feet of sign copy if a Rear Wall Sign.

Maximum Number: One on the building façade facing Belt Line Road; one on the building façade facing an off-street parking lot (considered a rear wall sign).

Placement: As approved by the City Manager or designee. Wall Signs shall not extend beyond the wall of the building either vertically or horizontally and shall not encroach upon or cover any door or window.

Construction: Shall be of materials and design that coordinate with the materials and design of the building and/or any Monument Sign on the site.

- e) **Miscellaneous:** No sign requiring a permit shall be internally illuminated.

No sign, including Window Signs, shall display any flashing, blinking or animation.

The background color of all signs shall be black, off-white or a color which coordinates with the preponderant color of the building.

Letters shall be three-dimensionally incised or applied, and shall be black, off-white, silver, gold or copper, and shall provide strong visual contrast to the background. Letters shall be of a simple font designed to be easily read.

Signs as described in Section 151.11 (D) of this Code are prohibited.

- 7. **Planned Development:** Because this section is specifically related to a planned development district, multiple-building lot coordinated signage shall be considered in accordance with Section 151.10 (B) of this Code.

## **DESIGN AND CONSTRUCTION**

### **151.65 WIND PRESSURE AND DEAD LOAD REQUIREMENTS.**

All signs shall be designed and constructed to withstand a wind pressure of not less than 30 pounds per square foot of area, and shall be constructed to receive dead loads as required by the current Building Code.

## **ADMINISTRATIVE**

### **151.70 NONCONFORMING SIGNS.**

Nonconforming existing signs.

- A. A sign that does not conform to the regulations prescribed in this code and that existed lawfully on the date of adoption of this chapter or amendment hereto shall be deemed a nonconforming sign. A nonconforming sign may be maintained.
- B. The right to continue all nonconforming signs shall cease and such sign shall be removed whenever:
  - 1. An approved application for Certificate of Occupancy or a Certificate of Occupancy for a change of business or ownership is issued as provided in the Comprehensive Zoning Ordinance and a sign is associated with the previous business or ownership.
  - 2. A change of occupancy classification occurs as described in the building code and a sign is associated with the classification change.
  - 3. A sign is altered, moved or relocated.
  - 4. A sign is destroyed and the cost to repair exceeds 50% of the replacement cost of the sign and support structure on the date of damage.
  - 5. A sign leans such that an angle between the sign and the ground is 70° or less.
  - 6. A sign that has fallen onto the ground.
  - 7. An occupancy change occurs as described in divisions (B) (1) or (2) of this section and an off-premise or on premise wall sign is on the property.
  - 8. A sign is modified without a permit pursuant to the provisions of this chapter.
- C. Signs designated by official action of the city as having special historic or architectural significance are exempt from division (B) of this section.
- D. A nonconforming general business sign situated on a property acquisition initiated by the city may be relocated on site provided the sign is removed or rebuilt to conform to those ordinances within two years. Relocation is limited to the same physical sign with no increase in height, area, or change in other physical attributes. The setback of the sign shall comply with the Visibility Ordinance. For purposes of this provision, "A property acquisition initiated by city" does not include right-of-way dedicated in the subdivision plat process.

## **151.71 NONCONFORMING BILLBOARDS.**

- A. General. Certain nonconforming commercial billboards may be modified to become Digital Billboards subject to the restrictions in this section.
- B. Application. The owner of the sign must submit a Digital Billboard permit application for a face modification to the Building Inspection Department together with the application fee as required for building permits. The owner of the proposed tract shall sign the application also. After the City Manager or Designee approves the Digital Billboard sign permit, the owner must apply for a demolition permit to remove sign face area in accordance with Subsection (4). The owner must complete demolition of sign face area according to the applicable ratio in Subsection (4) before the sign face is modified.
- C. Compliance required.
  - 1. Except as provided in this section, Digital Billboards must fully comply with the size, height, spacing, setback, and other restrictions in this article for relocated commercial billboards as outlined in Section 151.72.
  - 2. Digital Billboard sign support structures must be built to comply with the adopted building code of the City of Carrollton.
  - 3. Digital Billboards signs must comply with Title 43 Texas Administrative Code Sections 21.252-260 "Electronic Signs," as amended.
  - 4. Both existing and new digital signs must comply with all lighting and safety standards mandated by federal, state, or local rules or statutes, including standards adopted or amended after the date of passage of these requirements. Lighting and safety standards include brightness; message duration; and proximity of the sign to other digital displays, ramps, and interchanges.
- D. Sign face exchange ratio.
  - 1. For each digital sign face that is erected, three static full billboard sign faces within the city must be removed.
  - 2. To receive credit for the area of a conventional face removed, the conventional sign face removed must result in elimination of a sign structure (if a face is removed from a structure, the entire structure must be removed.)

E. Digital sign support structures.

1. Support structures must be entirely surrounded by a brick or stone veneer or perforated metal. Other sustainable materials having a similar appearance may be approved by the Board of Adjustment.
2. Ladders shall be integrated into the pole surround in such a way that they do not protrude beyond the face of the surround.
3. Torsion bars shall be completely screened and covered by perforated metal. No corrugated metal may be used.
4. All exposed metal shall be painted with a matte black finish.

F. Change of message. Changes of message must comply with the following:

1. Message cycle for changing messages is limited to a minimum eight (8) seconds.
2. Changes of message must be accomplished within two seconds.
3. Changes of message must occur simultaneously on the entire sign face.
4. No flashing, dimming, or brightening of message is permitted except to accommodate changes of message.

G. Due to requirements in the state law regarding spacing and placement, a maximum number of Digital Billboards will be permitted in the City. The City Manager or Designee shall stamp all Digital Billboard permit applications upon receipt and review them in order of submittal. If the City Manager or Designee determines that an application is incomplete or does not meet the requirements of this chapter, he or she shall reject the application and then review the next application. If the number of applications (which are complete and meet the requirements of this chapter) received during the period of 7:30 a.m. on September 17, 2012 (which is the first day to file an application under this section) to 5:30 p.m. on October 1, 2012 exceeds the number of Digital Billboards allowed due to state law regarding spacing and placement or any other regulation, the City Manager or Designee shall provide a lottery to distribute the permits among the acceptable applications. If required, the lottery shall occur at City Hall on October 15, 2012 at 2:00 p.m.

H. Nothing contained herein shall be construed to change the legal status of any converted commercial billboard from its current non-conforming or illegal status.

## **151.72 SIGNS ACQUIRED BY GOVERNMENTAL UNITS.**

In the event that any property in the City of Carrollton upon which a commercial billboard sign is located is fully or partially acquired by a governmental unit for widening or reconstruction of United States Interstate Highway-35E (IH-35E), or for constructing an overpass across IH-35E, the commercial billboard shall be allowed to be moved from its original location to another location along IH-35E which complies with the regulations of the State of Texas. The new location must comply with the following conditions and all other codes and ordinances of the city:

- A. An application for the new location shall be made to the Building Inspection Department together with an application fee as required for building permits. The owner of the proposed tract of land shall sign the application.
- B. The commercial billboard shall be located no further east than the western right-of-way of the Dallas Area Rapid Transit/Union Pacific Railroad tracks, except for that area 50 feet on either side of the President George Bush Turnpike right-of-way, at which location the commercial billboard may be placed no further than the eastern right-of-way of those railroad tracks. The commercial billboard shall be located no further than 750 feet west of the western right-of-way of IH-35E.
- C. The reconstructed commercial billboard shall be limited to a sign with the same physical characteristics as the original sign with no changes in area or other physical attributes. A commercial billboard currently constructed with wooden poles may be reconstructed using a single metal pole. The reconstructed commercial billboard may be increased in height only if the new location is affected by the overpass that required its removal. In that event, the sign may not be erected to exceed an overall height of 42½ feet measured from the highest point of the sign to the grade level of the ramp over IH-35E.
- D. The commercial billboard shall be located on the new site so as to provide the maximum development potential of the site. Relocated billboards shall be subject to the following setbacks:
  - 1. Five (5) feet from the new R.O.W. line to the edge of the face of the relocated billboard.
  - 2. Ten (10) feet from side property lines to any part of the billboard structure or face.
  - 3. Ten (10) feet from all buildings to any part of the billboard structure or face.
  - 4. Five hundred (500) feet from any other billboard on the same side of the highway.
- E. All relocated billboards shall meet the requirements of the city's adopted building code and must be painted with a matte black finish.
- F. Relocated billboards must comply with Title 43 Texas Administrative Code Chapter 21, as amended.



- G. Electronically displayed messages shall be prohibited except for new digital electronic billboard faces permitted under Section 151.71. Flashing or strobe lights shall be prohibited on all signs or billboards.
- H. Nothing contained herein shall be construed to change the legal status of any relocated commercial billboard from its current non-conforming or illegal status.

### **151.73 SIGNS PARTIALLY ACQUIRED BY GOVERNMENTAL UNITS.**

In the event that a commercial billboard sign is partially acquired by a governmental unit for widening or reconstruction of any right-of-way, the commercial billboard may be cut off even with the right-of-way line and allowed to remain in the same location. All permits required by ordinance shall be obtained prior to commencement of such work.

## **BOARD OF ADJUSTMENT**

### **151.80 BOARD OF ADJUSTMENT.**

- A. The Board of Adjustment (Board) shall consist of nine (9) members who are residents and taxpayers of the city of Carrollton, each to be appointed by a majority of the City Council for a term of two (2) years and removable for cause by the City Council. Vacancies shall be filled for the unexpired term of any member, whose place becomes vacant for any cause, in the same manner as the original appointment was made.
- B. All cases to be heard by the Board shall always be heard by a minimum number of seven (7) members.

### **151.81 JURISDICTION OF THE BOARD OF ADJUSTMENT.**

- A. When in its judgment, the public convenience and welfare will be substantially served and the appropriate use of the neighboring property will not be substantially injured, the Board may, in specific cases, after public notice and public hearing, and subject to appropriate conditions and safeguards, act upon certain items, as identified herein below.
  - 1. To hear and decide appeals where it is alleged there is an error on any order, requirement, decision or determination made by the Building Official in the enforcement of this code.
  - 2. To authorize the reconstruction of a nonconforming sign for an existing business provided such reconstruction does not, in the judgment of the Board, increase the degree of nonconformity of the sign.
  - 3. To authorize such variances where the literal enforcement of the provisions of this code would result in an unnecessary hardship, and where such variances are deemed necessary to permit a sign on a specific parcel of land which differs from other parcels of land in the same district by being of such restricted area, shape or slope that a sign cannot be placed on the parcel in a manner commensurate with those signs permitted on other parcels of land in the same district. The modification of the standards established in this code shall not be granted to relieve a self-created or personal hardship, nor for financial reason alone, nor shall such modification be granted to permit any person a privilege in placing a sign on a parcel of land not permitted by this code to other parcels of land in that district.
  - 4. To authorize the use of an alternate material, design standard, or method of construction, where the board finds the alternate is satisfactory and complies with the provisions of the sign code and finds that the material, design standard, or alternate method of construction is at least the equivalent of that prescribed in the code in quality, strength, effectiveness, durability and safety.

5. To authorize a special exception for one off-site temporary directional ground sign for single-family residential subdivisions. The sign is limited to 32 square feet in area, 12 feet in height and a minimum of 25 feet from any street abutting property lot lines. A sign shall be allowed only in case of a geographical hardship and for a specified time period, but not longer than three years.
6. To authorize a special exception allowing a single business to include their company logo or name on a subdivision entry sign structure when the Board determines the following:
  - a) That the granting of such special exception will be consistent with the general purpose and intent of this section, and will serve the general welfare and preserve the community interest;
  - b) The request is for a minimum subdivision size of 100 acres;
  - c) A single logo or company name is limited to the permitted subdivision entry sign structures at the one main entrance to the subdivision;
  - d) The logo or name must be subordinate to the subdivision identification sign; and
  - e) Any conditions that will secure substantially the purpose and intent of this section.
7. To authorize a special exception allowing a business wall sign increased area within the Old Downtown Commercial District as defined in Section 151.05 when the Board determines the following:
  - a) That the granting of such special exception will be consistent with the area's turn-of-the century small town Texas character in size, shape, style, color and content;
  - b) The wall sign is placed on a single tenant building with a minimum floor area of 4,000 sq. ft.
  - c) The maximum wall sign area authorized is 100 sq. ft.
  - d) The maximum number of wall signs with an area increase allowed is two per building, meeting the criteria of division (A)(6)(b) above; and
  - e) Any conditions that will secure substantially the purpose and intent of this section.
8. To authorize a special exception allowing a wall sign to be on a separate building or wall on the same premises from where the business has a Certificate of Occupancy.

9. Meritorious exceptions. In the development of these criteria, a primary objective has been ensuring against the kind of signage that has led to low visual quality. On the other hand, an equally primary objective has been guarding against signage over-control. It is not the intention of these criteria to discourage innovation. It is entirely conceivable that signage proposals could be made that, while clearly nonconforming to this chapter, and thus not allowable under these criteria, have obvious merit in not only being appropriate to the particular site or location, but also in making a positive contribution to the visual environment. Such proposals will be seriously and fairly considered by the Board of Adjustment.

B. No variance may be granted if the granting of that variance will create an unnecessary hardship upon another parcel of land. The Board is not authorized to grant a variance of the zone in which a sign is permitted. In order to make a finding of hardship and to grant a variance, the Board shall find:

1. The requested variance does not eliminate any requirement of this code and does not allow any prohibited signs or acts.
2. The hardship is not in any way the result of the applicant's own action.

The hardship is peculiar to the property of the applicant and not due to the general conditions of the neighborhood. Economic gain or loss shall never be sufficient grounds for the finding of a hardship or the granting of a variance.

#### **151.82 OPERATIONAL PROCEDURE.**

A. The Board of Adjustment shall adopt rules to govern its proceedings provided that such rules are not inconsistent with this ordinance or state law. Meetings of the Board will be held at the call of the Chairperson or at times the Board determines it necessary. All meetings shall be held in accordance with the Open Meetings Law. The Chairperson, or in his absence, the acting Chairperson, may administer oaths and compel the attendance of witnesses.

B. The Board shall keep minutes of its proceedings, showing the vote of each member upon each question or if absent or failing to vote, indicating such fact, and other official actions. All records shall be immediately filed in the office of the Board and shall be a public record.

C. Appeals to the Board can be taken by any person aggrieved, or by any officer, department or board of the city affected by any decision of the Building Official relative to the enforcement of this ordinance. Such appeal shall be taken within fifteen (15) days' time after the decision has been rendered by the Building Official, by filing with the Building Official and with the Board a notice of appeal specifying the grounds thereof, and upon payment of a fee in an amount determined by the City Council. The Building Official shall forthwith transmit to the Board all of the papers constituting the records upon which the action appealed from was taken.

- D. An appeal shall stay all proceedings in furtherance of the action appealed for until the Board takes action, unless the Building Official certifies to the Board, after the notice of appeal shall have been filed, that in his opinion such stay will cause imminent peril to life. In such case, proceedings shall not be stayed otherwise than by a restraining order which may be granted by the Board or a court of record on application or notice to the Building Official and due cause shown. Any criminal action having been commenced in the Municipal Court shall not be stayed.
- E. No appeal to the Board for the same or a related action on the same piece of property shall be allowed prior to the expiration of six months from the previous ruling by the Board, unless other property in the immediate vicinity has within the said six months, been changed or acted on by the Board or City Council so as to alter the facts and conditions upon which the previous Board action was based, as determined by the Board. Such change of circumstances shall permit the rehearing of an appeal prior to the expiration of a six-month period, but such conditions shall not have any force in law to compel the Board after hearing, to grant a subsequent appeal; such subsequent appeal shall be considered entirely on its merits and the peculiar and specific conditions related to the property on which the appeal is brought.
- F. At a public hearing relative to an appeal, any interested party may appear before the Board in person or by agent or by attorney. The burden of proof shall be on the applicant to establish the necessary facts to warrant favorable action of the Board on any matter. Any action granting a variance authorizing the issuance of a sign permit shall be valid for only 90 days unless said permit is secured in the 90 day period and construction is commenced in accordance with the Building Code, in which event the action of the Board shall be permanent. The Board shall have the authority to extend this period. If said sign permit is not secured in the 90 days, or such period granted by the Board, the action of the Board shall become void without prejudice to a subsequent appeal and such appeal shall be subject to the same regulation and requirement for hearing as herein specified for the original appeal.

#### **151.83 ACTION OF THE BOARD OF ADJUSTMENT.**

- A. In exercising its powers, the Board may, in conformity with the provisions of the state of Texas as existing or hereafter amended, reverse or affirm, wholly or in part, or may modify the order, requirements, decision or determination appealed from and make such order, requirement, decision of determination in the Board's opinion as ought to be made and have all powers of the Building Official. The Board shall have the power to impose reasonable conditions in order to assure compliance and protect adjacent property.
- B. The concurring vote of seven (7) members of the Board shall be necessary to reverse any order, requirement, decision or determination of the Building Official, or to decide in favor of the applicant in any matter upon which the Board is required to act under this subchapter or to cause any variance to this chapter.

#### **151.84 NOTICE OF HEARING BEFORE THE BOARD OF ADJUSTMENT REQUIRED.**

The Board shall hold a public hearing on all applications and appeals made thereto. Such notice under this chapter shall be given not less than ten (10) days before the date set for the hearing to all parties in interest. Such notice may be served by depositing the same, properly addressed and postage paid, in the United States Post Office. Notice shall be given by publishing the same at least one (1) time in a newspaper of general circulation in the city of Carrollton at least ten (10) days prior to the date of such hearing, which notice shall state the time and place of such hearing.

## **OFFENSES; PENALTIES**

### **151.95 NOT REQUIRED TO SHOW CULPABLE MENTAL STATE.**

Allegation and evidence of a culpable mental state is not required for proof of an offense defined by this chapter.

### **151.96 PERSONS RESPONSIBLE.**

Unlawful signs found on private property shall be the responsibility of that property owner, manager, tenant, person in charge of the property, and/or any person associated with the posting of the sign or exercising control.

### **151.97 PRESUMPTION CLAUSE.**

The fact that an unlawful sign is found on public property, in rights-of-way, on utility poles or private property shall be prima facie evidence that the property owner, manager, tenant, person in charge of the property at the address; and/or any person exercising control, telephone number or Internet location on the sign unlawfully placed or who erected the sign.

### **151.98 ADMINISTRATIVE PENALTY.**

The collection of each unlawful sign within the city limits shall subject the property owner, manager, tenant and the person erecting the sign to an administrative penalty as established in Chapter 31 of the Carrollton Code of Ordinances. This penalty is assessed and collected independent of other enforcement action, including court citations.

### **151.99 PENALTY CLAUSE.**

It shall be unlawful for any person to erect a sign in violation of this chapter or conduct other activity in violation of this chapter. Any person found guilty of erecting a sign or conducting other activity in violation of this chapter shall be guilty of an offense and subject to penalties as established in 10.99 of the Carrollton Code of Ordinances. Each separate illegal sign placement and/or each day an illegal sign is posted shall be considered a separate offense.







# City of Carrollton

## Agenda Memo

File Number: 4239

**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Ordinance

**Agenda Number:** \*12.

**CC MEETING:** March 19, 2019

**DATE:** March 11, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Robert B. Scott, Assistant City Manager

Consider All Matters Incident And Related To The Issuance And Sale Of “City Of Carrollton, Texas, General Obligation Improvement And Refunding Bonds, Series 2019”, Including The Adoption Of An Ordinance Authorizing The Issuance Of Such Bonds, Establishing Parameters For The Sale And Issuance Of Such Bonds And Delegating Certain Matters To Authorized Representatives Of The City.

### **BACKGROUND:**

The City plans to price via negotiated sale approximately \$48,219,174, including premium, of the Series 2019 General Obligation Improvement and Refunding Bonds during the week of April 22 through April 24, 2019. The issue consists of approximately \$22,213,700 of new improvement bonds and approximately \$26,005,474 for refunding bonds. The new improvement bonds are being issued to provide funds for street improvements in the amount of \$12,980,000; park improvements in the amount of \$9,020,000; and to pay estimated costs of issuance of \$213,700. The refunding bonds will refund \$15,375,000 of Series 2009 bonds, \$9,960,000 of Series 2010 bonds, and pay accrued interest and costs of issuance.

### **FINANCIAL IMPLICATIONS:**

The Bonds are tax-supported debt. 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:**

Issuance of the Series 2019 new improvement bonds will assist the City in the continuation of the capital improvement program. The issuance of the refunding bonds is projected to provide a net present value savings of debt service of approximately \$3.2 million.

### **STAFF RECOMMENDATION/ACTION DESIRED:**

Consider all matters incident and related to the issuance and sale of “City of Carrollton, Texas, General Obligation Improvement and Refunding Bonds, Series 2019”, including the adoption of an ordinance authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to an authorized representative of the City.

**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 2019”; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF 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 general obligation bonds approved and authorized to be issued at an election held on May 5, 2018 should be authorized to be issued at this time; a summary of the general obligation bonds authorized at said election, the principal amounts authorized, amounts heretofore issued and being issued pursuant to this ordinance and amounts remaining to be issued subsequent hereto shall be as follows (or as provided in the Pricing Certificate hereinafter referenced):

<u>Election Date</u>	<u>Purpose</u>	<u>Amount Authorized (\$)</u>	<u>Amounts Previously Applied (\$)</u>	<u>Amount Being Applied (\$)</u>	<u>Unissued Balance (\$)</u>
5-5-2018	Street Improvements/Traffic Flow	78,010,000	0	*	*
5-5-2018	Public Safety Facilities	6,250,000	0	*	*
5-5-2018	Parks & Recreation Facilities	22,420,000	0	*	*

\* amounts to be provided in the Pricing Certificate

**WHEREAS**, the City shall by this Ordinance, in accordance with the provisions of Texas Government Code, Chapter 1371, delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Bonds to be issued and negotiate the terms of sale thereof; and

**WHEREAS**, the City currently has outstanding obligations (hereinafter collectively called the “Refunded Bonds”), to wit:

- (1) City of Carrollton, Texas, General Obligation Improvement and Refunding Bonds, Series 2009, dated April 15, 2009; and
- (2) City of Carrollton, Texas, General Obligation Improvement and Refunding Bonds, Series 2010, dated April 15, 2010; and

**WHEREAS**, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the City Council of the City is authorized to issue refunding bonds and deposit the proceeds of sale directly with the place of payment for the Refunded 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 Refunded Bonds; and

**WHEREAS**, the City 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 the principal amount of Bonds to be issued and negotiate the terms of sale thereof and to select the specific maturities, in whole or in part, of the Refunded Bonds to be refunded and negotiate the terms of sale thereof; and

**WHEREAS**, the City Council hereby finds and determines that it is a public purpose and in the best interests of the City to refund the Refunded Bonds in order to achieve a present value debt service savings and to authorize the issuance of the Bonds in one or more series and the terms of such bonds to be included in one or more pricing certificates (each a "Pricing Certificate") to be executed by the Pricing Officer (hereafter designated), all in accordance with the provisions of 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:**

**SECTION 1: Authorization - Series Designation - Principal Amount - Purpose - Bond Date.** General obligation improvement and refunding bonds of the City shall be and are hereby authorized to be issued 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 2019" , or such other designation as specified in the Pricing Certificate (herein referred to as the "Bonds"), for the purposes of providing funds (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 and (c) renovating, constructing, developing, improving, expanding, furnishing, equipping park and recreational facilities and acquiring any needed land and rights-of-way for park improvements (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, 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.

**SECTION 2: 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) referenced in Section 8 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 3: Delegation of Authority to Pricing Officer.** (a) As authorized Texas Government Code, Chapter 1207, as amended, and Texas Government Code, Chapter 1371, as amended, the 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 and carrying out the other procedures specified in this Ordinance, including determining whether the Bonds shall be issued in one or more series, the selection of the specific maturities or series in whole or in part of the Refunded 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, 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, 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 record date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, the determination of the use of a book-entry-only securities clearance, settlement and transfer system, the designation of a paying agent/registrar, the designation of an escrow agent satisfying the requirements of Texas Government Code, Chapter 1207, as amended, if needed, 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 continuing disclosure undertaking contained in Section 31 hereof as may be required by the purchasers of the Bonds in connection with any amendments to the Rule (as hereinafter defined), all of which shall be specified in the Pricing Certificate, provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$55,000,000;
- (ii) the refunding must produce present value debt service savings of at least 8.00%, net of any contribution by the City;
- (iii) the true interest cost rate for the Bonds shall not exceed 3.50%; and
- (iv) the maximum maturity date for the Bonds shall not exceed August 15, 2034.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Purchasers (hereinafter defined).

(b) The delegation made hereby shall expire if not exercised by the Pricing Officer within 180 days of the date hereof. 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 (hereinafter defined), 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.

**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 A** 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 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 (i) by check sent United States mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) 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 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 Bonds 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 Bonds 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 canceled 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 11 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 4 and 5 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 4 and 5 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 initial purchaser(s) 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 Section 9(c), manually 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 Section 9(d), 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 (i) 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 (ii) 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 initial purchaser(s) 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 initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), 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 initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

**SECTION 9: Forms.**

(a) Forms Generally. 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 this Section 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.

(b) Form of Definitive Bonds.

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

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

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF CARROLLTON  
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BOND  
SERIES 2019

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
_____	_____%	_____	_____

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 in which case it

shall bear interest from the \_\_\_\_\_) 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 \_\_\_\_\_, 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 purposes of providing funds (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 and (c) renovating, constructing, developing, improving, expanding, furnishing, equipping park and recreational facilities and acquiring any needed land and rights-of-way for park improvements, (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 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:

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

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.

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 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 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 (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 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:

\_\_\_\_\_  
Kevin W. Falconer, Mayor

\_\_\_\_\_  
Laurie Garber, City Secretary

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bonds only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER  
OF PUBLIC ACCOUNTS

THE STATE OF TEXAS

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

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

(d) 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

(e) Form of Assignment.

ASSIGNMENT

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

\_\_\_\_\_  
(Social Security or other identifying number: \_\_\_\_\_  
\_\_\_\_\_) the within 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.

(f) The Initial Bonds shall be in the form set forth therefor in Subsection (b) of this Section, 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 2019

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

Registered Owner:

Principal Amount:

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 <u>Installment (\$)</u>	Interest <u>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 \_\_\_\_\_, and each \_\_\_\_\_ and \_\_\_\_\_



thereafter, 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.

**SECTION 10: Levy of Taxes.** To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) 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; 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 2019 Refunding 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 initial purchasers, 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 11: 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 12: Satisfaction of Obligation of City.** 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 and the Pricing Certificate, 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 (i) 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 (ii) Government Securities 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 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.

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 modified in the Pricing Certificate, the term “Government Securities”, as used herein, means (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 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 (iv) any other then authorized securities or obligations under applicable law that may be used to defease obligations such as the Bonds.

The City reserves the right, subject to satisfying the requirements of (i) and (ii) 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: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption;

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

**SECTION 13: Ordinance a Contract - Amendments - Outstanding Bonds.** This Ordinance, together with the Pricing Certificate, 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 29 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 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 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 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 12 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 11 hereof.

**SECTION 14: 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:

(i) 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

(ii) 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:

(i) 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.

(ii) 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.

(iii) 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 (i) 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 (ii) 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.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), 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.

(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 15: Sale of Bonds – Official Statement.** The Bonds authorized by this Ordinance may be sold by the City to the purchaser(s) (herein referred to as the “Purchasers”) in accordance with a bond purchase agreement in the event of a negotiated sale, letter agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable (the “Purchase Contract”), the terms and provisions of which Purchase Contract are to 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 and as the act and deed of this City Council and to make a determination as to whether the terms are in the City’s best interests, which determination shall be final.

With regard to such 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 details of the purchase and sale of the Bonds;
2. The details of any public offering of the Bonds by the Purchasers;
3. The details of any Official Statement or similar disclosure document (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City’s Rule 15c2-12 compliance, if applicable;
4. A security deposit for the Bonds, if any;
5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Bonds;
7. The Purchasers’ obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;



11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

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 Official Statement, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer shall be deemed to be approved by the City Council of the City and constitute the Official Statement authorized for distribution and use by the Purchasers.

**SECTION 16: Escrow Agreement.** An “Escrow Agreement” (the “Escrow Agreement”) by and between the City and an authorized escrow agent (the “Escrow Agent”) shall be attached to, and approved in, the Pricing Certificate, if any such agreement is required in connection with the issuance of the 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 constitute the Escrow Agreement herein approved. With regard to the finalization of certain terms and provisions of said Escrow Agreement, a Pricing Officer is hereby authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

1. The identification of the Refunded Bonds;
2. The creation and funding of the Escrow Fund or Funds; and
3. The Escrow Agent’s compensation, administration of the Escrow Fund or Funds, and the settlement of any paying agents’ charges relating to the Refunded Bonds.

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement, if any, and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the “CITY OF CARROLLTON, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019 ESCROW FUND” (referred to herein as the “Escrow Fund”), or such other designation as specified in the Pricing Certificate; all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, the Ordinance, the Pricing Certificate, and the Escrow Agreement.

On or immediately prior to the date of the delivery of the Bonds to the Purchasers, the Pricing Officer, or other authorized City official listed in Section 33 hereof, shall also cause to be deposited (and is hereby authorized to cause to be deposited) with the Escrow Agent from moneys on deposit in the debt service fund(s) maintained for the payment of the Refunded Bonds an amount which, together with the proceeds of sale, and the investment earnings thereon, will be

sufficient to pay in full the Refunded Bonds (or the amount of accrued interest due thereon) scheduled to mature and authorized to be redeemed on the earliest date established in the Pricing Certificate for the redemption of any of the Refunded Bonds (or the earliest date of payment, to be made from moneys in the Escrow Fund(s), as established in the Pricing Certificate, of the amount of accrued interest due thereon).

**SECTION 17: Refunded Bonds.** (a) In order to provide for the refunding, discharge, and retirement of the Refunded Bonds as selected by the Pricing Officer, the Refunded Bonds, identified, described, and in the amounts set forth in the Pricing Certificate, are called for redemption on the first date(s) such Refunded Bonds are subject to redemption or such other date specified by the Pricing Officer in the Pricing Certificate at the price of par plus accrued interest to the redemption dates, and notices of such redemption shall be given in accordance with the applicable provisions of the ordinances adopted by the City Council of the City which authorized the issuance of the Refunded Bonds. The Pricing Officer is hereby authorized and directed to provide documentation, including a copy of this Ordinance and the Pricing Certificate, to each paying agent/registrar for the Refunded Bonds, together with suggested forms of notice of redemption to be sent to bondholders (such suggested forms of notice of redemption for each series of Refunded Bonds to be substantially the forms set forth as Exhibits to the Pricing Certificate), to each and every paying agent/registrar for Refunded Bonds, in accordance with the redemption provisions applicable to each series of the Refunded Bonds.

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

(c) The source of funds for payment of the principal of and interest on the Refunded Bonds on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent, pursuant to the Escrow Agreement finalized by the Pricing Officer and approved in Section 16 of this Ordinance and by the Pricing Officer in the Pricing Certificate.

**SECTION 18: 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 Bonds, pending the investigation and approval of the Initial Bonds by the Attorney General of the State of Texas, and the registration of the Initial Bonds 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 Purchaser 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 Bonds to the Purchaser and the initial exchange thereof for definitive Bonds.

**SECTION 19: 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 amounts to be deposited to the construction fund) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Escrow Agreement or deposited with the paying agent/registrar(s) for the Refunded Bonds for the payment and redemption of the Refunded Bonds, as provided in the Pricing Certificate. The proceeds of sale of the Bonds not so deposited with the Escrow Agent or the paying agent/registrar(s) for the Refunded Bonds for the refunding of the Refunded Bonds shall be disbursed for payment of costs of issuance, disbursed for the payment of municipal bond insurance premium, if any, to pay costs of accomplishing the new money purposes for which a portion of the Bonds are being issued, or deposited in the Interest and Sinking Fund for the Bonds, all in accordance with written instructions from the City or its Financial Advisor. Accrued interest and premium in the amount, if any, specified in the Pricing Certificate received from the sale of the Bonds shall be deposited to the credit of the Interest and Sinking 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 Interest and Sinking Fund as shall be determined by the City Council of the City.

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 moneys on deposit in the interest and sinking fund(s) maintained for the payment of the Refunded Bonds.

**SECTION 20: 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 21: 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 22: Bond Counsel Opinion.** The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Attorneys, Dallas, Texas, Bond Counsel to the City, 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 23: 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 24: 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 25: 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 26: 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 27: Effect of Headings.** The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

**SECTION 28: 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 29: 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 30: 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 31: 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 (defined below) is required, this Section 31 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 (i) 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 (ii) 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 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, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the 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 (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation 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 32: Municipal Bond Insurance.** The Bonds may be sold with 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 33: 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: (i) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) 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 34: 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 35: 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]*

PASSED AND ADOPTED, this March 19, 2019.

CITY OF CARROLLTON, TEXAS

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Kevin W. Falconer, Mayor

ATTEST:

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Laurie Garber, City Secretary

(City Seal)

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

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Meredith A. Ladd, City Attorney

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Robert Scott, Assistant City Manager

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT





# City of Carrollton

## Agenda Memo

File Number: 4240

**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Ordinance

**Agenda Number:** \*13.

**CC MEETING:** March 19, 2019

**DATE:** March 11, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Robert B. Scott, Assistant City Manager

Consider All Matters Incident And Related To The Issuance And Sale Of “City Of Carrollton, Texas, Waterworks and Sewer System Revenue Bonds Series 2019”, Including The Adoption Of An Ordinance Authorizing The Issuance Of Such Bonds, Establishing Parameters For The Sale And Issuance Of Such Bonds And Delegating Certain Matters To Authorized Representatives Of The City.

### **BACKGROUND:**

The City plans to price via negotiated sale approximately the Series 2019 Waterworks and Sewer System Revenue Bonds during the week of April 22 through April 24, 2019. The issue consists of approximately \$10,142,397, including premium of new improvements. The new improvement bonds are being issued to provide funds for water and sewer improvements in the amount of \$10,000,000 and to pay estimated costs of issuance of \$142,397.

### **FINANCIAL IMPLICATIONS:**

The Revenue 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:**

Issuance of the Series 2019 improvement revenue bonds will assist the City in the continuation of the capital improvement program.

### **STAFF RECOMMENDATION/ACTION DESIRED:**

Consider all matters incident and related to the issuance and sale of “City of Carrollton, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019”, including the adoption of an ordinance authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to an authorized representative of the City.

**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 2019”; 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**, the City shall by this Ordinance, in accordance with the provisions of Texas Government Code, Chapter 1371, as amended (“Chapter 1371”), delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Bonds 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 (hereafter designated); 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 of the City’s Waterworks and Sewer System (the “System”) in that (i) the Chief Financial Officer of the City will execute a certificate stating (a) that, to the best of his knowledge and belief, the City is not now 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) 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 now required to be on deposit therein; (ii) the bonds herein authorized shall be scheduled to mature as to principal on May 1 or November 1 in each year; and (iii) the City will secure 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, are at least equal to (a) 1.25 times the “Average Annual Debt Service” for all “Bonds Similarly Secured” to be outstanding after giving effect to the issuance of the bonds herein being issued and (b) 1.10 times the maximum annual debt service payment to be paid in a fiscal year for the outstanding Bonds Similarly Secured after giving effect to the issuance of the bonds herein authorized;

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

**SECTION 1: Authorization - Series Designation - Principal Amount - Purpose - Bond Date.** Revenue bonds of the City shall be and are hereby authorized to be issued 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 2019" or such other designation as specified in the Pricing Certificate (herein referred to as the "Bonds"), for improvements and extensions to the City's combined Waterworks and Sewer 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 Texas Government Code, Chapters 1371 and 1502, as amended. 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) 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 May 1 and November 1, 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 Chief Financial Officer or City Treasurer (each, a "Pricing Officer") is hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including determining the aggregate principal amount of the Bonds, the date 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 at the option of the City, as well as any mandatory sinking fund redemption provisions, the determination of the Required Reserve, 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 Rule 15c2-12 continuing disclosure undertaking contained in Section 46 hereof, all of which shall be specified in the Pricing Certificate, provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$10,000,000.

- (ii) the true interest cost rate for the Bonds shall not exceed 3.75%; and
- (iii) the maximum maturity date for the Bonds shall not exceed May 1, 2039.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Purchasers (hereinafter defined).

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer within 180 days of the date hereof. 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 (hereinafter defined) 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.

**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 A** 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 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.

Principal of and premium, if any, on 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 as provided in the Pricing Certificate (the



“Designated Payment/Transfer Office”) provided, however, while a Bond is registered to Cede & Co., the payment of principal 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 is the 15<sup>th</sup> day of the month next preceding each interest payment date) and such interest payments shall be made (i) by check sent United States mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) 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 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.** 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 canceled 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 4 and 5 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 4 and 5 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 initial purchaser(s) 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 Section 9(c), manually 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 Section 9(d), 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 (i) 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 (ii) 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 initial purchaser(s) 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 initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), 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 initial purchaser(s), or the

designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

**SECTION 9: Forms.**

(a) Generally. 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 this Section 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 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.

(b) Form of Bonds.

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

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

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF CARROLLTON  
WATERWORKS AND SEWER SYSTEM REVENUE BOND  
SERIES 2019

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
_____	_____	_____	_____

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, Collin and Denton, 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, 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 \_\_\_\_\_) 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 \_\_\_\_\_, 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 15<sup>th</sup> 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 improvements and extensions to 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:

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

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.

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 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 aforestated. 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:

\_\_\_\_\_  
Kevin W. Falconer, Mayor

\_\_\_\_\_  
Laurie Garber, City Secretary

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bonds only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER  
OF PUBLIC ACCOUNTS

THE STATE OF TEXAS

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



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

(d) 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.

\_\_\_\_\_,  
\_\_\_\_\_, Texas,  
as Paying Agent/Registrar

Registration Date:

\_\_\_\_\_

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

(e) Form of Assignment.

ASSIGNMENT

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

\_\_\_\_\_  
\_\_\_\_\_  
(Social Security or other identifying number: \_\_\_\_\_  
\_\_\_\_\_) the within 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.

(f) The Initial Bond(s) shall be in the form set forth therefor in paragraph (b) of this Section, except the form of a single registered 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 2019

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, Collin and Denton, 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, the Principal Amount hereinabove stated on \_\_\_\_\_ in the years and in principal installments in accordance with the following schedule:

Stated Maturity	Principal <u>Amount (\$)</u>	Interest <u>Rate (%)</u>
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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 each May 1 and November 1 thereafter, 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 \_\_\_\_\_, \_\_\_\_\_, Texas (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 15<sup>th</sup> 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.

**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" - The "City of Carrollton, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019" authorized by this Ordinance.

"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 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;

(2) 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

(3) 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 Refunding Bonds, Series 2012”, dated May 1, 2012, originally issued in the principal amount of \$10,535,000.

“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 a separate account established and maintained with a depository bank of the City and known as the “Water and Sewer System Fund” (herein called the “System Fund”), and such revenues of the System shall be kept separate and apart from all other funds of the City while the Bonds remain Outstanding. 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 agrees to maintain at a depository bank of the City a separate and special account or fund known as the “City of Carrollton Interest and Sinking Revenue Bond Fund” (the “Bond Fund”). 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 initial purchaser(s).

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 purchaser(s) 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 reaffirms its covenant to the owners of the Previously Issued Bonds and agrees with the Holders of the Bonds to maintain a separate and special fund or account known as the “City of Carrollton Revenue Bond Reserve Fund” (the “Reserve Fund”), 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 - Security 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 V.T.C.A., Government Code, 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 (i) 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 (ii) 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 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.

#### **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 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 written consent of the Holders of Bonds Similarly Secured aggregating in principal amount 51% of the aggregate principal amount of then Outstanding Bonds Similarly Secured shall have the right from time to time to approve any amendment to this Ordinance 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 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;

(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 governing body of the City 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 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 agents 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, 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, 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 Bond Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) 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 (ii) 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.

**SECTION 32: Sale of Bonds – Official Statement.** The Bonds authorized by this Ordinance may be sold by the City to the purchaser(s) (herein referred to as the “Purchasers”) in accordance with a bond purchase agreement in the event of a negotiated sale, letter agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable (the “Purchase Contract”), the terms and provisions of which Purchase Contract are to 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 and as the act and deed of this City Council and to make a determination as to whether the terms are in the City's best interests, which determination shall be final.

With regard to such 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 details of the purchase and sale of the Bonds;
2. The details of any public offering of the Bonds by the Purchasers;
3. The details of any Official Statement or similar disclosure document (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12 compliance, if applicable;
4. A security deposit for the Bonds, if any;
5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Bonds;
7. The Purchasers' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

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 Official Statement, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer or as manually or electronically executed by said officials shall be deemed to be approved by the City Council of the City and 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 Bonds, pending the investigation and approval of the

Initial Bonds by the Attorney General of the State of Texas, and the registration of the Initial Bonds to the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, City Treasurer, Chief Financial Officer 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 Purchaser 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 Bonds to the Purchaser 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 Norton Rose Fulbright US LLP, Attorneys, Dallas, Texas, Bond Counsel to the City, 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 are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

**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 Pricing Certificate or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the Pricing Certificate 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 (defined below) 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 or officially interpreted by the SEC.

“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 (i) 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 (ii) 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 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, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the 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 (b) the City intends the words used in the immediately preceding paragraphs 15 and 16 and the definition of Financial Obligation 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 with respect to the City and the Bonds 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 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 of the City 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, and 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: (i) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) 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 Texas Government Code, Chapter 551, 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, as amended.

*[remainder of page left blank intentionally]*

PASSED AND ADOPTED, this March 19, 2019.

CITY OF CARROLLTON, TEXAS

\_\_\_\_\_  
Kevin W. Falconer, Mayor

ATTEST:

\_\_\_\_\_  
Laurie Garber, City Secretary

(City Seal)

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Meredith A. Ladd, City Attorney

\_\_\_\_\_  
Robert Scott, Assistant City Manager

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT





# City of Carrollton

## Agenda Memo

File Number: 4229

**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*14.

**CC MEETING: March 19, 2019**

**DATE:** March 7, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Cesar J. Molina, Jr., P.E., Director of Engineering

Consider A **Resolution Authorizing The City Manager To Execute Documents Necessary To Acquire Two Temporary Construction Easements For The Construction Of A Drainage Channel And Bridge Adjacent To And Beneath Crosby Road For The Crosby Road Channel Improvements Project.**

### **BACKGROUND:**

The Engineering Department has been working to improve drainage conditions on the west side of IH-35E near Crosby Road. This project has had multiple challenges, including getting approval to work adjacent to the BNSF railroad tracks, crossing TxDOT property, and maintaining traffic on an old two-lane bridge at Crosby Road. Concerns over the current site conditions for the construction of the proposed drainage improvements have arisen regarding the City's ability to receive reasonable bids for the work from reputable contractors. The City is proposing to acquire two temporary construction easements for the duration of the project to allow for greater access and improved constructability of the project. The temporary easements will expire 24 months after commencement of the project.

### **FINANCIAL IMPLICATIONS:**

The City will pay a negotiated amount to the property owners that is commensurate with a percentage of the fair market value.

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

This project will support the City Council's strategic objectives by providing adequate flood protection to the citizens and businesses of Carrollton.

### **STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends City Council approval of a resolution authorizing the City Manager to acquire temporary construction easements for the Crosby Road Channel Improvements project.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO ACQUIRE TWO (2) TEMPORARY CONSTRUCTION EASEMENTS FOR THE CONSTRUCTION OF A DRAINAGE CHANNEL AND BRIDGE ADJACENT TO AND BENEATH CROSBY ROAD; AUTHORIZING THE CITY MANAGER TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE INTENT AND PURPOSES OF THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City of Carrollton has designed and will construct a drainage channel and bridge at Crosby Road and IH35E; and

**WHEREAS**, the City of Carrollton will need two temporary construction easements adjacent to the project site; and

**WHEREAS**, the temporary construction easements are necessary to allow the contractor access to the project site and for storage of materials and equipment.

**WHEREAS**, the temporary construction easements shall be in full force and effect at all times during the accomplishment and completion of the construction. To expire twenty four (24) months after the date of completion. (upon completion of said Facilities.)

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY 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 Manager, or designee, is hereby authorized to execute documents necessary to convey two Temporary Construction Easements to the City of Carrollton, in a form to be approved by the City Attorney, granting the easements for the duration expiring twenty four (24) months after the date of completion for construction along the north and south sides of Crosby Road each in consideration of \$10.00 and other good and valuable consideration.

**SECTION 3:**

The City Manager, or designee, is authorized to take those steps reasonable and necessary to comply with the intent and purposes of this Resolution.



**SECTION 4:**

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

**PASSED AND APPROVED this 19th day of March, 2019.**

City of Carrollton, Texas

By: \_\_\_\_\_  
Kevin W. Falconer, Mayor

**ATTEST:**

\_\_\_\_\_  
Laurie Garber, City Secretary

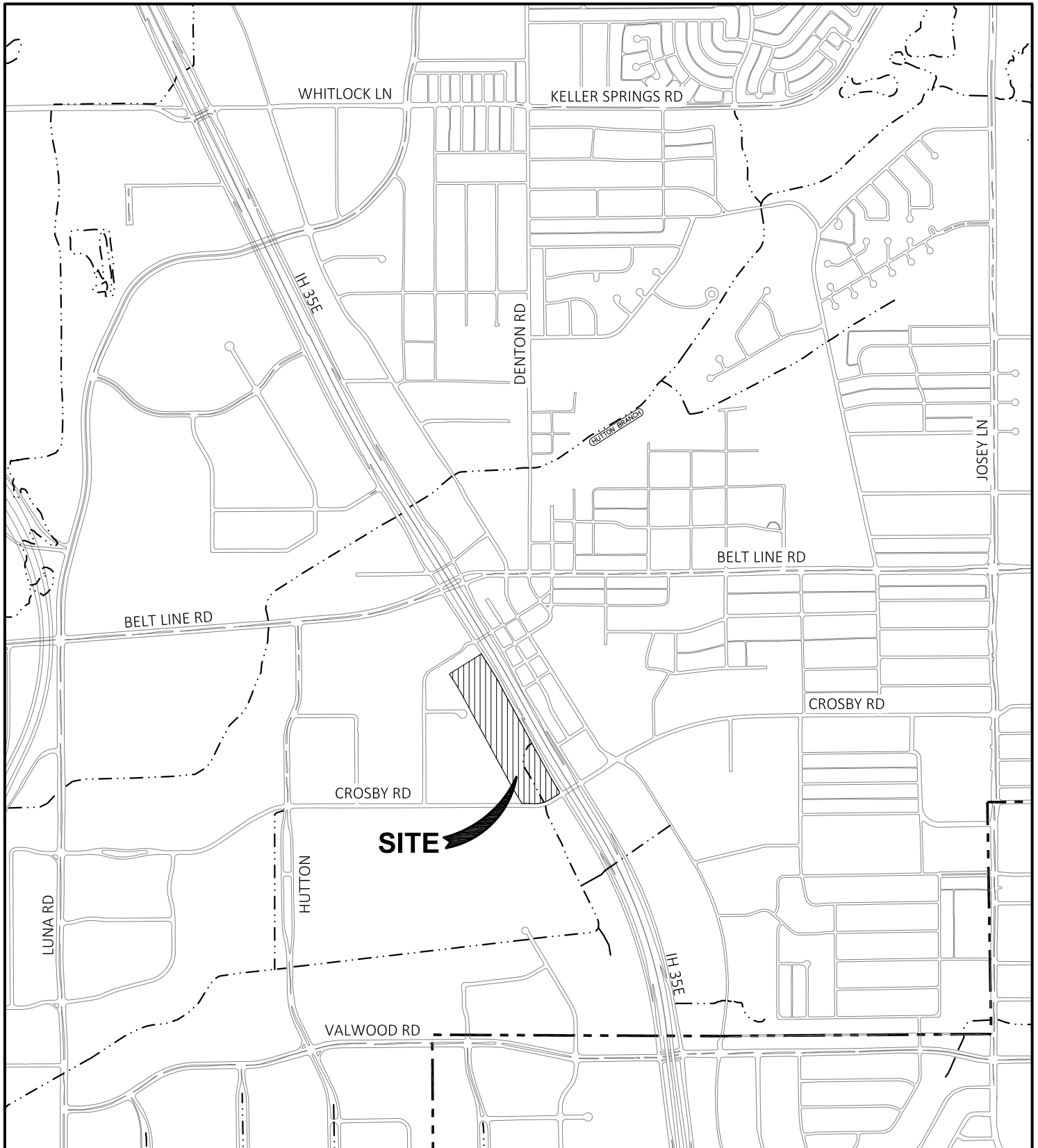
**APPROVED AS TO FORM:**

\_\_\_\_\_  
Meredith A. Ladd, City Attorney

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Cesar J. Molina, Jr., P.E., Director of Engineering

FILENAME:DOWNTOWN DRAINAGE IMPROVEMENTS.DWG



Where Connections Happen

## CROSBY ROAD CULVERTS TEMPORARY CONSTRUCTION EASEMENTS LOCATION

ENGINEERING DEPARTMENT



SCALE: N.T.S.

DATE: 03/19



# City of Carrollton

## Agenda Memo

File Number: 4231

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**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*15.

**CC MEETING:** March 19, 2019

**DATE:** March 8, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Cesar J. Molina, Jr., P.E., Director of Engineering

Consider A Resolution Authorizing The City Manager To Execute Documents Necessary To Enter Into An Easement Encroachment Agreement With Denton County Electric Cooperative, Inc., DBA CoServ Electric, To Allow For The Placement Of Electric Conduit And Wiring Across And Within Easements Dedicated To The City Of Carrollton.

### **BACKGROUND:**

Castle Hills 10 Apartments is a development currently under construction at 1385 Parker Road, near the northwest corner of Josey Lane and Parker Road. The project will receive electrical service from CoServ Electric. Due to the project size and the layout of the site, there is a large number of electrical lines that traverse the site. As a result, there are numerous locations where the proposed electrical lines will cross a City of Carrollton water main which serves the site. CoServ is seeking an easement encroachment agreement with the City to allow for their electrical lines to cross the City's existing utility easement.

### **FINANCIAL IMPLICATIONS:**

There is no impact to the City's current or future operating budgets for this request.

### **STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends City Council approve a resolution authorizing the City Manager to execute an easement encroachment agreement with CoServ Electric.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO ENTER INTO AN EASEMENT ENCROACHMENT AGREEMENT WITH DENTON COUNTY ELECTRIC COOPERATIVE, INC., D/B/A COSERV ELECTRIC, TO ALLOW FOR THE PLACEMENT OF ELECTRIC CONDUIT AND WIRING ACROSS AND WITHIN EASEMENTS DEDICATED TO THE CITY OF CARROLLTON.**

**WHEREAS,** CoServ Electric is the electric service provider for the Castle Hills 10 Apartments located at Parker Road and Josey Lane; and

**WHEREAS,** the City of Carrollton has easements dedicated for the conveyance of water and sanitary sewer service within and adjacent to the Castle Hills 10 Apartments site;

**WHEREAS,** CoServ Electric has obtained separate utility easements; and

**WHEREAS,** CoServ Electric, in order to provide electric service to and throughout the Castle Hills 10 Apartment site, finds it necessary to encroach within the easements dedicated to the City of Carrollton;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY 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 Manager, or designee, is hereby authorized to execute documents necessary to convey an Encroachment Agreement to Denton County Electric Cooperative, Inc. D/B/A CoServ Electric, in a form to be approved by the City Attorney, in consideration of \$10.00 and other good and valuable consideration.

**SECTION 3:**

The City Manager, or designee, is authorized to take those steps reasonable and necessary to comply with the intent and purposes of this Resolution.

**SECTION 4:**

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

**PASSED AND APPROVED this 19th day of March, 2019.**

City of Carrollton, Texas

By: \_\_\_\_\_  
Kevin W. Falconer, Mayor

**ATTEST:**

\_\_\_\_\_  
Laurie Garber, City Secretary

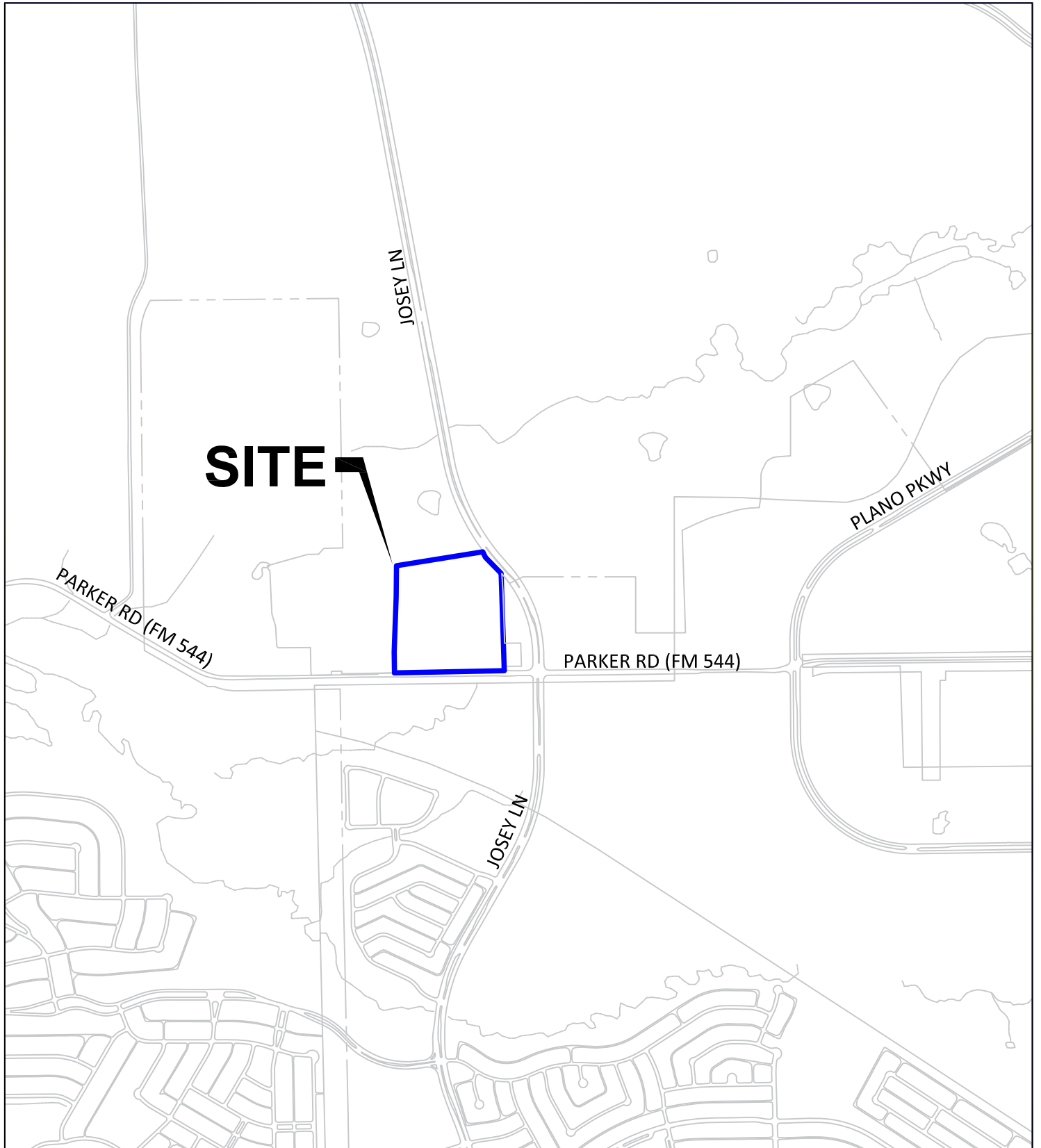
APPROVED AS TO FORM:

\_\_\_\_\_  
Susan Keller, Assistant City Attorney

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Cesar J. Molina, Jr., P.E.,  
Director of Engineering

3/6/19 J:\WORKSPACE\COUNCIL DRAWINGS\2018 STREET RECONSTRUCTION-AW PERRY MONETARY LN\_1\_18029\_5459.SVD DWS



Where Connections Happen

## EASEMENT ENCROACHMENTS

ENGINEERING DEPARTMENT



SCALE: N.T.S.

DATE: 04/19



# City of Carrollton

## Agenda Memo

File Number: 4233

**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*16.

**CC MEETING:** March 19, 2019

**DATE:** March 11, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Cory Heiple, Environmental Services Director

Consider A Resolution Authorizing The City Manager To Enter Into Single-Family Rehabilitation Grant Incentive Agreements On Three Eligible Properties Located Within Neighborhood Empowerment Zones, In A Total Grant Amount Not To Exceed \$15,010.07.

### BACKGROUND:

In April of 2018 City Council adopted the revised Single-Family Rehabilitation Grant Incentive policy. This program provides a monetary grant of up to 25% of certain exterior repair expenses for eligible properties located in a Neighborhood Empowerment Zone. This program has been marketed throughout the qualifying zones with special outreach focused on NOTICE neighborhoods.

Ms. Jacobs has applied for a rehabilitation incentive grant for replacement of her fence, roof and siding, removal of dead trees, planting of trees and plants, and installation of flowerbeds. Mrs. Luna applied for an incentive to replace her windows. Ms. Carter has applied for an incentive to replace her roof, fence, and retaining wall. All of the properties are located in a Neighborhood Empowerment Zone and meet the eligibility requirements of the incentive grant program.

On March 5, 2019 the City Council Re-Development Sub-Committee reviewed and unanimously recommended approval of incentives at 2017 Kings Road, 2820 Scott Mill Road, and 2245 Roundrock Drive.

### FINANCIAL IMPLICATIONS:

These rehabilitation incentives are funded through the Neighborhood Partnership Fund. Since April of 2018, when the program incentive was increased to 25%, a total of 21 projects have been approved by City Council, representing \$235,115 in private investment and \$58,779 in incentives.

### IMPACT ON COMMUNITY SUSTAINABILITY:

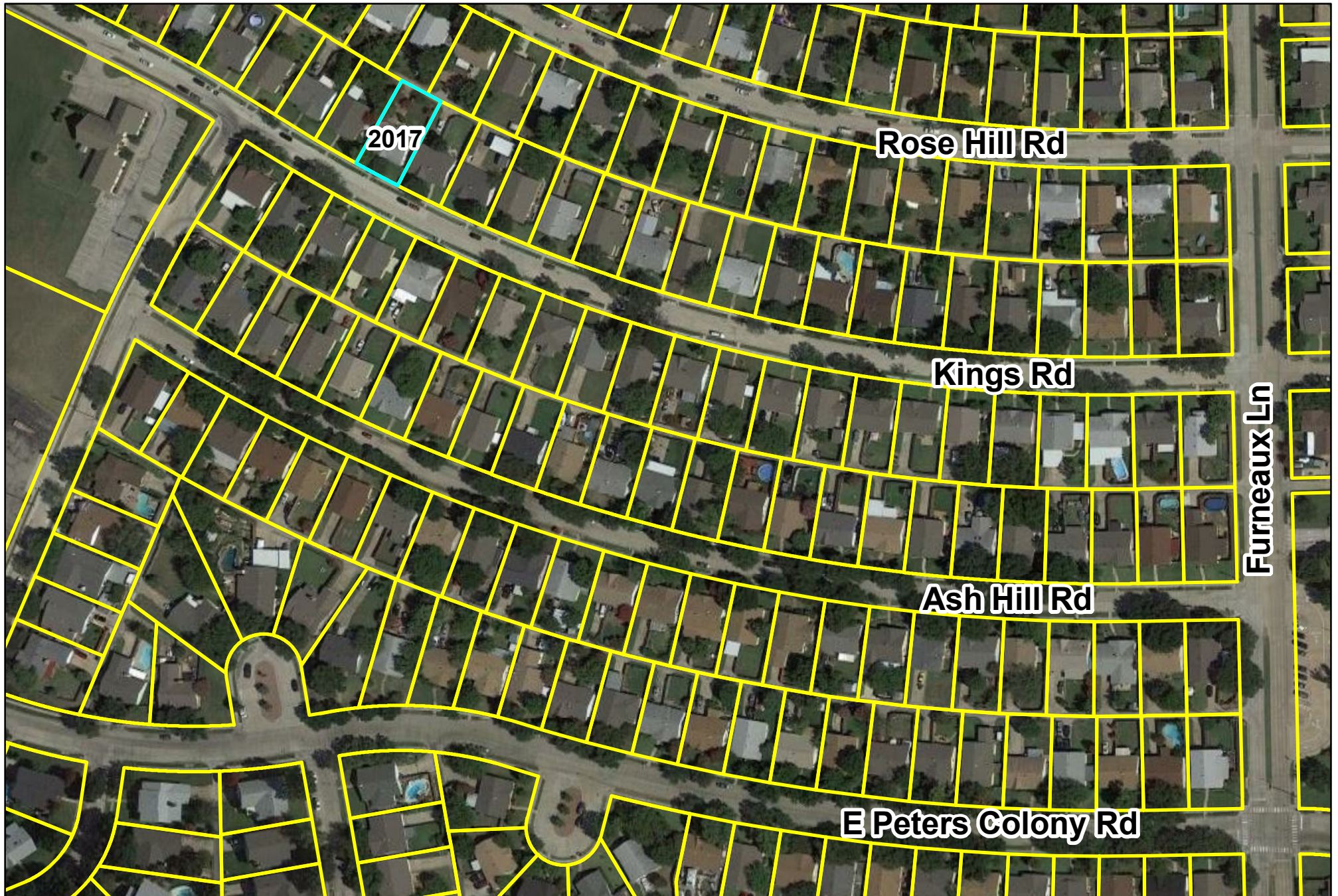
The rehabilitation incentives offer significant tools to prevent blight in Carrollton's older neighborhoods. Revitalizing affordable housing is a key component of the rehabilitation grant program and City Council's community sustainability objectives.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends City Council approval of a resolution authorizing the City Manager to enter into Single-Family Rehabilitation Grant Incentive agreements with Ms. Jacobs, Mrs. Luna, and Ms. Carter in a total grant amount not to exceed \$15,010.07.

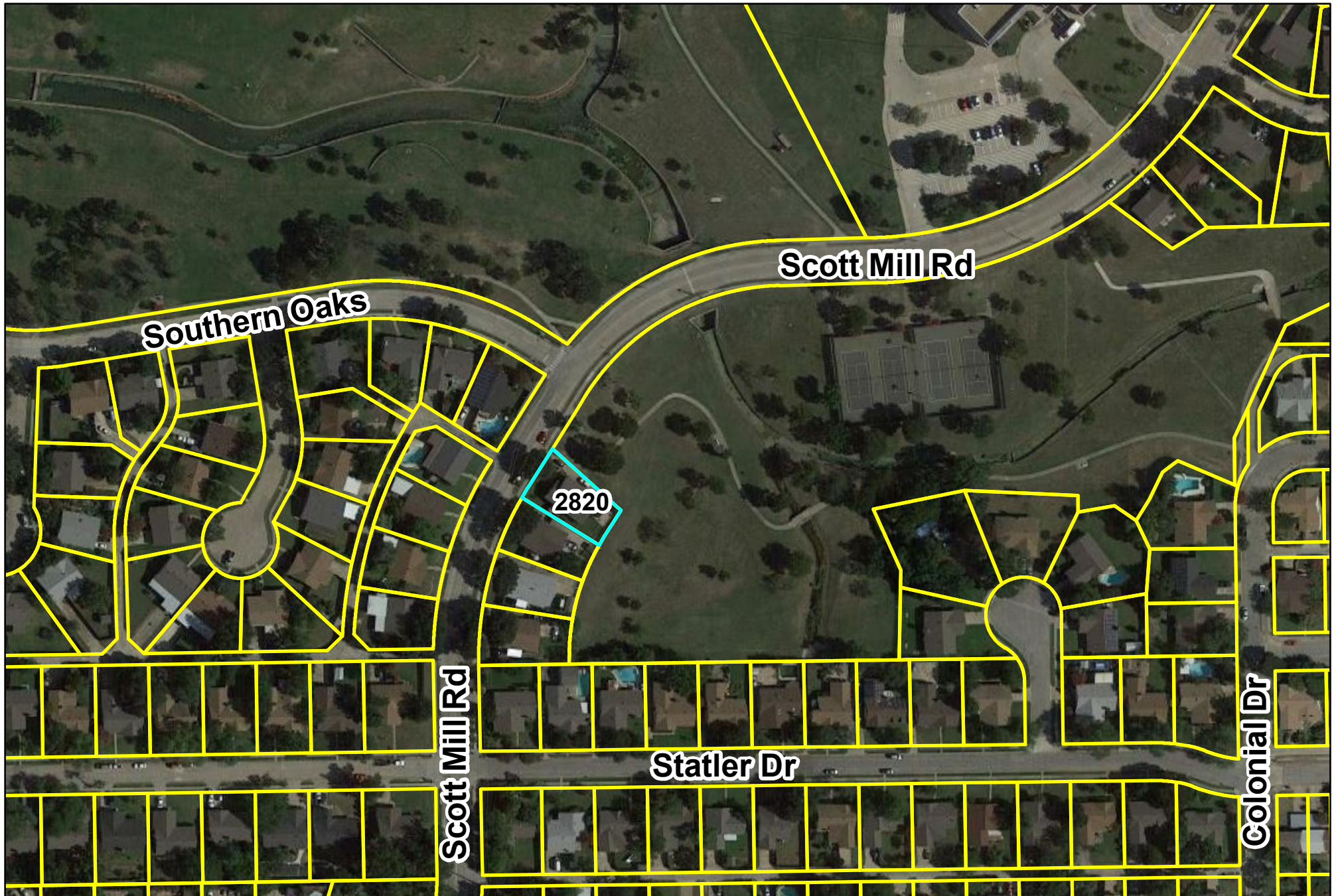


# Single-Family Rehab Incentive Location Map - 2017 Kings Road



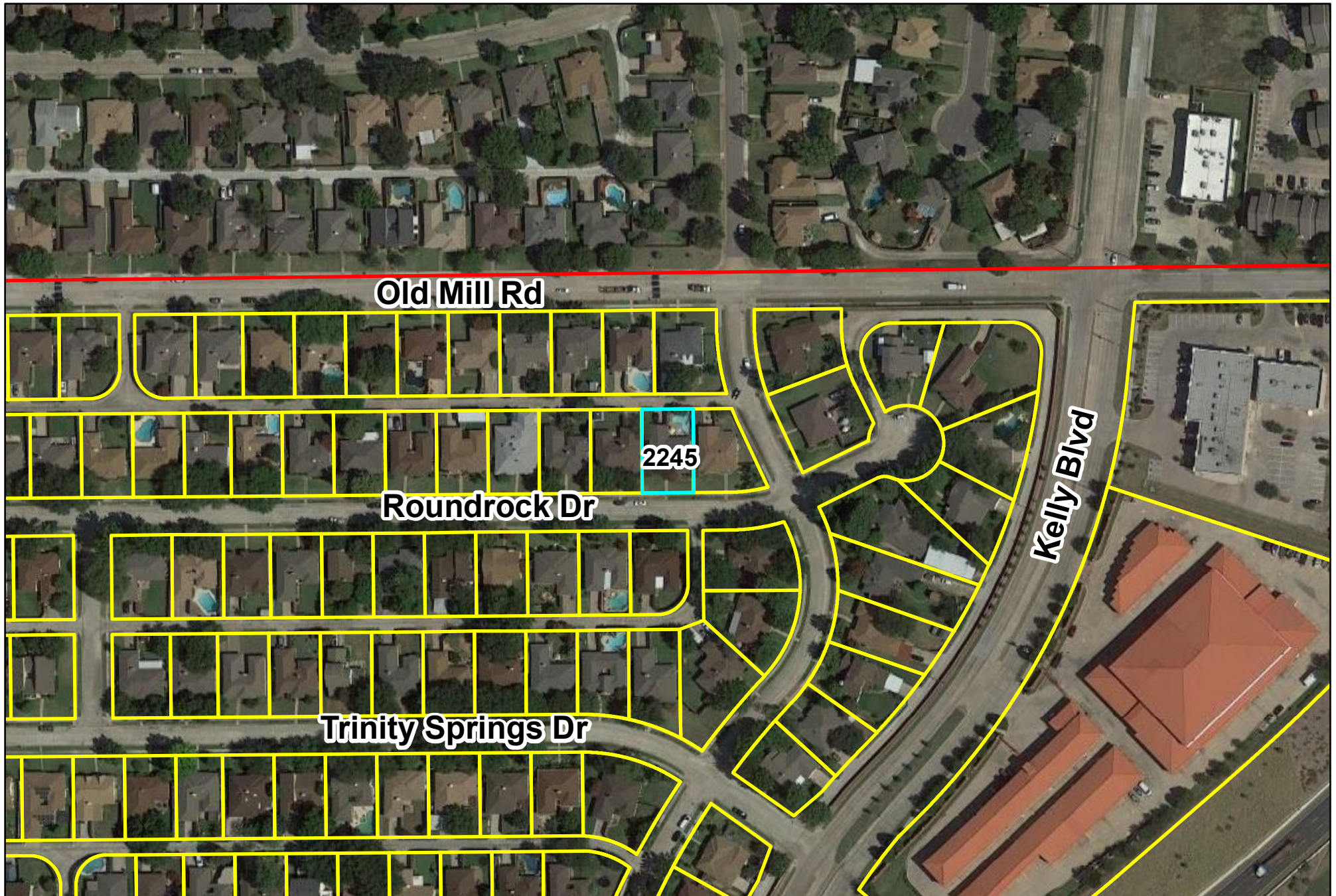


# Single-Family Rehab Incentive Location Map - 2820 Scott Mill Road





# Single-Family Rehab Incentive Location Map - 2245 Roundrock Drive



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, APPROVING THREE SINGLE-FAMILY REHABILITATION INCENTIVE PROGRAM AGREEMENTS TO BE EXECUTED BY AND BETWEEN THE CITY OF CARROLLTON AND THE OWNERS OF 2017 KINGS ROAD, 2820 SCOTT MILL ROAD, AND 2245 ROUNDROCK DRIVE TO PROMOTE LOCAL ECONOMIC DEVELOPMENT; AUTHORIZING THE CITY MANAGER TO TAKE THE NECESSARY ACTIONS TO NEGOTIATE AND ENTER INTO THE SAID AGREEMENTS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Texas Local Government Code Chapters 378 and 380 provide statutory authority for establishing and administering the Single-Family Rehabilitation Incentive Program, including making loans and grants of money;

**WHEREAS**, on November 4, 2014 the City Council of the City of Carrollton, Texas ("City Council"), adopted the Rehabilitation Incentive Program ("Program") in order to promote local economic development within designated areas in the City of Carrollton, Texas ("City");

**WHEREAS**, on April 3, 2018, City Council adopted the revised Rehabilitation Incentive Policy under the program. The Program provides payment of an incentive of 25% of eligible repairs to property owners for exterior improvements;

**WHEREAS**, the City has received a request for a Rehabilitation Incentive from the property owner, Diane Jacobs ("Owners") of 2017 Kings Road ("Property"), which has been reviewed by the Re-Development Sub-Committee and the Environmental Services Department and approved for consideration by City Council for an amount not to exceed \$8,435.49;

**WHEREAS**, the City has received a request for a Rehabilitation Incentive from the property owner, Juanamaria Luna ("Owners") of 2820 Scott Mill Road ("Property"), which has been reviewed by the Environmental Services Department and approved for consideration by City Council for an amount not to exceed \$1,824.58;

**WHEREAS**, the City has received a request for a Rehabilitation Incentive from the property owner, Donna Carter ("Owners") of 2245 Roundrock Drive ("Property"), which has been reviewed by the Environmental Services Department and approved for consideration by City Council for an amount not to exceed \$4,750.00;

**WHEREAS**, upon consideration, the City Council determines the Program contains sufficient controls to ensure public purposes of the Program are preserved and further determines the Property satisfies the criteria of the program; and

**WHEREAS**, upon review and consideration of the Owners' request and all matters attendant and related thereto, the City Council finds that entering into the agreement pursuant to the policies of the Program is in the interests of the health, safety, and welfare of the citizens of Carrollton and should be approved, and the City Manager shall be authorized to negotiate, execute documents, and take those actions necessary to effectuate the intents and purposes of this Resolution;

**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 Manager is hereby authorized to negotiate and execute the Single-Family Rehabilitation incentive agreement for a maximum in an amount not to exceed \$8,435.49, \$1,824.58, and \$4,750.00 for the reconstruction on the Properties in accordance with this Resolution, and to take all other action necessary to effectuate the intents and purposes of this Resolution.

**Section 3**

This Resolution shall take effect upon passage.

**DULY PASSED AND APPROVED** by the City Council of the City of Carrollton, Texas this 19<sup>th</sup> day of March, 2019.

CITY OF CARROLLTON, TEXAS

\_\_\_\_\_  
Kevin W. Falconer, Mayor

ATTEST:

\_\_\_\_\_  
Laurie Garber, City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Meredith A. Ladd  
City Attorney

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Cory Heiple  
Environmental Services Director

2017 Kings Road  
Application Summary and Property Description

Homeowner: Diane Jacobs

Legal Description:

WOODLAKE 3 2<sup>ND</sup> SECBLK 16 LT 44

INT20070000543464 DD04262007 CO-DE1860401604400 2CD186 04016

Description:

Replacement of roof, fence and siding, remove dead trees, plant trees and plants, and install flowerbeds

Project Value:

\$33,741.96

Incentive Amount:

\$8,435.49

2820 Scott Mill Road  
Application Summary and Property Description

Homeowner: Juanamaria Luna

Legal Description:

WOODLKAE NO 1 BLK 3 LOT 4  
Undivided Interest 67.00000000%

Description: Remove and replace windows

Project Value:

\$7,298.32

Incentive Amount:

\$1,824.58

2245 Roundrock Drive  
Application Summary and Property Description

Homeowner: Donna Carter

Legal Description: MORNINGSIDEBLK 2 LT 24VOL2004-  
80722 DD06112004 CO-DE10740002  
02400 2CD10740002

Description: Remove and replace fence, roof, and retaining wall

Project Value:  
\$19,000.00

Incentive Amount:  
\$4,750.00





# City of Carrollton

## Agenda Memo

File Number: 4238

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**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** \*17.

**CC MEETING:** March 19, 2019

**DATE:** March 13, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Bob Scott, Assistant City Manager

Consider A **Resolution Acknowledging Receipt Of The Comprehensive Annual Financial Report For The Fiscal Year Ended September 30, 2018.**

### **BACKGROUND:**

The Comprehensive Annual Financial Report (CAFR) for fiscal year ended September 30, 2018, has been completed and distributed to the City Council members. The Audit/Finance Committee of Council met directly with Grant Thornton LLP management representatives on February 27, 2019. The CAFR was electronically distributed to all the full Council on March 13, 2019.

### **STAFF RECOMMENDATION/ACTION DESIRED:**

Pass a resolution acknowledging receipt of the report.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, ACKNOWLEDGING RECEIPT OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2018; AND PROVIDING AN EFFECTIVE DATE.**

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

**SECTION 1**

The City Council of the City of Carrollton hereby acknowledges receipt of the Comprehensive Financial Annual Report for fiscal year ended September 30, 2018.

**SECTION 2**

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 19th day of March, 2019.

**CITY OF CARROLLTON, TEXAS**

\_\_\_\_\_  
Kevin W. Falconer, Mayor

**ATTEST:**

\_\_\_\_\_  
Laurie Garber, City Secretary

**APPROVED AS TO FORM:**

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Meredith Ladd, City Attorney

\_\_\_\_\_  
Bob Scott, Chief Financial Officer



# City of Carrollton

## Agenda Memo

File Number: 4241

**Agenda Date:** 3/19/2019

**Version:** 1

**Status:** Public Hearing/Individual Consideration

**In Control:** City Council

**File Type:** Public Hearing

**Agenda Number:** 18.

**CC MEETING: March 19, 2019**

**DATE:** March 13, 2019

**TO:** Erin Rinehart, City Manager

**FROM:** Heather Smith, Recreation Manager

Hold A Public Hearing And Consider An Ordinance Adopting Standards Of Care For Administering Summer Camp.

### **BACKGROUND:**

In the current FY18/19 budget, City Council approved funds for the development of a summer youth camp to be held at Crosby Recreation Center. Staff has finalized the "Standards of Care" that are required by the State of Texas for the exemption of municipalities. A Standards of Care document must be approved through an Ordinance approved by City Council after a public hearing on an annual basis. Attached is the proposed Youth Program Standards of Care. The standards of care were reviewed and approved by the Parks and Recreation Advisory Board at their February 25, 2019 meeting.

### **FINANCIAL IMPLICATIONS:**

Funding was approved in the FY18/19 budget for account:

Crosby Rec Center            352004

### **STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends the approval of the Ordinance for Standards of Care regulating summer camp.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, ADOPTING THE PARKS AND RECREATION STANDARDS OF CARE FOR THE CITY OF CARROLLTON SUMMER YOUTH PROGRAM; PROVIDING SAVINGS, SEVERABILITY AND REPEALING CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE ON AND AFTER ITS ADOPTION.**

**WHEREAS**, the City of Carrollton, Texas (the “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;

**WHEREAS**, the Human Resources Code, Section 42.041(b)(14) establishes requirements for exempting recreational programs operated by municipalities for elementary age (5-12) children from childcare licensing requirements;

**WHEREAS**, in order to receive exempt status for a youth program, a municipality must adopt standards of care by ordinance after a public hearing for the program on an annual basis;

**WHEREAS**, the City of Carrollton Youth Program Standards of Care will provide basic regulations for day camp activities operated by the Carrollton Parks and Recreation Department in compliance with Chapter 42 of the Human Resource Code and Title 40 Rule 745.115 of the Texas Administrative Code;

**WHEREAS**, adopting Standards of Care and a youth program for children ages five to twelve (5-12) in the City of Carrollton is in the best interest of the citizens of Carrollton; and

**WHEREAS**, the City Council has conducted a public hearing on this 19th day of March, 2019, and desires to adopt the standards set forth in this Ordinance.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY 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 Ordinance as if copied in their entirety.

**SECTION 2.**

The City of Carrollton Youth Program Standards of Care are hereby adopted in their entirety, to read in accordance with the attached Exhibit A.

**SECTION 3.**

Save and except as amended by this Ordinance, all other ordinances of the City of Carrollton, Texas, shall remain in full force and effect.

**SECTION 4.**

The Terms and provisions of this Ordinance are severable in accordance with Section 10.07 of the Carrollton Code of Ordinances.

**SECTION 5.**

To the extent of any prior ordinance of the City of Carrollton (or any provision, clause, phrase, sentence or paragraph contained therein) conflicts with this ordinance, said conflicting ordinance, provision, clause, phrase, sentence or paragraph is hereby repealed.

**SECTION 6.**

This Ordinance shall become effective on and after its adoption.

**DULY PASSED AND APPROVED THIS 19<sup>TH</sup> DAY OF MARCH, 2019.**

By: \_\_\_\_\_  
Kevin W. Falconer, Mayor

**ATTEST:**

\_\_\_\_\_  
Laurie Garber, City Secretary

**APPROVED AS TO FORM:**

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Susan Keller, Assistant City Attorney

\_\_\_\_\_  
Scott Whitaker, Director of Parks & Recreation



## **EXHIBIT A**

### **YOUTH PROGRAM STANDARDS OF CARE**

#### **Sec. 15-34. Definitions.**

The following definitions apply to this article, in addition to the definitions outlined in the document.

*Department:* The Carrollton Parks & Recreation Department.

*Parent(s):* One or both Parents or other adult with legal custody and authority to enroll a child or children in the Youth Program.

*Participant:* A youth whose parent(s) have completed all required registration procedures and who is eligible for the Youth Program.

*Recreation Supervisor:* The full-time Department employee or his/her designated representative, who is responsible for the management of customer service and the facility including personnel, programs, space allocation and overseeing management, administration, and implementation of the Youth Program.

*Program Site:* Crosby Recreation Center, 1610 East Crosby Road, Carrollton, TX 75006

*Recreation Coordinator:* Serves as Youth Program camp manager, a full-time, professional employee of City who is responsible for overseeing implementation of the Youth Program.

*Camp Coordinator:* A part-time or seasonal employee of City who is responsible for day to day operations of the Youth Program.

*Program Staff:* City of Carrollton Parks and Recreation Department full-time, part-time, seasonal, and temporary staff, contract instructor or volunteer assigned responsibility for managing, administering, or implementing some or all portions of one or more Carrollton Parks and Recreation Department Youth Programs. This definition also includes Recreation Supervisor, Recreation Coordinator, and Camp Coordinator.

*Youth:* A child aged five (5) to twelve (12) years.

*Youth Program:* The City children's recreation camp program.

*Youth Program Manual:* The notebook of policies, procedures, required forms, and organizational and programming information relevant to the Youth Program.

**Purpose.**

1. This article shall define the standard of care for the City's Youth Program.
2. Pursuant to Rule §745.115 of Title 40 of the Texas Administrative Code, this article allows the City to operate the Youth Program without adopting the state-prescribed daycare standards of care and licensing requirements.
3. **THE CITY DECLARES ITS YOUTH PROGRAM IS NOT REQUIRED TO BE AND IS NOT LICENSED BY THE STATE OF TEXAS, AND THE YOUTH PROGRAM IS NOT A CHILD-CARE OPERATION AND WILL NOT BE ADVERTISED AS A CHILD-CARE FACILITY OR PROGRAM IN ACCORDANCE WITH STATE LAW.**

**Administration.**

1. The governing body of the Youth Program is the City Council. Implementation of the Youth Program Standards of Care is the responsibility of the Parks and Recreation Department Director and the Department employees. These standards of care will apply to the Youth Program. The Program Site will have available, for public and staff review, a current copy of the Youth Program Standards of Care. Parents of Participants will be provided a current copy of the Youth Program Standards of Care during the Youth Program registration process. Criminal background checks and drug and alcohol screens will be conducted on prospective Program Staff in the same manner in which the City conducts screens of potential City employees. No Person is allowed to be hired as staff for the Youth Program if the Person fails to satisfy all City screening standards.
2. Before a Participant may be enrolled, a Parent must sign registration forms that contain:
  - a. Name, photograph, address, and home telephone number of the Participant;
  - b. Name, address, and telephone number of both Parents who may need to be contacted during Youth Program hours;
  - c. Alternate emergency contact information;
  - d. The names and telephone numbers of people to whom the Participant may be released.
  - e. A statement of the Participant's special problems or needs, including allergies;
  - f. Emergency medical authorization;
  - g. Proof of residency; and
  - h. A liability release that encompasses all personal injury, including death, and property damage resulting from participation in the Youth Program.
3. A monthly inspection report will be initiated by the Recreation Coordinator of Youth Program to confirm adherence to the Youth Program Standards of Care. Inspection reports will be sent to the Recreation Supervisor for review and kept on record for at least five years. The Recreation Supervisor will review the report and establish deadlines and criteria for compliance with the Youth Program Standards of Care. The Recreation Supervisor will make visual inspections of the Youth Program no less than twice during each Youth Program session.
4. Complaints regarding enforcement of the Youth Program Standards of Care will be directed to the Recreation Coordinator. The Recreation Coordinator will be responsible for taking the necessary steps to resolve the problems. Complaints not involving threats to life safety, regarding enforcement of the Youth Program Standards of Care and their resolution, will be recorded by the Recreation Supervisor. Complaints involving life

safety as related to enforcement of the Youth Program Standards of Care will be addressed by the Recreation Supervisor and the complaint and resolution will be noted.

5. The Recreation Manager or designee will make an annual report to the Park Board on the overall status of the Youth Program and their compliance with the Youth Program Standards of Care.

### **Standards of care.**

1. Staff-Participant ratio.
  - a. The standard ratio of Participants to Counselors will be no more than twenty (20) to one (1). In the event a Counselor is unable to report to the Site, a replacement will be assigned; and
  - b. Each Participant shall have a Program Staff who is responsible for him or her and who is aware of the Participant's habits, interests, and any special needs as identified by the Participant's Parent during the registration process.
2. Discipline.
  - a. Program Staff will be based on the best interests of Participants;
  - b. There shall be no cruel, harsh, or physically administered punishment or treatment;
  - c. Program Staff may use brief, supervised separation from the group if necessary;
  - d. As necessary, Program Staff will initiate discipline reports to the Parent(s) of Participants. Parents will be asked to sign discipline reports to indicate they have been advised of specific problems or incidents;
  - e. A sufficient number and/or severe nature of discipline reports as detailed in the Youth Program Manual may result in Participant being suspended from the Youth Program; and
  - f. In instances where there is a danger to Participants or Staff, the offending Participant will be removed from the Site as soon as possible.
3. Programming.
  - a. Program Staff will attempt to provide activities for each group according to the Participants' ages and appropriate to Participants' health, safety, and well-being. The activities will be flexible and attempt to promote the Participants' emotional, social, and mental growth;
  - b. Program Staff will provide Youth Programs that include, but not limited to:
    - i. Alternating active and passive activities;
    - ii. Opportunity for individual and group activities; and
    - iii. Outdoor time at frequent intervals when weather permits.
  - c. Program Staff will be attentive and considerate of the safety of Participants on field trips and during any transportation provided by the Youth Program;
  - d. During trips, Program Staff supervising Participants must have immediate access to emergency medical forms and emergency contact information for each Participant;
  - e. Program Staff must have a list of the Participants in the group and must check the roll frequently; and
  - f. Program Staff must have first aid supplies and a guide to first aid and emergency care available on field trips.
4. Communication.



- a. The Program Site will have a telephone to allow contact by Department personnel and for use in contacting the City or making emergency calls; and
  - b. The Recreation Coordinator will post the following telephone numbers adjacent to a telephone accessible to all Youth Program employees at the Site:
    - i. City ambulance or emergency medical services;
    - ii. Recreation Supervisor;
    - iii. Recreation Superintendent;
    - iv. City police department;
    - v. City fire department;
    - vi. City Hall;
    - vii. Administrative Offices with Parks and Recreation Department; and
    - viii. The telephone number for the Site itself.
5. Transportation.
- a. Before a Participant may be transported to and from Youth Program activities, an authorization form, completed by the Parent(s) of the Participant, must be filed with the Recreation Coordinator
  - b. First aid supplies and a first aid and emergency care guide will be available in all Youth Program vehicles that transport children; and
  - c. All Youth Program vehicles used for transporting Participants for field trips and other activities offered as part of the program during normal program hours must have available a 6-BC portable fire extinguisher which will be accessible to the Program Staff.
6. Safety.
- a. Program Staff will inspect the Site daily to detect sanitation and safety concerns that might affect the health and safety of the Participants;
  - b. Buildings, grounds, and equipment of and on the Site will be inspected, cleaned, repaired, and maintained as needed to protect the health and safety of the Participants;
  - c. Program Staff must have first aid supplies and a guide to first aid and emergency care readily available at the Site, during transportation to an off-site activity, and for the duration of any off-site activity;
  - d. Youth Program air conditioners, electric fans, and heaters must be mounted out of the reach of Participants or have safeguards that keep Participants from being injured; and
7. Fire.
- a. In case of fire, danger of fire, explosion, or another emergency, the priority of Program Staff is to evacuate the Participants to a designated safe area;
  - b. The Site will have an annual fire inspection by the local fire department, and the resulting report will detail any safety concerns observed. The report will be forwarded to the Recreation Supervisor who will review and establish deadlines and criteria for compliance.
  - c. The Site must have at least one fire extinguisher approved by the fire marshal readily available to all Program Staff. The fire extinguisher is to be inspected quarterly, and a quarterly report will be forwarded to the Recreation Supervisor who will keep the report on file for a minimum of five years. All program employees will be trained in the proper use of fire extinguishers; and

- d. Fire drills will be initiated at the Site during each month of the Program.
- 8. Illness or injury.
  - a. A Participant who is considered to be a health or safety concern to other Participants or Program Staff will not be admitted to the Youth Program;
  - b. Illnesses and injuries will be handled in a manner to protect the health of all Participants and staff;
  - c. Program Staff will follow plans to provide emergency care for injured Participants with symptoms of acute illness as specified in the Youth Program Manual; and
  - d. Program Staff will follow the recommendation of the Texas Department of Health concerning the admission or re-admission of any Participant after a communicable disease.
- 9. Medication.
  - a. No medications will be allowed at Camp Wonder other than the following exceptions:
  - b. Staff will administer an epinephrine pen for life threatening situation if provided for the camper. Staff will be trained to administer the medication.
  - c. Campers are not allowed to bring medicines to camp and administer themselves other than insulin and inhaler.
- 10. Toilet facilities.
  - a. The Program Site will have toilets located and equipped so Participants can use them independently and Program Staff can supervise as needed;
  - b. An appropriate and adequate number of toilets and lavatories will be provided.
- 11. Sanitation.
  - a. The Program Site must have adequate light, ventilation, and heat;
  - b. The Youth Program must have an adequate supply of water meeting the standards of the Texas Department of Health for drinking water and ensure that it will be supplied to the Participants in a safe and sanitary manner; and
  - c. Program Staff must properly dispose of garbage and debris from the program area daily.

### **Youth Program staff.**

Staff qualifications and responsibilities:

- 1. Recreation Supervisor qualifications
  - a. Will be a full-time, professional employee of the Department with a bachelor's degree in Recreation, Recreation Administration or related field.
  - b. Responsible for supervising recreation programs, special events, facility activities, memberships, and maintenance. A
  - c. Recommends for hire, supervises, and evaluates Counselors;
  - d. Must pass a background investigation including testing for illegal substances and alcohol in accordance with City hiring standards;
  - e. Must be CPR / AED certified; and
  - f. Must be certified in First Aid
- 2. Recreation Coordinator qualifications:
  - a. Will be a full-time, professional employee of the Department with a bachelor's degree in Recreation, Recreation Administration or related field.

- b. Working knowledge of recreation programming and facilities planning.
  - c. Plans and evaluates the daily activities and weekly off-site activities of Youth Program; and
  - d. Program Staff will report suspected child abuse to the Texas Department of Family and Protective Services, in accordance with the Texas Family Code, telephone number, 1-800-252-5400.
  - e. Program Staff will receive information related to child abuse identification and prevention, and how to report suspected abuse.
  - f. Must pass a background investigation including testing for illegal substances and alcohol in accordance with City hiring standards;
  - g. Must be CPR / AED certified; and
  - h. Must be certified in First Aid
3. Camp Coordinator responsibilities:
- a. Administers the daily operations of the Youth Program in compliance with the Youth Program Standards of Care;
  - b. Implements, monitors, and evaluates the daily activities and field trips of Youth Program; and
  - c. Serves as an immediate authority figure to Counselors and Participants in the absence of the Recreation Coordinator.
  - d. Must be CPR / AED certified; and
  - e. Must be certified in First Aid
4. Counselor qualifications:
- a. Part-time or temporary employees of the City;
  - b. Will be age 17 or older; however, each site will have at least one Counselor 18 years or older present at all times;
  - c. Must pass a background investigation including testing for alcohol and illegal substances in accordance with City hiring standards;
  - d. Must be CPR / AED certified;
  - e. Must be First Aid certified
5. Counselor responsibilities:
- a. Be able to consistently exhibit competence, good judgment, and self-control when working with Participants;
  - b. Relate to Participants with courtesy, respect, tolerance, and patience;
  - c. Provide Participants with an environment in which they can feel safe, enjoy wholesome recreation activities, and participate in appropriate social opportunities with their peers;
  - d. Be responsible for knowing and follow all City and Departmental standards, policies, and procedures that apply to the Youth Program; and
  - e. Ensure that Participants are released only to a Parent or Person on record as being authorized by the Parent(s) for pickup. Youth Program Site will have a copy of the Department approved plan to verify the identity of a person authorized to pick up a Participant.
6. Training and orientation:
- a. The City will provide training orientation to Counselors in working with Participants and for specific job responsibilities. Each Counselor will be provided with a Youth Program Manual specific to the Youth Program;

- b. Counselors will be trained in appropriate procedures to handle emergencies;
- c. Counselors will receive training in pertinent City, Department, and Youth Program policies and procedures; and
- d. Program Staff will be required to sign an acknowledgment that they received the required training and are expected to conduct activities in accordance with training and the Youth Program Standards of Care.