# The City of Liberty

## City Council

## Regular Meeting

## ~ Agenda ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

**Tuesday, September 13, 2016** | **6:00 PM** | **City Council Chambers**

The City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

## I. CALL TO ORDER

| Attendee Name | Present | Absent | Late | Arrived |
|---|---|---|---|---|
| Mayor Carl Pickett | ☐ | ☐ | ☐ | |
| Mayor Pro Tem Diane Huddleston | ☐ | ☐ | ☐ | |
| Councilperson Dennis Beasley | ☐ | ☐ | ☐ | |
| Councilperson Louie Potetz | ☐ | ☐ | ☐ | |
| Councilperson Libby Simonson | ☐ | ☐ | ☐ | |
| Councilperson David Arnold | ☐ | ☐ | ☐ | |
| Councilperson Paul Glazener | ☐ | ☐ | ☐ | |

## II. INVOCATION

## III. PLEDGE OF ALLEGIANCE

## IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

## V. PRESENTATIONS / REPORTS

### A. Information Item (ID # 3606)

Project Updates - City Mgr. G. Broz

### B. Information Item (ID # 3607)

Sam Rayburn Municipal Power Agency - Mayor Pickett

### C. Information Item (ID # 3608)

Liberty Co. Central Appraisal District - Appraisal Review Board

- CAD-ARB Info (PDF)

# VI. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

### *A. Minutes Approval*

**1.** Tuesday, July 26, 2016

**2.** Tuesday, August 02, 2016

**3.** Tuesday, August 09, 2016

**4.** Tuesday, August 23, 2016

**5.** Tuesday, August 30, 2016

### B. Council Action (ID # 3625)

Consider acceptance of the 2017 Routine Airport Maintenance Program (RAMP) Grant Agreement.

- RAMP Grant (PDF)

# VII. REGULAR AGENDA

### *A. Regular Session*

### 1. Ordinance (ID # 3609)

Consider adoption of an Ordinance authorizing the Issuance, Sale and Delivery of up to $7,750,000 in aggregate principal amount of "City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation, Series 2016", securing the payment thereof by authorizing the levy of an annual Ad Valorem Tax and a pledge of certain surplus revenues of the City's Water and Sewer System; and approving and authorizing the execution of a Paying Agent/Registrar Agreement, and official statement and all other instruments and procedures related thereto.

- CO-Bond Opinion (PDF)
- CO-Paying Agent Ag-1 (PDF)
- CO-Closing Docs (PDF)

### 2. Public Hearing (ID # 3610)

Public Hearing on the proposed annexation of .55 square miles beginning at the intersection of the south line of the existing city limits of the City of Liberty and the Trinity River having coordinates of N:10004359.04, E:4042761.36.

- PH Notice-Sept. 13 (DOCX)

### 3. Council Action (ID # 3611)

Mr. H.D. Jackson will be present to address City Council regarding placement of a sign at Lakeland Drive and Cook Road, for the Cook Cemetery, and take any action deemed necessary.

**4. Resolution (ID # 3612)**

Consider a Resolution appointing a representative to the Sam Rayburn Municipal Power Agency Board of Directors.

**5. Ordinance (ID # 3613)**

Consider an Ordinance adopting the Budget for Fiscal Year 2016-2017.

**6. Council Action (ID # 3614)**

Consider ratification of the property tax revenue increase reflected in the Fiscal Year 2016-2017 Budget.

**7. Ordinance (ID # 3615)**

Consider an Ordinance adopting the Ad Valorem Tax Rate for Fiscal Year 2016-2017.

**8. Ordinance (ID # 3616)**

Consider adoption of an Ordinance amending the Master Fee Schedule to include water and wastewater rate increases, and public right-of-way use fees.

- MASTER FEE SCHEDULE-Draft 9-13-2016 (XLSX)

**9. Council Action (ID # 3617)**

Consider approval of a bid for Tax Resale Property described as Fisher, Block 4, Lot 5 (Confederate Street).

- Tax Resale Property-Fisher (PDF)
- Tx Property Pic 1 (PDF)
- Tx Property Pic 2 (PDF)
- Tx Property Pic 3 (PDF)

**10. Council Action (ID # 3618)**

Consider approval of an Interlocal Agreement with Liberty County and Liberty Independent School District for the demolition of the apartments located at 1309 N. Main Street.

- Demolition Agreement (PDF)

**11. Council Action (ID # 3619)**

Mayor White, City of Ames, will be present to address the City Council regarding Ames' sewer overflow issues, and take any action deemed necessary.

**12. Council Action (ID # 3620)**

Consider approval of a contract award to CBL Industries for the resurfacing of Lakeland Drive.

- Lakeland Resurfacing Info(3) (DOCX)

**13. Council Action (ID # 3621)**

Consider approval of an Agreement between the Texas Department of Agriculture and the City of Liberty, Contract No. 7216290, for the Community Development Fund.

- Agreement-Dept of Ag (PDF)

**14. Council Action (ID # 3622)**

Consider authorizing the City Manager to execute Change Order No. 3, with PM Construction, for sanitary sewer repairs on Hwy. 90.

- PM Construction Change Order (DOCX)

**15. Council Action (ID # 3623)**

Consider authorizing the City Manager to execute an agreement with HR Green for engineering services associated with Phase A Improvements to the City's Sanitary Sewer System.

- HR Green Phase A Info (DOCX)

***B. Executive Session***

Government Code §551.071 - Private Consultation with Attorney.

Pending or Contemplated Litigation - Contractual Wastewater Issues.

***C. Reconvene into Regular Session***

**1. Council Action (ID # 3624)**

Consider and take action, if any, on the items as discussed in the Executive Session.

## VIII. ADJOURNMENT

**A. Motion To:** Adjourn

*I certify that the attached Notice of Meeting was posted on the bulletin board and in the Message Centers located on the east and west sides of the City Hall Administration Building, located at 1829 Sam Houston on the 9th day of September, 2016 at 4:00 p.m. This notice will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.*

Dianne Tidwell

*Dianne Tidwell, City Secretary*

***NOTICE***

*In compliance with the Americans with Disabilities Act, the City of Liberty will provide reasonable accommodation for persons attending and/or participating in this Council Meeting. To better serve you, requests must be made at least 24 hours prior to the meeting. Contact the City at (936) 336-3684 or by Fax at (936) 336-9846. The building is wheelchair accessible, with parking available, on the west side of the building.*

*I certify that the attached Notice and Agenda of items to be considered by the City Council was removed by me from the bulletin board at the City Hall on the ________ day of ____________________, 2016.*

# The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Reports

## INFORMATION ITEM (ID # 3606)

DOC ID: 3606

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**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Reports

## INFORMATION ITEM (ID # 3607)

DOC ID: 3607

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**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Reports

## INFORMATION ITEM (ID # 3608)

DOC ID: 3608 A

EXPLANATION:
The CAD is requesting a nomination from each taxing entity to the Appraisal Review Board. To serve on this Board, individuals must be a resident of the Appraisal District for 2 years, and cannot be an officer or employee of the Appraisal District or any Taxing Entity. Members serve two-year staggered terms, meeting once a month and twice weekly during May and June. Members are paid $150 per meeting. This nomination must be submitted by October 21. If an individual is nominated, who is not currently on the ARB, that individual is responsible for filling out the CAD's application for appointment.

Bill Brackin, Walt Saucier, Cordella Kirkham and Barbara Lange are ineligible for reappointment having served three consecutive terms. The remaining open position is from Precinct #3-Horace Green.

Current ARB members are: Walt Saucier, Cordella Kirkham, Bill Brackin (Prec. 1), Lester Wisegerber, Horace Green, Fred Terrell, Barbara Lange, and Norman Brown.

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# LIBERTY COUNTY CENTRAL APPRAISAL DISTRICT
## P.O. BOX 10016/2030 SAM HOUSTON
## LIBERTY, TEXAS 77575
## (936) 336-5722 FAX (936) 336-8390

August 11, 2016

To: All Voting Taxing Units

From: Alan Conner

Re: ARB Nominations

Dear Taxing Units:

The two (2) year term of the following positions on the Liberty County Appraisal Review Board (ARB) will expire December 31, 2016.

| Position | Board Member |
|---|---|
| Precinct #1 | Bill Brackin |
| Precinct #2 | Walt Saucier |
| Preceinct #3 | Horace Green |
| At Large | Cordella Kirkham |
| Auxiliary | Barbara Lange |

**Board members, Bill Brackin, Walt Saucier, Cordella Kirkham and Barbara Lange have served three (3) consecutive terms and are ineligible for reappointment**. Board member, Horace Green is eligible for re-appointment to a new two (2) year term. Therefore, the Board of Directors has requested you submit a nominee(s) to the District's office by 5:00 P.M. by October 21, 2016. The Board will fill the position at their regularly scheduled meeting on Thursday, October 27, 2016 at 9:30 A.M. Please have your nominee **complete the enclosed application**.

According to Sec. 6.41(c) of the Property Tax Code, to be eligible to serve on the Appraisal Review Board, an individual must be a resident of the Appraisal District for two (2) years, cannot be an officer or an employee of the Appraisal District or a Taxing Unit and can only serve three (3) consecutive two (2) year terms. Additionally, the law also bars from service a person who contracts for any purpose with the Appraisal District or a Taxing Unit. In addition, all members will be required to attend an ARB training session.

Typically, the ARB meets at 9:00 A.M. once a month and at least twice a week during the months of May and June. ARB members are paid one hundred and fifty dollars per meeting.

If you should have any questions concerning this nomination, please give me a call.
If your nomination is someone currently on the Board, please do not require them to complete the attached application.

Cc: Board of Directors

## LIBERTY COUNTY CENTRAL APPRAISAL DISTRICT

### APPLICANT INFORMATION

| | | | |
|---|---|---|---|
| LAST NAME | FIRST NAME | MIDDLE INITIAL | |
| ADDRESS | | | |
| CITY | | | ZIP CODE |
| SOCIAL SECURITY NUMBER | TELEPHONE NUMBERS:<br>DAYTIME ( ) | EVENING ( ) | |

### APPRAISAL REVIEW BOARD QUALIFICATION STATEMENT

Please answer the following questions by checking "Yes" or "No"

1. Are you a resident of the Liberty County Central Appraisal District and have you resided within the District for the past two years? Yes _____ No _____

2. Are you currently employed by or are you an officer or director of the State Comptroller's Office, an appraisal district, or a taxing unit (i.e. county, school district, or special district) in any capacity? Yes _____ No _____
   If you answered "Yes" please indicate in what capacity you are employed or serve below:
   ______________________________________________________________

3. Have you even been employed by or been an officer or director of the Liberty County Central Appraisal District or any taxing unit (i.e. county, school district, city or special district) served by the Liberty County Central Appraisal District? Yes _____ No _____

4. Do you, or does any relative of yours within the second degree by either blood or marriage, do business in the Liberty County Central Appraisal District as a paid property tax agent or as an appraiser who performs appraisals for use in property tax proceedings? Yes _____ No _____

   These are the degrees of relationship included:
   1st Degree by Consanguinity (blood): Parents, children
   1st Degree by Affinity (marriage): Spouse, spouses of relatives listed under consanguinity, stepparents, spouse's children, and stepchildren
   2nd Degree by Consanguinity (blood): Grandparents, grandchildren, brothers, and sisters
   2nd Degree by Affinity (marriage): Spouse's grandparents, spouse's brothers and sisters

5. Are you, or a business in which you hold substantial interest, a party to a contract with the Appraisal District or with a taxing unit in the District? A substantial interest means that you and your spouse together own at least 10% of the voting stock or shares in the business, or that either of you is a partner, limited partner, or officer of the business entity. Yes _____ No _____

6. Is any relative of either you or your spouse employed by the Liberty County Central Appraisal District?
   Relative's Name: ______________________________
   Degree of Relationship: ______________________________

7. Do you own property in Liberty County? Yes _____ No _____
   If "Yes" are the property taxes current? Yes _____ No _____

## PERSONAL BACKGROUND

1. Have you ever been convicted of a felony or of a misdemeanor involving moral turpitude, or are you presently under indictment or other legal accusation of theft or for any felony? If "Yes" explain below the nature of the offense, date, and location: Yes _____ No _____

   ________________________________________________________________

   ________________________________________________________________

2. Are you a U.S. citizen? Yes _____ No _____
   If "No" are you eligible to be employed under a visa or entry permit? Yes _____ No _____

3. Use the space below to list professional society memberships, job related licenses registrations, certificates (with their numbers), and expiration dates. Provide additional comments or information that would be of assistance in considering you for this position.

   ________________________________________________________________

   ________________________________________________________________

   ________________________________________________________________

## EDUCATION AND TRAINING

Please indicate your level of education below:

Less than high school education ______ High school education ______ College education ______

Number of years attended college ________

Degree(s) attained ____________________________________________

## WORK HISTORY

(List most recent jobs first)

Include paid or verifiable non-paid experience including military service. If you have had more than one position with the same employer, please list each position separately.

| | | |
|---|---|---|
| Company Name ______________ | Address ______________ | |
| Type of Business ______________ | Position Held ______________ | Yrs of Service ______ |
| Company Name ______________ | Address ______________ | |
| Type of Business ______________ | Position Held ______________ | Yrs of Service ______ |
| Company Name ______________ | Address ______________ | |
| Type of Business ______________ | Position Held ______________ | Yrs of Service ______ |
| Company Name ______________ | Address ______________ | |
| Type of Business ______________ | Position Held ______________ | Yrs of Service ______ |

In your own words, please explain why you would like to serve on the Appraisal Review Board:

________________________________________________________________

________________________________________________________________

________________________________________________________________

________________________________________________________________

________________________________________________________________

I affirm that the information provided in this application is true and correct. I further affirm that to the best of my knowledge and belief, I am not disqualified by law from accepting an appointment to the Appraisal Review Board for the Liberty County Central Appraisal District.

Signature: ______________________________ Date: ____________________

# The City of Liberty
## City Council

## Special Called Meeting

## ~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

**Tuesday, July 26, 2016** | **6:00 PM** | **City Council Chambers**

# I. CALL TO ORDER

| Attendee Name | Title | Status | Arrived |
|---|---|---|---|
| Carl Pickett | Mayor | Present | |
| Diane Huddleston | Mayor Pro Tem | Present | |
| Dennis Beasley | Councilperson | Absent | |
| Louie Potetz | Councilperson | Present | 6:01 PM |
| Libby Simonson | Councilperson | Present | |
| David Arnold | Councilperson | Present | |
| Paul Glazener | Councilperson | Present | |
| Gary Broz | City Manager | Present | |
| Dianne Tidwell | City Secretary | Present | |
| Brandon Davis | City Attorney | Present | |

# II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. There were no comments from the audience.

Mayor Pickett commented on the success of the recent blood drive held in the Liberty Center and sponsored by the City of Liberty.

City Manager Gary Broz remarked that the next meeting of the City Council would include the topics of annexation and budget. The budget will not be adopted until September 13th.

# III. PRESENTATIONS / REPORTS

**1. Information Item (ID # 3563)**

Presentation and Recognition - Former Council Member Frank Jordan

**COMMENTS - Current Meeting:**

Mayor Carl Pickett presented former Council Member Frank Jordan with a set of bookends engraved with the City logo and Mr. Jordan's service dates. Mayor Pickett expressed appreciation, on behalf of the Council and City Staff for all that Council Member Jordan accomplished during his tenure.

Mr. Jordan thanked the Mayor and expressed his gratitude for his time served and his love for the City of Liberty.

**2. Information Item (ID # 3564)**

Project Updates - City Mgr. G. Broz

**COMMENTS - Current Meeting:**

City Manager Gary Broz reviewed a list of eight (8) current sinkholes in the City and the repair status of each. Mr. Broz also made comment regarding a new sinkhole on Oklahoma Street, located around the manhole.

**3. Information Item (ID # 3565)**

Sam Rayburn Municipal Power Agency - Mayor Pickett

**COMMENTS - Current Meeting:**

Mayor Pickett reported on the SRMPA lawsuit with its former legal counsel. Mayor Pickett commented that the trial could possibly continue for another week.

**4. Information Item (ID # 3566)**

Finance Report - Finance Director, N. Herrington

**COMMENTS - Current Meeting:**

Finance Director Naomi Herrington reported on the City's financials ending June 30, 2016. Ms. Herrington reported that the General Fund has a $2.6 million fund balance, sales tax revenues are in line with budgeted amounts, and property tax revenues are over 100%. Ms. Herrington further reported that no transfers have been made from the water & sewer fund or electric fund to the General Fund, but anticipates that taking place within the next sixty days.

Ms. Herrington concluded by reporting on the other funds and the financial status of each.

# IV. REGULAR AGENDA

### *A. Regular Session*

**1. Council Action 2016-65**

Consider award of proposal for sewer line replacement on Lakeside Drive.

COMMENTS - Current Meeting:

City Manager Gary Broz reported on an emergency repair project on Lakeside Drive, from Park Street to the Daniel Lift Station, to rehabilitate a 6" sewer line to an 8" sewer line by the process of pipe bursting. Mr. Broz reviewed two quotes: 1) IPR-South Central through HGAC contract for $257,570 and 2) Lopez Construction for $136,313.25.

After brief discussion of the project to include paving of the street, after repair completion, and the project funding to come from unrestricted funds from the Cambridge Project, a motion was made to accept the proposal from Lopez Construction in the amount of $136,313.25.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

**2. Ordinance 2016-10**

Consider adoption of an Ordinance authorizing the vacating and abandonment of a portion of Sharon Lane.

COMMENTS - Current Meeting:

Mayor Pickett read the caption of the Ordinance into the record as follows:

"AN ORDINANCE AUTHORIZING THE VACATING AND ABANDONMENT OF A PORTION OF SHARON LANE; PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT THIS ORDINANCE BE READ ON TWO SEPARATE DAYS".

City Attorney Brandon Davis reported that the Council previously approved a request to abandon an unimproved right-of-way on Sharon Lane, north of Briar Drive and near Smart Materials. The Ordinance provides an avenue for recordation in the property records at the Liberty County Courthouse. A motion was made to adopt the Ordinance authorizing the vacating and abandonment of a portion of Sharon Lane.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Paul Glazener, Councilperson |
| **SECONDER:** | Libby Simonson, Councilperson |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

**3. Ordinance 2016-11**

Consider adoption of an Ordinance establishing uniform rules and regulations governing the construction and use of public rights-of-way in the City.

COMMENTS - Current Meeting:

Mayor Pickett read the caption of the Ordinance into the record as follows:

"AN ORDINANCE TO ESTABLISH UNIFORM RULES AND REGULATIONS GOVERNING THE CONSTRUCTION AND USE OF PUBLIC RIGHTS-OF-WAY IN THE CITY;

PROVIDING FOR PERMITTING AND PERMIT FEES FOR INSTALLATION OF FACILITIES IN THE RIGHTS-OF-WAY; ADDRESSING THE RIGHTS AND OBLIGATIONS OF CERTIFICATED TELECOMMUNICATIONS PROVIDERS, ADMINISTRATION AND ENFORCEMENT, CONSTRUCTION OBLIGATIONS, CONDITIONS OF OCCUPANCY OF PUBLIC RIGHTS-OF-WAY; INSURANCE REQUIREMENTS, INDEMNITY, SEVERABILITY, PENALTIES FOR UNAUTHORIZED USE OF PUBLIC RIGHTS-OF-WAY, CONSTRUCTION PERMIT ACCEPTANCE, PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT THIS ORDINANCE BE READ ON TWO SEPARATE DAYS".

City Attorney Brandon Davis reported that this ordinance will regulate placement of items in the City's rights-of-way. Brief discussion was held regarding right-of-way issues. A motion was made to adopt the Ordinance as presented.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Libby Simonson, Councilperson |
| **SECONDER:** | Diane Huddleston, Mayor Pro Tem |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

**4. Resolution 2016-3**

Consider a Resolution authorizing Publication of Notice of Intention to Issue Certificates of Obligation to finance the acquisition, construction, and equipping of various public improvement projects.

**COMMENTS - Current Meeting:**

City Manager Gary Broz reported that the proposed Notice of Intention to Issue Certificates of Obligation is the beginning step of this process. Mr. Broz stated that some debt will be paid off to keep the tax rate low and new debt will be issued. The proposed new debt is to be authorized in an amount not to exceed $7,750,000 and for the purpose of financing the acquisition, construction and equipping of various public improvement projects.

A motion was made to authorize the publication of the Notice of Intention to Issue Certificates of Obligation.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Libby Simonson, Councilperson |
| **SECONDER:** | David Arnold, Councilperson |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

***B. Executive Session***

Gov. Code §551.071 - Private Consultation with Attorney Regarding Contemplated/Pending Litigation.

1. Humphreys Cultural Center

Gov. Code §551.074 - Personnel Matters.

2. Discussion of the City Manager's Annual Evaluation.

At 6:31 p.m., Mayor Pickett closed the open meeting and opened the Executive Session as authorized above.

### *C. Reconvene into Regular Session*

At 8:28 p.m., Mayor Pickett closed the Executive Session and reconvened the open meeting.

**1. Council Action 2016-66**

Consider and take action, if any, regarding the Humphreys Cultural Center, as discussed in the Executive Session.

**COMMENTS - Current Meeting:**

A motion was made to accept the proposal for Professional Engineering Services from WJE (original building enclosure), a proposal for Litigation Support Services from WJE and another proposal for engineering services (survey update & repair documents) from WJE, a proposal from B.K. Mechanical for air conditioner upgrades, and a proposal from Ash Automated Control Systems to install Johnson Controls and analyze the building automation system, in an amount not to exceed $400,000.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Libby Simonson, Councilperson |
| **SECONDER:** | Louie Potetz, Councilperson |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

**2. Council Action 2016-64**

Consider and take action, if any, on the City Manager's Annual Evaluation, as discussed in the Executive Session.

| | |
|---|---|
| **RESULT:** | **NO ACTION TAKEN** |

# V. ADJOURNMENT

**Motion To:** Adjourn

**COMMENTS - Current Meeting:**

There being no further business before the Council, Mayor Pickett adjourned the meeting at 8:30 p.m.

.

Carl Pickett, Mayor

ATTEST:

____________________________________

Dianne Tidwell, City Secretary

# The City of Liberty
## City Council
## Special Called Meeting
## ~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

**Tuesday, August 2, 2016** **6:00 PM** **City Council Chambers**

# I. CALL TO ORDER

| Attendee Name | Title | Status | Arrived |
|---|---|---|---|
| Carl Pickett | Mayor | Present | |
| Diane Huddleston | Mayor Pro Tem | Present | |
| Dennis Beasley | Councilperson | Present | |
| Louie Potetz | Councilperson | Present | |
| Libby Simonson | Councilperson | Present | |
| David Arnold | Councilperson | Present | |
| Paul Glazener | Councilperson | Present | |
| Gary Broz | City Manager | Present | |
| Dianne Tidwell | City Secretary | Present | |
| Brandon Davis | City Attorney | Present | |

# II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. Mr. Bill Killian, LT's Garbage Service, thanked Council for the opportunity to respond to the City's Request for Proposals for Solid Waste Collection and Disposal Services.

City Manager Gary Broz reported on a handout regarding wastewater flow meter readings for the cities of Ames and Hardin.

# III. REGULAR AGENDA

### *A. Regular Session*

### 1. Resolution 2016-4

Consider a Resolution declaring the intention of the City of Liberty to annex certain territory described as .55 square miles beginning at the intersection of the south line of the existing city limits of the City of Liberty and the Trinity River having coordinates of N:10004359.04, E:4042761.36; setting the dates, times and places for two public hearings; providing for publication of notices of public hearings; and directing preparation of a Municipal Service Plan for the proposed territory.

**COMMENTS - Current Meeting:**

Mr. Art Pertile, Olson & Olson, LLP, was present to address Council regarding the City's proposed annexation of property along the Trinity River. Mr. Pertile described the annexation (Phase 1) being described as .55 square miles beginning at the intersection of the South Line of the existing city limits of the City of Liberty and the Trinity River, having coordinates of N:10004359.04, E:4042761.36. The whole complete annexation process will consist of one mile increments and 7 total phases. Mr. Pertile reviewed the resolution declaring intent, written notice sent to property owners, owners ability to keep agriculture exemptions, and other related topics.

After lengthy discussion, a motion was made to approve the Resolution declaring the City's intent to annex property as described above, along the Trinity River.

**ATTACHMENTS:**

- Resolution Exhibit A (PDF)

| | |
|---|---|
| **RESULT:** | **APPROVED [6 TO 1]** |
| **MOVER:** | Dennis Beasley, Councilperson |
| **SECONDER:** | Libby Simonson, Councilperson |
| **AYES:** | Pickett, Huddleston, Beasley, Simonson, Arnold, Glazener |
| **NAYS:** | Louie Potetz |

## IV. WORK SESSION

### 1. Work Session (ID # 3574)

Discussion of the City of Liberty's proposed budget for Fiscal Year 2016-2017.

**COMMENTS - Current Meeting:**

Lengthy discussion was held regarding the proposed Fiscal Year 2016-2017 budget to include, but not limited to, the following topics:

- increasing property taxes by 3¢, from the current $0.5900 to $0.6200, with each 1¢ equaling approximately $50,000 in additional tax revenue,
- rollback and effective tax rates,
- 1.5% employee salary increase,
- health insurance costs up 4%,
- increasing water and wastewater rates,
- various funds and fund balances, and

- other related issues.

## V. ADJOURNMENT

**Motion To:** Adjourn

**COMMENTS - Current Meeting:**

There being no further business before the Council, Mayor Pickett adjourned the meeting at 7:19 p.m.

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______________________________
Carl Pickett, Mayor

ATTEST:

______________________________
Dianne Tidwell, City Secretary

# The City of Liberty
City Council

Regular Meeting

~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

**Tuesday, August 9, 2016** | **6:00 PM** | **City Council Chambers**

## I. CALL TO ORDER

| Attendee Name | Title | Status | Arrived |
|---|---|---|---|
| Carl Pickett | Mayor | Present | |
| Diane Huddleston | Mayor Pro Tem | Present | |
| Dennis Beasley | Councilperson | Absent | |
| Louie Potetz | Councilperson | Present | |
| Libby Simonson | Councilperson | Present | |
| David Arnold | Councilperson | Present | |
| Paul Glazener | Councilperson | Present | |
| Gary Broz | City Manager | Present | |
| Dianne Tidwell | City Secretary | Present | |
| Brandon Davis | City Attorney | Present | |

## II. INVOCATION

The Invocation was given by Mr. Curtis Scott, 1st Councillor of the Bishopry, Church of Jesus Christ of Latter Day Saints, Liberty, Texas.

## III. PLEDGE OF ALLEGIANCE

The pledge to the American and Texas flags was led by Police Chief Tom Claunch.

## IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. There were no comments from the audience.

Mayor Pickett wished Council Member Beasley a speedy recovery from his recent surgery. Mayor Pickett commented on the upcoming Chamber of Commerce Fundraiser to be held August 12, 2016.

# V. PRESENTATIONS / REPORTS

### A. Information Item (ID # 3575)

Project Updates - City Mgr. G. Broz

**COMMENTS - Current Meeting:**

City Manager Gary Broz reported on the following items:

1) received wastewater re-use permit from TCEQ,

2) TxDOT street project will begin on Main Street, at Hwy. 90 north to Grand Avenue,

3) update on Council Member Beasley's health,

4) continuing to work on proposed budget for FY 2016-2017 and monitoring spending on current budget,

5) reported on numerous sinkholes and the repair status of each, and

6) other City activities.

### B. Information Item (ID # 3576)

Sam Rayburn Municipal Power Agency - Mayor Pickett

**COMMENTS - Current Meeting:**

Mayor Pickett reported on the Express Feeder which will create redundancy in the City's electric system. The plans and design should be complete by August 15, with construction to begin in November/December, having a 180 day completion time. The route of this feeder will be from the substation on FM 3361, to FM 2684, to MLK, then east to the Beaumont Substation.

Mayor Pickett also reported on the trial involving the Agency and its former legal counsel. The Agency has been awarded $6.7 million in damages to be recovered, however, either party could still appeal.

Lastly, Mayor Pickett reported that the Agency had previously authorized the installation of seven new transformers within the three member cities. The City of Liberty will receive the first transformer, which is scheduled for installation in late September and be operating by the end of October. These transformers will create reliability and stability in the electric system.

# VI. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Libby Simonson, Councilperson |
| **SECONDER:** | Paul Glazener, Councilperson |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

### *A. Minutes Approval*

**1.** Tuesday, July 12, 2016

**2.** Wednesday, July 13, 2016

## VII. REGULAR AGENDA

### *A. Regular Session*

**1. Council Action 2016-67**

Ms. Gwen Lunceford to address the Council regarding the Order of Abatement for the structure located at 109 Mimosa Street, and take any action deemed necessary.

**COMMENTS - Current Meeting:**

At the May 10, 2016 Council Meeting, the property owners at 109 Mimosa were given 90 days to complete the demolition of the structure, except for the fireplace and sun room, contingent upon a structural engineer's report, at 45 days, that it was safe to leave the fireplace and sun room intact. If not complete within the allotted time period, the City was authorized to proceed with demolition and placing a lien on the property.

Ms. Gwen Lunceford addressed the Council and requested an additional thirty (30) days, stating nothing was complete with regard to the previous directive.

After further discussion, a motion was made to extend the Order of Abatement for an additional thirty (30) days in which the property owner will obtain a structural engineer's report on the property, to include plans for repair or replacement of the electrical, plumbing and HVAC systems, also presenting an executed contractor agreement and contractor's timeline for rehabilitation.

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| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Libby Simonson, Councilperson |
| **SECONDER:** | Diane Huddleston, Mayor Pro Tem |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

### 2. Council Action 2016-69

Consider award of proposal for Solid Waste Collection and Disposal Services.

**COMMENTS - Current Meeting:**

City Manager Gary Broz reported on three proposals received for the City's solid waste collection and disposal services. Mr. Broz reviewed the three proposals and related tabulation sheets, with the proposers being Waste Management, LT's Garbage Service, and Progressive Waste. Discussion involved number of pickups per week, furnished carts, brush pickup, recycling, and other related topics.

After lengthy discussion, it was consensus of the Council that this item be placed on the agenda for a special called meeting on Tuesday, August 23rd at 5:30 p.m.

| | |
|---|---|
| **RESULT:** | **NO ACTION TAKEN** |

### 3. Council Action 2016-68

Consider setting the date, time and location for a Public Hearing on the proposed budget for Fiscal Year 2016-2017.

**COMMENTS - Current Meeting:**

A motion was made to hold a public hearing on the proposed Fiscal Year 2016-2017 budget on Tuesday, August 23rd at 5:30 p.m., in the City Council Chambers.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

### 4. Council Action 2016-70

Consider approval of the proposed tax rate for Fiscal Year 2016-2017.

**COMMENTS - Current Meeting:**

Discussion was held regarding the proposed tax rate of $0.6200, which is an increase of three cents from the previous year's tax rate of $0.5900. After further discussion of related issues to include the debt service and maintenance and operations rates, rollback and effective rates, and other related issues, a motion was made to propose a tax rate of $0.6200, per $100 valuation, for Fiscal Year 2016-2017.

| | |
|---|---|
| **RESULT:** | **APPROVED [5 TO 1]** |
| **MOVER:** | David Arnold, Councilperson |
| **SECONDER:** | Libby Simonson, Councilperson |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold |
| **NAYS:** | Paul Glazener |
| **ABSENT:** | Dennis Beasley |

**5. Council Action (ID # 3580)**

Consider setting the date, time and location for public hearings on the proposed tax rate for Fiscal Year 2016-2017.

**COMMENTS - Current Meeting:**

A motion was made to hold a public hearing on the proposed tax rate of $0.6200, for Fiscal Year 2016-2017 on Tuesday, August 23rd at 5:30 p.m. and Tuesday, August 30, 2016, at 6:00 p.m., in the City Council Chambers.

**6. Work Session (ID # 3581)**

Discussion of the proposed 2016-2017 Fiscal Year Budget.

**COMMENTS - Current Meeting:**

This agenda item was passed on, no discussion was held.

**7. Council Action 2016-71**

Consider a bid for Tax Resale Property described as a mobile home, Fisher, Block 0-49, Lot 7 8 (Confederate Street).

**COMMENTS - Current Meeting:**

City Attorney Brandon Davis reported that an offer of $2000.00 was made for tax resale property located on Confederate Street. Total taxes owed are $5408.92. If the bid is accepted, $312.93 will be distributed to the City of Liberty.

After brief discussion, a motion was made to accept the bid of $2000.00 for the tax resale property described as Fisher, Block 0-49, Lot 7 8 MH Label #TEX0008936.

**ATTACHMENTS:**

- Tax Resale Property-Fisher-Confederate (PDF)
- IMG_0988 (JPG)
- IMG_0989 (JPG)
- IMG_0990 (JPG)
- IMG_0991 (JPG)

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Libby Simonson, Councilperson |
| **SECONDER:** | Diane Huddleston, Mayor Pro Tem |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

**8. Council Action 2016-72**

Consider a bid for Tax Resale Property described as 0.6439 Acres, Richardson, Lot 26, Lot 7 8 (Church St.).

**COMMENTS - Current Meeting:**

City Attorney Brandon Davis reported that an offer of $3250.00 was made for tax resale property located on Church Street. Total taxes owed are $16,129.90. If the bid is accepted, $660.04 will be distributed to the City of Liberty.

After brief discussion, a motion was made to accept the bid of $3250.00 for the tax resale property described as Richardson, Lot 26, Section 1.

**ATTACHMENTS:**

- Tax Resale Property-Richardson (PDF)
- IMG_0983 (JPG)
- IMG_0984 (JPG)
- IMG_0985 (JPG)
- IMG_0986 (JPG)
- IMG_0987 (JPG)

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | David Arnold, Councilperson |
| **SECONDER:** | Paul Glazener, Councilperson |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

### 9. Resolution 2016-5

Consider approval of a Resolution electing to participate in the Tax Abatement Program under Texas Tax Code Chapter 312.

**COMMENTS - Current Meeting:**

City Attorney Brandon Davis reported that, prior to entering into any tax abatement agreements, a municipality must elect to become eligible to participate in tax abatement, followed by establishing guidelines and criteria governing tax abatement agreements. Mr. Davis further stated that this Resolution reflects that the City of Liberty elects to participate in the Texas Tax Code, Tax Abatement Program.

A motion was made to approve the Resolution as presented.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Libby Simonson, Councilperson |
| **SECONDER:** | David Arnold, Councilperson |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

### 10. Resolution 2016-6

Consider a Resolution adopting Guidelines and Criteria for Tax Abatement.

**COMMENTS - Current Meeting:**

City Attorney Brandon Davis reported that the proposed guidelines and criteria include several changes from the 2014-2016 adoption. Tax Abatement Guidelines are adopted every two years. Those changes include discretionary considerations (a-r) for tax abatement application and tax abatement terms to be determined by City Council on a case by case basis with a maximum term of ten years.

After brief discussion, a motion was made to adopt the Tax Abatement Guidelines and Criteria for August, 2016 thru August, 2018.

**ATTACHMENTS:**

- Tax Abatement Guidelines 2016-OLD (DOC)
- Tax Abatement Guidelines and Criteria-NEW (DOCX)

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | David Arnold, Councilperson |
| **SECONDER:** | Louie Potetz, Councilperson |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

### 11. Council Action 2016-73

Discussion of current wastewater repair projects, and take any action deemed necessary.

**COMMENTS - Current Meeting:**

City Manager Gary Broz reported that this expenditure is a change order to the original contract, with PM Construction, for wastewater repairs on Alabama, Bowie and Hwy. 90. The change order amount of $13,156 is for the addition of 44 feet of repairs on Bowie Street, north of Edgewood.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Libby Simonson, Councilperson |
| **SECONDER:** | Diane Huddleston, Mayor Pro Tem |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Arnold, Glazener |
| **ABSENT:** | Dennis Beasley |

## VIII. ADJOURNMENT

**A. Motion To:** Adjourn

**COMMENTS - Current Meeting:**

There being no further business before the Council, Mayor Pickett adjourned the meeting at 8:18 p.m.

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Carl Pickett, Mayor

ATTEST:

______________________________
Dianne Tidwell, City Secretary

# The City of Liberty
## City Council
## Special Called Meeting
## ~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

**Tuesday, August 23, 2016** | **5:30 PM** | **City Council Chambers**

## I. CALL TO ORDER

| Attendee Name | Title | Status | Arrived |
|---|---|---|---|
| Carl Pickett | Mayor | Present | |
| Diane Huddleston | Mayor Pro Tem | Present | |
| Dennis Beasley | Councilperson | Absent | |
| Louie Potetz | Councilperson | Present | |
| Libby Simonson | Councilperson | Present | |
| David Arnold | Councilperson | Present | |
| Paul Glazener | Councilperson | Present | |
| Gary Broz | City Manager | Present | |
| Dianne Tidwell | City Secretary | Present | |
| Brandon Davis | City Attorney | Present | |

## II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. There were no comments from the audience.

Mayor Pickett reported to Council the next two meetings of the City Council are scheduled for Tuesday, August 30 and Tuesday, September 13, 2016.

City Manager Gary Broz reported that engineers from O'Malley Strand Associates would be present at the August 30 meeting to discuss Texas Water Development Board Water Projects.

# III. PRESENTATIONS / REPORTS

### 1. Information Item (ID # 3597)

Finance Report - Finance Director, N. Herrington

**COMMENTS - Current Meeting:**

Finance Director Naomi Herrington reported the following:

- General Fund balance is $2.3 million,
- No transfers have been made from the Water & Wastewater or Electric Funds to the General Fund, but transfers should take place within the next thirty days,
- Sales tax revenues are close to budgeted amounts,
- Property tax revenues are above budgeted amounts,
- $1.150 million was transferred from the Cambridge Funds, to the Water Fund, for sinkhole repairs, and
- The remaining funds were reviewed.

# IV. REGULAR AGENDA

## *A. Regular Session*

### 1. Council Action 2016-74

Consider award of proposal for Solid Waste Collection and Disposal Services.

**COMMENTS - Current Meeting:**

Lengthy discussion was held regarding the recent proposals received for the City's garbage collection and disposal services. Numerous topics of discussion included one-day and two-day pickup, recycling, contractor provided containers, current and proposed costs, brush pickup, roll-offs, construction debris, and other related issues.

After lengthy dialogue, a motion was made to accept the proposal from LT's Garbage Service for residential and commercial collection and disposal services, with the stipulation that the contractor will provide a roll-off container free of charge for recycling, for the first year, the contract being for three years, with two, one-year extensions.

| | |
|---|---|
| **RESULT:** | **APPROVED [5 TO 0]** |
| **MOVER:** | David Arnold, Councilperson |
| **SECONDER:** | Libby Simonson, Councilperson |
| **AYES:** | Pickett, Potetz, Simonson, Arnold, Glazener |
| **ABSTAIN:** | Diane Huddleston |
| **ABSENT:** | Dennis Beasley |

**2. Work Session (ID # 3599)**

Discussion of the proposed Fiscal Year 2016-2017 Budget.

**COMMENTS - Current Meeting:**

City Manager Gary Broz reported that the proposed budget includes a 3% increase in property taxes (with one cent equalling $50,000 in property tax revenue), water & sewer rate increases, a 1.5% salary increase for employees, that 85-88% of the municipal budget being personnel costs to include five positions not being filled in the new fiscal year. Mr. Broz stated that this document has been carefully reviewed for reducing budgeted expenditures, with no remaining options.

Council Member Arnold left the meeting at 7:19 p.m.

Further discussion was held regarding the proposed budget.

**3. Public Hearing (ID # 3600)**

Public Hearing on the proposed Budget for Fiscal Year 2016-2017.

**COMMENTS - Current Meeting:**

At 7:20 p.m., Mayor Pickett opened the Public Hearing on the proposed budget for the new fiscal year. After discussion of varied and related budget topics, Mayor Pickett closed the Public Hearing at 7:33 p.m.

**4. Council Action 2016-75**

Consider postponement of the Final Vote on the Fiscal Year 2016-2017 Budget until September 13, 2016.

**COMMENTS - Current Meeting:**

State Law requires that if the budget is not adopted at the same meeting as the public hearing, the Council must take action to postpone adoption until a later date. Management recommends adoption of the budget on September 13, 2016.

A motion was made to postpone the final voted on the Fiscal Year 2016-2017 budget until Tuesday, September 13, 2016.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Louie Potetz, Councilperson |
| **SECONDER:** | Paul Glazener, Councilperson |
| **AYES:** | Pickett, Huddleston, Potetz, Simonson, Glazener |
| **ABSENT:** | Dennis Beasley, David Arnold |

**5. Public Hearing (ID # 3602)**

Public Hearing on the proposed Ad Valorem Tax Rate for Fiscal Year 2016-2017.

**COMMENTS - Current Meeting:**

At 7:34 p.m., Mayor Pickett opened the Public Hearing on the proposed tax rate for Fiscal Year 2016-2017. Discussion was held regarding the tax rate, effective and rollback rates, additional proposed rate increases, and other tax related issues. After lengthy discussion, consensus of the Council was to lower the proposed rate to $0.6100 by transferring $50,000 from the Solid Waste Fund.

Mayor Pickett closed the Public Hearing at 7:36 p.m.

## V. ADJOURNMENT

**Motion To:** Adjourn

**COMMENTS - Current Meeting:**

There being no further business before the Council, Mayor Pickett adjourned the meeting at 7:36 p.m.

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Carl Pickett, Mayor

ATTEST:

______________________________

Dianne Tidwell, City Secretary

Minutes Acceptance: Minutes of Aug 23, 2016 5:30 PM (Minutes Approval)

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

# The City of Liberty
## City Council
## Special Called Meeting
## ~ Minutes ~

**Tuesday, August 30, 2016** | **6:00 PM** | **City Council Chambers**

# I. CALL TO ORDER

| Attendee Name | Title | Status | Arrived |
|---|---|---|---|
| Carl Pickett | Mayor | Present | |
| Diane Huddleston | Mayor Pro Tem | Present | |
| Dennis Beasley | Councilperson | Present | |
| Louie Potetz | Councilperson | Present | |
| Libby Simonson | Councilperson | Present | |
| David Arnold | Councilperson | Present | |
| Paul Glazener | Councilperson | Present | |
| Gary Broz | City Manager | Present | |
| Dianne Tidwell | City Secretary | Present | |

# II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. There were no comments from the audience.

Council Member Simonson welcomed Council Member Beasley back to his first meeting after recent surgery.

City Manager Gary Broz reported that Travis Street, from Holly to Edgewood, was closed for sewer repairs. Mr. Broz further commented on several other water/sewer line repair issues.

Mayor Pickett reported that the City Offices would be closed on Monday, September 5, for the Labor Day Holiday. Mayor Pickett also expressed his appreciation for City Hall Custodian Maria Olmos for her dedication and diligence to her work.

# III. PRESENTATIONS / REPORTS

There were no presentations and reports.

# IV. REGULAR AGENDA

## *A. Regular Session*

### 1. Public Hearing (ID # 3603)

Public Hearing on the proposed Ad Valorem Tax Rate for Fiscal Year 2016-2017.

**COMMENTS - Current Meeting:**

At 6:11 p.m., Mayor Pickett opened the second of two public hearings on the proposed tax rate. Mr. Broz reported at the previous Council Meeting, the decision was made to transfer $50,000 to the General Fund, from the Solid Waste Fund, in order to lower the proposed tax rate of $0.6200 to $0.6100. Mr. Broz stated that this would provide for a balanced budget.

After brief discussion, Mayor Pickett closed the Public Hearing at 6:22 p.m.

### 2. Council Action 2016-76

Consider an expenditure for relocation of a waterline on Neyland Street, at the WCID #5 ditch, and take any action deemed necessary.

**COMMENTS - Current Meeting:**

Tom Warner, Public Works Director, reported on a proposed expenditure for the relocation of a waterline between Layl Drive and East Street. The WCID #5 made improvements to the ditch and moved the centerline to the west, causing the waterline to be exposed. It is now necessary to relocate the waterline 200 feet in both directions and 2 feet deeper. The cost of moving the line is $15,200 and installation of two cut off valves, in order to minimize interruption in water service is $15, 804.

A motion was made to relocate the waterline and install two valves for a total cost of $31,004.74, to include dialogue with the WCID #5 regarding reimbursement for this work.

| | |
|---|---|
| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Libby Simonson, Councilperson |
| **SECONDER:** | Dennis Beasley, Councilperson |
| **AYES:** | Pickett, Huddleston, Beasley, Potetz, Simonson, Arnold, Glazener |

### 3. Council Action 2016-77

Presentation by O'Malley Strand Associates, Inc. Regarding Texas Water Development Board Water Projects, and take any action deemed necessary.

**COMMENTS - Current Meeting:**

William Huebner and Craig Kankel, Strand Associates, were present to address Council regarding the City's proposed water projects to be funded through a Texas Water Development Board Loan. Mr. Huebner stated that the various projects were numerous and would be better served by a Phase I and Phase II approach. The main goal being the creation of two pressure planes in the City, as the north end of town has a higher elevation than the south end of town..

Mr. Huebner reported that Phase I includes a new water plant made up of the following: water well, ground storage tank, booster pump station and elevated tank. Phase I will also include installing new valves on existing lines and installing new water lines to improve pressure in the upper pressure plane. All of these improvements will assist in keeping up with demand and plans for future use. Total cost is approximately $8 million.

Phase II includes replacing the existing booster pump station at the North Water Plant, rehabilitation of the existing ground storage tank at the North Plant, and replacing undersized water lines with new 6" and 8" water lines. Approximate cost is $3.5 million. At some point in time, there will be a Phase III to complete necessary improvements to remaining water lines.

Lengthy discussion was held regarding the Phase I construction schedule and related issues. The project is to be let for bid in October 2017, with completion of Phase I construction in December 31, 2018.

| | |
|---|---|
| **RESULT:** | **NO ACTION TAKEN** |

## V. ADJOURNMENT

**Motion To:** Adjourn

**COMMENTS - Current Meeting:**

There being no further business before the Council, Mayor Pickett adjourned the meeting at 7:07 p.m.

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______________________________
Carl Pickett, Mayor

ATTEST:

______________________________
Dianne Tidwell, City Secretary

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Airport Improvements

## COUNCIL ACTION (ID # 3625)

DOC ID: 3625

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# TEXAS DEPARTMENT OF TRANSPORTATION
# GRANT FOR ROUTINE AIRPORT MAINTENANCE PROGRAM

**(State Assisted Airport Routine Maintenance)**

**TxDOT Project ID: M1720LBRT**

## Part I - Identification of the Project

TO: The City of Liberty, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

This Grant is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the City of Liberty, Texas, (hereinafter referred to as the "Sponsor").

This Grant Agreement is entered into between the State and Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

The project is for **airport maintenance** at the Liberty Municipal Airport.

## Part II - Offer of Financial Assistance

1. For the purposes of this Grant, the annual routine maintenance project cost, Amount A, is estimated as found on Attachment A, Scope of Services, attached hereto and made a part of this grant agreement.

   State financial assistance granted will be used solely and exclusively for airport maintenance and other incidental items as approved by the State. Actual work to be performed under this agreement is found on Attachment A, Scope of Services. State financial assistance, Amount B, will be for fifty percent (50%) of the eligible project costs for this project or $50,000.00, whichever is less, per fiscal year and subject to availability of state appropriations.

   Scope of Services, Attachment A, of this Grant, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services, Attachment A.

   Services will not be accomplished by the State until receipt of Sponsor's share of project costs.

**Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.**

Work shall be accomplished by August 31, 2017, unless otherwise approved by the State.

2. The State shall determine fair and eligible project costs for work scope. Sponsor's share of estimated project costs, Amount C, shall be as found on Attachment A and any amendments.

   It is mutually understood and agreed that if, during the term of this agreement, the State determines that there is an overrun in the estimated annual routine maintenance costs, the State may increase the grant to cover the amount of the overrun within the above stated percentages and subject to the maximum amount of state funding.

   The State will not authorize expenditures in excess of the dollar amounts identified in this Agreement and any amendments, without the consent of the Sponsor.

3. Sponsor, by accepting this Grant certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.

   Upon execution of this Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.

   The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

4. The Sponsor specifically agrees that it shall pay any project costs which exceed the amount of financial participation agreed to by the State. It is further agreed that the Sponsor will reimburse the State for any payment or payments made by the State which are in excess of the percentage of financial assistance (Amount B) as stated in Paragraph II-1.

5. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and reasonable cost. Reimbursement requests for locally contracted work shall be submitted on forms provided by the State and shall include copies of the invoices for materials or services. Payment shall be made for no more than 50% of allowable charges.

The State will not participate in funding for force account work conducted by the Sponsor.

6. This Grant shall terminate upon completion of the scope of services.

**Part III - Sponsor Responsibilities**

1. In accepting this Grant, if applicable, the Sponsor guarantees that:

   a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Grant; and

   b. the Airport or navigational facility which is the subject of this Grant shall be controlled by the Sponsor for a period of at least 20 years; and

   c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Grant; and

   d. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips, taxiways, parking aprons, roads, airport lighting and navigational aids; and

   e. it shall not enter into any agreement nor permit any aircraft to gain direct ground access to the sponsor's airport from private property adjacent to or in the immediate area of the airport. Further, Sponsor shall not allow aircraft direct ground access to private property. Sponsor shall be subject to this prohibition, commonly known as a "through-the-fence operation," unless an exception is granted in writing by the State due to extreme circumstances; and

   f. it shall not permit non-aeronautical use of airport facilities without prior approval of the State; and

   g. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and

   h. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and

   i. an Airport Fund shall be established by resolution, order or ordinance in the treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or a properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or any other revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent approval of a grant or loan, Sponsor has complied with the requirements of this subparagraph; and

j. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and

k. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace, unless sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State.

l. mowing services will not be eligible for state financial assistance. Sponsor will be responsible for 100% of any mowing services.

2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.

3. The Sponsor's acceptance of this Offer and ratification and adoption of this Grant shall be evidenced by execution of this Grant by the Sponsor. The Grant shall comprise a contract, constituting the obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

If it becomes unreasonable or impractical to complete the project, the State may void this agreement and release the Sponsor from any further obligation of project costs.

4. Upon entering into this Grant, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this grant and shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor, and coordinate schedule for work items as required.

5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.

6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services. The reimbursement request will be submitted no more than once a month.

7. The Sponsor's acceptance of this Agreement shall comprise a Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this agreement.

**PART IV - Nomination of the Agent**

1. The Sponsor designates the State as the party to receive and disburse all funds used, or to be used, in payment of the costs of the project, or in reimbursement to either of the parties for costs incurred.

2. The State shall, for all purposes in connection with the project identified above, be the Agent of the Sponsor. The Sponsor grants the State a power of attorney to act as its agent to perform the following services:

    a. accept, receive, and deposit with the State any and all project funds granted, allowed, and paid or made available by the Sponsor, the State of Texas, or any other entity;

    b. enter into contracts as necessary for execution of scope of services;

    c. if State enters into a contract as Agent: exercise supervision and direction of the project work as the State reasonably finds appropriate. Where there is an irreconcilable conflict or difference of opinion, judgment, order or direction between the State and the Sponsor or any service provider, the State shall issue a written order which shall prevail and be controlling;

d. receive, review, approve and pay invoices and payment requests for services and materials supplied in accordance with the State approved contracts;

e. obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

f. reimburse sponsor for approved contract maintenance costs no more than once a month.

**PART V - Recitals**

1. This Grant is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.

2. It is the intent of this grant to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this grant be in addition to those local funds normally dedicated for airport maintenance.

3. This Grant is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Grant or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.

   a. Of primary importance to the State is compliance with the terms and conditions of this Grant. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Grant, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Grant, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Grant, provided however, these remedies shall not limit the State's authority to enforce its rules, regulations or orders as otherwise provided by law, (4) declare this Grant null and void, or (5) any other remedy available at law or in equity.

b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Grant, or for enforcement of any of the provisions of this Grant, is specifically set by Grant of the parties in Travis County, Texas.

4. The State reserves the right to amend or withdraw this Grant at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.

5. This Grant constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.

6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

## Part VI - Acceptances

### Sponsor

The City of Liberty, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Grant.

Executed this _________ day of ___________________, 20___.

The City of Liberty, Texas
Sponsor

_______________________________ Witness Signature

_______________________________ Sponsor Signature

_______________________________ Witness Title

_______________________________ Sponsor Title

### Certificate of Attorney

I, Brandon Davis, acting as attorney for the City of Liberty, Texas, do certify that I have fully examined the Grant and the proceedings taken by the Sponsor relating to the acceptance of the Grant, and find that the manner of acceptance and execution of the Grant by the Sponsor, is in accordance with the laws of the State of Texas.

Dated at ____________________, Texas, this ______ day of __________________, 20___.

_______________________________ Witness Signature

_______________________________ Attorney's Signature

_______________________________ Witness Title

**Acceptance of the State**

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

STATE OF TEXAS
TEXAS DEPARTMENT OF TRANSPORTATION

By:______________________________________

Date:_____________________________________

**Attachment A**
**Scope of Services**
**TxDOT Project ID: M1720LBRT**

| Eligible Scope Item: | Estimated Costs Amount A | State Share Amount B | Sponsor Share Amount C |
|---|---|---|---|
| GENERAL MAINTENANCE | $2,000.00 | $1,000.00 | $1,000.00 |
| Special Project | $0.00 | $0.00 | $0.00 |
| Special Project | $0.00 | $0.00 | $0.00 |
| Special Project | $0.00 | $0.00 | $0.00 |
| Special Project | $0.00 | $0.00 | $0.00 |
| Special Project | $0.00 | $0.00 | $0.00 |
| | | | |
| TOTAL | $2,000.00 | $1,000.00 | $1,000.00 |

Accepted by: The City of Liberty, Texas

Signature

Title:

Date:

GENERAL MAINTENANCE: As needed, Sponsor may contract for services/purchase materials for routine maintenance/improvement of airport pavements, signage, drainage, AWOS systems, approach aids, lighting systems, utility infrastructure, fencing, herbicide/application, sponsor owned and operated fuel systems, hangars, terminal buildings and security systems; professional services for environmental compliance, approved project design. Special projects to be determined and added by amendment.

**Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.**

**DESIGNATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE**

TxDOT Project ID: M1720LBRT

The City of Liberty designates, ______________________________________________
(Name, Title)
as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this grant and who shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor.

The City of Liberty, Texas
(Sponsor)

By:________________________________

Title:______________________________

Date:______________________________

**DESIGNATED REPRESENTATIVE**

Mailing Address:______________________________

______________________________________________

______________________________________________

Overnight Mailing Address:______________________

______________________________________________

______________________________________________

Telephone/Fax Number:________________________

______________________________________________

Email address: _________________________________

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Certificates of Obligation

**ORDINANCE (ID # 3609)** DOC ID: 3609 A

**ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $__________IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX AND A PLEDGE OF CERTAIN SURPLUS REVENUES OF THE CITY'S WATER AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO**

**DATE OF APPROVAL: SEPTEMBER 13, 2016**

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**ORDINANCE NO. ________________**

**ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $__________IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL**

**AD VALOREM TAX AND A PLEDGE OF CERTAIN SURPLUS REVENUES OF THE CITY'S WATER AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO**

**THE STATE OF TEXAS**

**§**
**COUNTY OF LIBERTY**

**§**
**CITY OF LIBERTY** **§**

***WHEREAS***, the **CITY OF LIBERTY, TEXAS** (the "***City***") in Liberty County, Texas, is a political subdivision of the State of Texas operating as a home-rule city pursuant to the Texas Local Government Code and its City Charter which was initially approved by the qualified voters of the City on May 6, 1958, and which has been amended from time to time, with the most recent amendments being approved by the qualified voters of the City on May 10, 2008; and

***WHEREAS,*** the City Council of the City hereby determines that it is necessary and desirable to finance all or a portion of the following projects (collectively, the "***Projects***"):

(i) construct street, curb, and sidewalk improvements in various locations in the City, together with utility relocation and/or drainage improvements related or incidental thereto;

(ii) construct or make various repairs, extensions, additions and improvements to, and acquire and install equipment related to, the City's combined waterworks and sewer system;

(iii) construct or make various repairs, extensions, additions and improvements to, and acquire and install equipment related to, the City's Municipal Library; and

(iv) possibly purchase equipment deemed appropriate to complete the aforementioned projects; and

***WHEREAS***, the City Council of the City intends to finance the Projects from proceeds derived from the sale of two or more series of Combination Tax and Revenue Certificates of Obligation issued by the City pursuant to Sections 271.041 - 271.064, Texas Local Government Code, as amended; and

***WHEREAS***, on July 26, 2016, the City Council adopted a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation in the principal amount not to exceed *$7,750,000* to finance the Projects; and

***WHEREAS***, the Notice with respect to the Projects was duly published in the ________________________, which is a newspaper of general circulation in the City, in its issues of August , 2016 and August , 2016; and

***WHEREAS***, the City received no petition signed by at least five percent of the qualified electors of the City protesting the issuance of Certificates of Obligation; and

***WHEREAS***, it is considered to be in the best interest of the City that said interest bearing Certificates of Obligation be issued; and

***WHEREAS***, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

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

**SECTION 1. AMOUNT AND PURPOSE OF THE CERTIFICATES OF OBLIGATION**.
The certificate of obligation or certificates of obligation of the City further described in Section 2 of this Ordinance and referred to herein as the "Certificates of Obligation" are hereby authorized to be issued and delivered in the aggregate principal amount of ***$_____FOR THE PURPOSE OF PAYING, IN WHOLE OR IN PART, CONTRACTUAL OBLIGATIONS TO BE INCURRED TO MAKE VARIOUS PUBLIC IMPROVEMENTS IN THE CITY INCLUDING: (I) CONSTRUCT STREET, CURB, AND SIDEWALK IMPROVEMENTS IN VARIOUS LOCATIONS IN THE CITY, TOGETHER WITH UTILITY RELOCATION AND/OR DRAINAGE IMPROVEMENTS RELATED OR INCIDENTAL THERETO; (II) CONSTRUCT OR MAKE VARIOUS REPAIRS, EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO, AND ACQUIRE AND INSTALL EQUIPMENT RELATED TO, THE CITY'S COMBINED WATERWORKS AND SEWER SYSTEM; (III) CONSTRUCT OR MAKE VARIOUS REPAIRS, EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO, AND ACQUIRE AND INSTALL EQUIPMENT RELATED TO, THE CITY'S MUNICIPAL LIBRARY; AND (IV) POSSIBLY PURCHASE EQUIPMENT DEEMED APPROPRIATE TO COMPLETE THE AFOREMENTIONED PROJECTS (COLLECTIVELY, THE "PROJECTS"), AND PAYING ALL OR A PORTION OF THE LEGAL, FISCAL, AND ENGINEERING FEES IN CONNECTION WITH THE PROJECTS AND COSTS OF ISSUANCE RELATED TO SUCH CERTIFICATES OF OBLIGATION.***

**SECTION 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF THE CERTIFICATES OF OBLIGATION**. Each certificate of obligation issued pursuant to and for the purpose described in Section 1 of this Ordinance shall be designated

**CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION,**
**SERIES 2016**, and initially there shall be issued, sold and delivered hereunder one fully registered certificate of obligation, without interest coupons, dated September 1, 2016, in the aggregate principal amount of ***$______***, numbered T-1 (the "***Initial Certificate of Obligation***"), with certificates of obligation issued in replacement thereof being in the denomination of $5,000 or any integral multiple thereof and numbered consecutively from R-1 upward, all payable to the initial registered owner thereof (with the Initial Certificate of Obligation being payable to the initial purchaser designated in Section 16 hereof), or to the registered assignee or assignees of said certificates of obligation or any portion or portions thereof (in each case, the "***Registered Owner***"), and the certificates of obligation shall mature and be payable serially on ***March 1*** in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

| YEAR OF MATURITY | PRINCIPAL AMOUNT ($) | YEAR OF MATURITY | PRINCIPAL AMOUNT ($) | YEAR OF MATURITY | PRINCIPAL AMOUNT ($) |
|---|---|---|---|---|---|
| 2017 | | 2024 | | 2031 | |
| 2018 | | 2025 | | 2032 | |
| 2019 | | 2026 | | 2033 | |
| 2020 | | 2027 | | 2034 | |
| 2021 | | 2028 | | 2035 | |
| 2022 | | 2029 | | 2036 | |
| 2023 | | 2030 | | | |

The term "***Certificates of Obligation***" as used in this Ordinance shall mean and include the Certificates of Obligation initially issued and delivered pursuant to this Ordinance and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "***Certificate of Obligation***" shall mean any of the Certificates of Obligation.

**SECTION 3. INTEREST**. The Certificates of Obligation shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance to their respective dates of maturity or prior redemption at the following rates per annum:

| YEAR OF MATURITY | INTEREST RATE (%) | YEAR OF MATURITY | INTEREST RATE (%) | YEAR OF MATURITY | INTEREST RATE (%) |
|---|---|---|---|---|---|
| 2017 | | 2024 | | 2031 | |
| 2018 | | 2025 | | 2032 | |
| 2019 | | 2026 | | 2033 | |
| 2020 | | 2027 | | 2034 | |
| 2021 | | 2028 | | 2035 | |
| 2022 | | 2029 | | 2036 | |
| 2023 | | 2030 | | | |

Said interest shall be payable in the manner provided and on the dates stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance.

**SECTION 4. CHARACTERISTICS OF THE CERTIFICATES OF OBLIGATION; APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT**.

(a) Registration, Transfer, and Exchange; Authentication. The City shall keep or cause to be kept at the designated corporate trust or commercial banking office of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the "***Paying Agent/Registrar***") books or records for the registration of the transfer and exchange of the Certificates of Obligation (the "***Registration Books***"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. Attached hereto as *Exhibit A* is a copy of the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Mayor, Mayor Pro-Tem and City Secretary of the City are hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate of Obligation to which payments with respect to the Certificates of Obligation shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Certificates of Obligation shall be made within three business days after request and presentation thereof. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Regis- trar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Certificate of Obligation or Certificates of Obligation shall be paid as provided in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance. Registration of assignments, transfers and exchanges of Certificates of Obligation shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. Each substitute Certificate of Obligation shall bear a letter and/or number to distinguish it from each other Certificate of Obligation.

Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate of Obligation, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Certificate of Obligation shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates of Obligation and Certificates of Obligation surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing transfer and exchange of any Certificate of Obligation or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates of Obligation in the manner prescribed herein, and said Certificates of Obligation shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, and particularly Subchapter D and Section 1201.067 thereof, the duty of transfer and exchange of Certificates of Obligation as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Cer- tificate, the transferred and exchanged Certificate of Obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates of Obligation which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Certificates of Obligation and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates of Obligation, all as provided in this Ordinance. The Paying Agent/ Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates of Obligation.

(c) In General. The Certificates of Obligation (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates of Obligation to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 50 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates of Obligation, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibili- ties with respect to the Certificates of Obligation, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. The Initial Certificate of Obligation is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate of Obligation issued in exchange for the Initial Certificate of Obligation issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE OF OBLIGATION. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Certificate of Obligation delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF CERTIFICATE OF OBLIGATION below, manually executed by the Comptroller of Public Accounts of the State of Texas or by her duly authorized agent, which certificate shall be evidence that the Initial Certificate of Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Certificates of Obligation that at all times while the Certificates of Obligation are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates of Obligation under this Ordinance. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates of Obligation, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates of Obligation, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System for Certificates of Obligation. The Certificates of Obligation issued in exchange for the Certificates of Obligation initially issued to the purchaser specified in Section 16 herein shall be initially issued in the form of a separate single fully registered Certificate of Obligation for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate of Obligation shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("***DTC***"), and except as provided in subsection (i) hereof, all of the outstanding Certificates of Obligation shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates of Obligation registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("***DTC Participant***") to hold securities to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates of Obligation. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates of Obligation, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Certificates of Obligation, as shown on the Registration Books, of any notice with respect to the Certificates of Obligation, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Certificates of Obligation, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates of Obligation. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate of Obligation is registered in the Registration Books as the absolute owner of such Certificate of Obligation for the purpose of payment of principal and interest with respect to such Certificate of Obligation, for the purpose of registering transfers with respect to such Certificate of Obligation, and for all other purposes whatsoever. The Paying

Agent/Registrar shall pay all principal of and interest on the Certificates of Obligation only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Certificates of Obligation to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Certificate of Obligation certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfers Outside Book-Entry Only Systems. In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Certificates of Obligation that they be able to obtain certificated Certificates of Obligation, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates of Obligation to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates of Obligation and transfer one or more separate Certificates of Obligation to DTC Participants having Certificates of Obligation credited to their DTC accounts. In such event, the Certificates of Obligation shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Certificates of Obligation shall designate, in accordance with the provisions of this Ordinance.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate of Obligation is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to principal of and interest on such Certificate of Obligation and all notices with respect to such Certificate of Obligation shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

(h) DTC Letter of Representation. The officers of the City are herein authorized for and on behalf of the City and as officers of the City to enter into one or more Letters of Representation with DTC establishing the book-entry only system with respect to the Certificates of Obligation.

(i) Delivery of Initial Certificate of Obligation. On the closing date, one Initial Certificate of Obligation representing the entire principal amount of the respective series of Certificates of Obligation, payable in stated installments to the initial registered owner named in Section 16 of this Ordinance or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro-Tem and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Certificate of Obligation, the Paying Agent/Registrar shall cancel the Initial Certificate of Obligation and deliver to the initial registered owner or its designee one registered definitive Certificate of Obligation for each year of maturity of the Certificates of Obligation, in the aggregate principal amount of all of the Certificates of Obligation for such maturity.

**SECTION 5. FORM OF CERTIFICATE OF OBLIGATION**. The form of the Certificates of Obligation, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be attached only to the Certificates of Obligation initially issued and delivered pursuant to this Ordinance), shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance.

**FORM OF CERTIFICATE OF OBLIGATION**

**R-** **UNITED STATES OF AMERICA** **PRINCIPA**

**L STATE OF TEXAS** **AMOUNT**

**COUNTY OF LIBERTY** **$__________**

**CITY OF LIBERTY, TEXAS**

**COMBINATION TAX AND**

**REVENUE**

**CERTIFICATES OF OBLIGATION, SERIES 2016**

**INTEREST RATE**

**____%**

**MATURITY DATE**

**March 1, 20__**

**DATE OF SERIES**

**September 1, 2016**

**CUSIP NO. 531286 ____**

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**DOLLAR**

**S**

***ON THE MATURITY DATE*** specified above, the ***CITY OF LIBERTY, TEXAS*** (the "***City***"), being a political subdivision and home-rule municipality of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "***Registered Owner***"), the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from the date of initial delivery of this Certificate of Obligation [as shown on the records of the Paying Agent/Registrar (defined below)] at the Interest Rate per annum specified above, payable on March 1, 2017, and semiannually on each March 1 and September 1 thereafter to the Maturity Date specified above; or the date of redemption prior to maturity, except that if this Certificate of Obligation is required to be authenti- cated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate of Obligation or Certificates of Obligation, if any, for which this Certificate of Obligation is being exchanged is due but has not been paid, then this Certificate of Obligation shall bear interest from the date to which such interest has been paid in full.

***THE PRINCIPAL OF AND INTEREST ON*** this Certificate of Obligation are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate of Obligation shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate of Obligation at maturity or upon the date fixed for redemption prior to maturity, at the designated corporate trust or commercial banking office of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, which is the "***Paying Agent/Registrar***" for this Certificate of Obligation. The payment of interest on this Certificate of Obligation shall be

made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the Ordinance authorizing the issuance of this Certificate of Obligation (the "***Ordinance***") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the 15th day of the month next preceding each such date (the "***Record Date***") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "***Special Record Date***") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "***Special Payment Date***" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Certificate of Obligation prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate of Obligation for redemption and payment at the designated corporate trust office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Certificates of Obligation shall be payable in the regular manner described above). The City covenants with the Registered Owner of this Certificate of Obligation that on or before each principal payment date, interest payment date and accrued interest payment date for this Certificate of Obligation it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates of Obligation, when due.

***IF THE DATE*** for the payment of the principal of or interest on this Certificate of Obligation shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, 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, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

***THIS CERTIFICATE OF OBLIGATION*** is one of a series of Certificates of Obligation dated as of September 1, 2016, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of ***$__FOR THE PURPOSE OF PAYING, IN WHOLE OR IN PART, CONTRACTUAL OBLIGATIONS TO BE INCURRED TO MAKE VARIOUS PUBLIC IMPROVEMENTS IN THE CITY INCLUDING: (I) CONSTRUCT STREET, CURB, AND SIDEWALK IMPROVEMENTS IN VARIOUS LOCATIONS IN THE CITY, TOGETHER WITH UTILITY RELOCATION AND/OR DRAINAGE IMPROVEMENTS RELATED OR INCIDENTAL THERETO; (II) CONSTRUCT OR MAKE VARIOUS REPAIRS, EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO, AND ACQUIRE AND INSTALL EQUIPMENT RELATED TO, THE CITY'S COMBINED WATERWORKS AND SEWER SYSTEM; (III) CONSTRUCT OR MAKE VARIOUS REPAIRS, EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO, AND ACQUIRE AND INSTALL EQUIPMENT RELATED TO, THE CITY'S MUNICIPAL LIBRARY; AND (IV) POSSIBLY PURCHASE EQUIPMENT DEEMED APPROPRIATE TO COMPLETE THE AFOREMENTIONED PROJECTS (COLLECTIVELY, THE "PROJECTS"), AND PAYING ALL OR A PORTION OF THE LEGAL, FISCAL, AND ENGINEERING FEES IN CONNECTION WITH THE PROJECTS AND COSTS OF ISSUANCE RELATED TO SUCH CERTIFICATES OF OBLIGATION.***

***ON MARCH 1, 2025,*** or on any date thereafter, the Certificates of Obligation of this Series maturing on and after March 1, 2026, may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part (provided that a portion of a Certificate of Obligation may be redeemed only in an integral multiple of $5,000), at the redemption price of the principal amount of Certificates of Obligation called for redemption, plus accrued interest thereon to the date fixed for redemption. The City shall determine the maturity or maturities, and the principal amount of Certificates of Obligation within each maturity, to be redeemed. If less than all

Certificates of Obligation of a maturity are to be redeemed, the particular Certificates of Obligation to be redeemed shall be selected by the Paying Agent/Registrar at random and by lot.

***ADDITIONALLY, THE CERTIFICATES OF OBLIGATION MATURING*** on March 1 in the years 20 , 20 , and 20 (the "***Term Certificates***") are subject to mandatory redemption prior to maturity in part by lot, at a price equal to the principal amount thereof plus accrued interest to the date of redemption, on the dates and in the respective principal amounts shown below:

**TERM CERTIFICATES MATURING MARCH 1, 20**

**TERM CERTIFICATES MATURING MARCH 1, 20**

**Mandatory Redemption Date**

**Redemption Amount ($)**

**Mandatory Redemption Date**

**Redemption Amount ($)**

March 1, 20__

March 1, 20__

March 1, 20__

March 1, 20__

March 1, 20 (maturity) March 1, 20 (maturity)

**TERM CERTIFICATES MATURING MARCH 1, 20**

**Mandatory Redemption Date**

**Redemption Amount ($)**

March 1, 20__

March 1, 20__

March 1, 20

(maturity)

The principal amount of the Term Certificates required to be redeemed pursuant to the operation of such mandatory redemption requirements may be reduced, at the option of the City, by the principal amount of any such Term Certificates which, prior to the date of the mailing of notice of such mandatory redemption, (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (ii) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City, or (iii) shall have been redeemed pursuant to the optional redemption provisions described in the preceding paragraph and not theretofore credited against a mandatory redemption requirement.

***AT LEAST 30 DAYS*** prior to the date fixed for any redemption of Certificates of Obligation or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the Registered Owner of each Certificate of Obligation to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. The notice with respect to an optional redemption of Certificates of Obligation may state (1) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar no later than the redemption date, or (2) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of an authorized representative to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is so rescinded. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates of Obligation or portions thereof which are to be so redeemed. If such written notice of redemption is mailed (and not rescinded), and if due provision for such payment is made, all as provided above, the Certificates of Obligation or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate of Obligation shall be redeemed a substitute Certificate of Obligation or Certificates of Obligation having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the Registered Owner,
and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

***ALL CERTIFICATES OF OBLIGATION OF THIS SERIES*** are issuable solely as fully registered Certificates of Obligation, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Ordinance, this Certificate of Obligation, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Certificates of Obligation, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surren- der of this Certificate of Obligation to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the

Ordinance. Among other requirements for such assign- ment and transfer, this Certificate of Obligation must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate of Obligation or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Certificate of Obligation or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate of Obligation may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate of Obligation or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring and exchanging any Certificate of Obligation or portion thereof shall be paid by the City, but any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer or exchange as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

***WHENEVER THE BENEFICIAL OWNERSHIP*** of this Certificate of Obligation is determined by a book entry at a securities depository for the Certificates of Obligation, the foregoing requirements of holding, delivering or transferring this Certificate of Obligation shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

***IN THE EVENT*** any Paying Agent/Registrar for the Certificates of Obligation is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates of Obligation.

***IT IS HEREBY*** certified, recited, and covenanted that this Certificate of Obligation has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate of Obligation have been performed, existed, and been done in accordance with law; that this Certificate of Obligation is a general obligation of the City, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate of Obligation, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limits prescribed by law and that this Certificate of Obligation is additionally secured by a lien on and pledge of Surplus Revenues received by the City from the ownership and operation of the City's Water and Sewer System, all as provided in the Ordinance authorizing the Certificates of Obligation.

***THE CITY*** also has reserved the right to amend the Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates of Obligation.

***BY BECOMING*** the Registered Owner of this Certificate of Obligation, the Registered Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Certificate of Obligation and the Ordinance constitute a contract between each Registered Owner hereof and the City.

***IN WITNESS WHEREOF***, the City has caused this Certificate of Obligation to be signed with the manual or facsimile signature of the Mayor or Mayor Pro-Tem of the City, and counter- signed with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate of Obligation.

Countersigned:

(facsimile signature) (facsimile signature) City Secretary
City of Liberty, Texas City of Liberty,

Texas (CITY SEAL)

**FORM OF REGISTRATION CERTIFICATE**
**OF THE COMPTROLLER OF PUBLIC ACCOUNTS:**

**COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _______________**

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

Witness my signature and seal this___________________________.

(COMPTROLLER'S SEAL) Comptroller of Public Accounts
of the State of Texas

**FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE**

**PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE**
*(To be executed if this Certificate of Obligation is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)*

It is hereby certified that this Certificate of Obligation has been issued under the provisions of the Ordinance described in the text of this Certificate of Obligation; and that this Certificate of Obligation has been issued in exchange for a certificate of obligation or certificates of obligation, or a portion of a certificate of obligation or certificates of obligation of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated

**THE BANK OF NEW YORK**
**MELLON TRUST COMPANY, N.A.**
Paying Agent/Registrar

By ________________________________ Authorized Represen

**FORM OF ASSIGNMENT**:

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned Registered Owner of this Certificate of Obligation, or duly authorized representative or attorney thereof, hereby sells, assigns and transfers this Certificate of Obligation and all rights hereunder unto ________________________

/______________________/______________________________________________________
(Assignee's Social Security or (Please print or typewrite Assignee's name and address, Taxpayer Identification Number) including zip code)

and hereby irrevocably constitutes and appoints
attorney to transfer the registration of this Certificate of Obligation on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _________________

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by
a member firm of the New York Stock Exchange or a commercial bank or trust company.
NOTICE: The signature above must
correspond with the name of the Registered Owner as it appears upon the front of this Certificate of Obligation in every particular, without alteration or enlargement or any change whatsoever.

**INITIAL CERTIFICATE OF OBLIGATION INSERTIONS**

The Initial Certificate of Obligation shall be in the form set forth above except that:

(A) Immediately under the name of the Certificate of Obligation, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. " shall be deleted.

(B) The first paragraph shall be deleted and the following shall be inserted:

*"ON THE RESPECTIVE MATURITY DATES* specified below, the ***CITY OF LIBERTY, TEXAS*** (the "***City***"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "***Registered Owner***"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from the date of initial delivery of this Certificate of Obligation [as shown on the records of the Paying Agent/Registrar (defined below)] at the respective Interest Rates per annum specified below, payable on March 1, 2017, and semiannually on each March 1 and September 1 thereafter to the respective Maturity Dates specified below, or the date of redemption prior to maturity. The respective Maturity Dates, Principal Installments and Interest Rates for this Certificate of Obligation are set forth in the following schedule:

| MATURITY DATE (MARCH 1) | PRINCIPAL INSTALLMENT ($) | INTEREST RATE (%) |
|---|---|---|
| 20__ | | |
| 20__ | | |
| 20__ | | |

*[Insert information from Sections 2 and 3 above]*

(C) The Initial Certificate of Obligation shall be numbered "T-1."

**SECTION 6. INTEREST AND SINKING FUND; TAX LEVY; SECURITY INTEREST**.

(a) Interest and Sinking Fund; Tax Levy. A special Interest and Sinking Fund for the Certificates of Obligation (the "***Interest and Sinking Fund***") is hereby created solely for the benefit of the Certificates of Obligation, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City,

and shall be used only for paying the interest on and principal of the Certificates of Obligation. All ad valorem taxes levied and collected for and on account of the Certificates of Obligation shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which, together with "Surplus Revenues" with respect to the Certificates of Obligation (as described in Section 7 below) budgeted to pay principal and interest coming due during such fiscal year, will be sufficient to raise and produce the money required to pay the interest on the Certificates of Obligation as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates of Obligation as such principal matures (but never less than 2% of the original principal amount of the Certificates of Obligation as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the respective Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates of Obligation, as such interest
comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) Security Interest. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates of Obligation and the pledge of the ad valorem taxes and Surplus Revenues granted by the City under Section 6(a) and Section 7, respectively, of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates of Obligation are outstanding and unpaid such that the pledge of the ad valorem taxes or Surplus Revenues granted by the City under Section 6(a) and Section 7 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Certificates of Obligation the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

**SECTION 7. SURPLUS REVENUES**. Pursuant to Section 271.052, Texas Local Government Code, and Chapter 1502, Texas Government Code, the Certificates of Obligation additionally shall be payable from and secured by surplus revenues derived by the City from the City's Water and Sewer System remaining after (a) payment of all amounts constituting operation and maintenance expenses of said Water and Sewer System, and (b) payment of all debt service, reserve, and other requirements and amounts required to be paid under all ordinances heretofore or hereafter authorizing (i) all bonds and (ii) all other obligations not on a parity with the Certificates of Obligation, which are payable from and secured by any Water and Sewer System revenues, and
(c) payment of all amounts payable from any Water and Sewer System revenues pursuant to contracts heretofore or hereafter entered into by the City in accordance with law (the "***Surplus Revenues***"). If for any reason the City fails to deposit ad valorem taxes levied

pursuant to Section 6 hereof to the credit of the Interest and Sinking Fund in an amount sufficient to pay, when due, the principal of and interest on the Certificates of Obligations, then Surplus Revenues may be deposited to the credit of the Interest and Sinking Fund and used to pay such principal and/or interest. The City reserves, and shall have, the right to issue bonds and other obligations not on a parity with the Certificates of Obligation, and to enter into contracts, in accordance with applicable laws, to be payable from and secured by any Water and Sewer System revenues.

**SECTION 8. CONSTRUCTION FUND**. There is hereby created and established in the depository of the City, a fund to be called the *City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation (Series 2016) Construction Fund* (herein called the "***Construction Fund***"). Proceeds from the sale and delivery of the Certificates of Obligation (other than proceeds representing accrued interest on the Certificates of Obligation, if any, and any premium on the Certificates of Obligation that is not used by the City to pay costs of issuance or costs related to the purpose for which the Certificates of Obligation have been issued in accordance with the provisions of Section 1201.042(d)(3) and (4), Texas Government Code, as amended, which shall be deposited in the Interest and Sinking Fund) shall be deposited in the Construction Fund. Money in the Construction Fund shall be subject to disbursements by the City for payment of all costs incurred in carrying out the purpose for which the Certificates of Obligation are issued, including but not limited to costs for construction, engineering, architecture, financing, financial consultants and legal services related to the projects being financed with proceeds of the Certificates of Obligation and the issuance of the Certificates of Obligation. All funds remaining on deposit in the Construction Fund upon completion of the projects being financed with the proceeds from the Certificates of Obligation, if any, shall be transferred to the Interest and Sinking Fund.

**SECTION 9. INVESTMENTS**. Funds on deposit in the Interest and Sinking Fund and the Construction Fund shall be secured by the depository bank of the City in the manner and to the extent required by law to secure other public funds of the City and may be invested from time to time in any investment authorized by applicable law, including but not limited to the Public Funds Investment Act (Chapter 2256, Texas Government Code), and the City's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in the Interest and Sinking Fund shall have a final maturity no later than the next principal or interest payment date for which such funds are required, and investments purchased for and held in the Construction Fund shall have a final maturity of not later than the date the City reasonably expects the funds from such investments will be required to pay costs of the projects for which the Certificates of Obligation were issued. Income and profits from such investments shall be deposited in the respective Fund which holds such investments; however, any such income and profits from investments in the Construction Fund may be withdrawn by the City and deposited in the Interest and Sinking Fund to pay all or a portion of the interest next coming due on the Certificates of Obligation. It is further provided, however, that any interest earnings on Certificate of Obligation proceeds which are required to be rebated to the United States of America pursuant to Section 14 hereof in order to prevent the Certificates of Obligation from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

**SECTION 10. EMPOWERED**. The City Manager and Finance Director are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest.

**SECTION 11. DEFEASANCE OF THE CERTIFICATES OF OBLIGATION**.

(a) Defeasance. Any Certificate of Obligation and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "***Defeased Certificate of Obligation***") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate of Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "***Future Escrow Agreement***") for such payment (1) lawful money of the United States of America sufficient to make such payment and/or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates of Obligation shall have become due and payable. Thereafter, the Issuer will have no further responsibility with

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respect to amounts available to the Paying Agent/Registrar for the payment of such Defeased Certificate of Obligation, including any insufficiency therein caused by the failure of the escrow agent under such Future Escrow Agreement to receive payment when due on the Defeasance Securities. At such time as a Certificate of Obligation shall be deemed to be a Defeased Certificate of Obligation hereunder, as aforesaid, such Certificate of Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates of Obligation that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Certificates of Obligation for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates of Obligation immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Investment of Funds in Defeasance Securities. Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates of Obligation and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates of Obligation may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates of Obligation, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) Definition of Defeasance Securities. The term "***Defeasance Securities***" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof 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 on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements 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 Certificates of Obligation.

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(d) Duties of Paying Agent/Registrar. Until all Defeased Certificates of Obligation shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates of Obligation the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) Selection of Certificates of Obligation to be Defeased. In the event that the City elects to defease less than all of the principal amount of Certificates of Obligation of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates of Obligation by such random method as it deems fair and appropriate.

**SECTION 12. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES OF OBLIGATION.**

(a) Replacement Certificates of Obligation. In the event any outstanding Certificate of Obligation is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new certificate of obligation of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Certificate of Obligation, in replacement for such Certificate of Obligation in the manner hereinafter provided.

(b) Application for Replacement Certificates of Obligation. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Certificates of Obligation shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner applying for a replacement certificate of obligation shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Certificate of Obligation, as the case may be. In every case of damage or mutilation of a Certificate of Obligation, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate of Obligation so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Certificate of Obligation shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate of Obligation, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate of Obligation) instead of issuing a replacement Certificate of Obligation, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates of Obligation. Prior to the issuance of any replacement certificate of obligation, the Paying Agent/Registrar shall charge the registered owner of such Certificate of Obligation with all legal, printing, and other expenses in connection therewith. Every replacement certificate of obligation issued pursuant to the provisions of this Section by virtue of the fact that any Certificate of Obligation is lost, stolen, or destroyed shall



constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Certificate of Obligation shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates of Obligation duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates of Obligation. In accordance with Chapter 1201, Texas Government Code, as amended, this Section of this Ordinance shall constitute authority for the issuance of any such replacement certificate of obligation without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such certificates of obligations is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates of Obligation in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Certificates of Obligation issued in exchange for other Certificates of Obligation.

**SECTION 13. CUSTODY, APPROVAL, AND REGISTRATION OF THE CERTIFICATES OF OBLIGATION; BOND COUNSEL'S OPINION, BOND**

**INSURANCE,**

**AND CUSIP NUMBERS**. The Mayor or Mayor Pro-Tem of the City is hereby authorized to have control of the Certificates of Obligation initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates of Obligation pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates of Obligation said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates of Obligation, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City), a statement regarding the issuance of a municipal bond insurance policy to secure payment of debt service on the Certificates of Obligation, if any, and the assigned CUSIP numbers may, at the option of the City, be printed on the Certificates of Obligation issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates of Obligation.

**SECTION 14. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE CERTIFICATES OF OBLIGATION.**

(a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates of Obligation as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "***Code***"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates of Obligation or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Certificates of Obligation or



the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates of Obligation, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates of Obligation or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is

"related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Certificates of Obligation (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates of Obligation being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates of Obligation being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates of Obligation, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates of Obligation, other than investment property acquired with --

(A) proceeds of the Certificates of Obligation invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Certificates of Obligation are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates of Obligation;

(7) to otherwise restrict the use of the proceeds of the Certificates of Obligation or amounts treated as proceeds of the Certificates of Obligation, as may be necessary, so that the Certificates of Obligation do not otherwise contravene the requirements of section 148

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of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates of Obligation) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates of Obligation have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "***Rebate Fund***" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates of Obligation. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the
U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates of Obligation, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates of Obligation under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates of Obligation, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates of Obligation under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the City Manager and the Finance Director of the City to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates of Obligation.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (collectively referred to herein as the "***Projects***") on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale
proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates of Obligation, or (2) the date the Certificates of Obligation are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates of Obligation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Projects. The City covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates of Obligation. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates of Obligation. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City Council hereby adopts and establishes the instructions attached hereto as *Exhibit B* as the City's written procedures.

*(g) Designation as Qualified Tax-Exempt Obligations*. The City hereby designates the Certificates of Obligation as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (i) that during the calendar year in which the Certificates of Obligation are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Certificates of Obligation, will result in more than $10,000,000 of "qualified tax-exempt obligations" being issued; (ii) that the City reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Certificates of Obligation are issued, by the City (or any subordinate entities) will not exceed $10,000,000; and (iii) that the City will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Certificates of Obligation will not be considered "private activity bonds" within the meaning of section 141 of the Code.

## SECTION 15. CONTINUING DISCLOSURE UNDERTAKING.

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

"***EMMA***" means the Electronic Municipal Market Access system being established by the MSRB.

"***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 through EMMA within six months after the end of each fiscal year ending in or after 2016, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by this Ordinance being the information described in *Exhibit C* hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in *Exhibit C* hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) 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 such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such six month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

If the City changes its fiscal year, it will notify the MSRB through EMMA 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 paragraph (b).

The financial information and operating data to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) Event Notices.

(i) The City shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates of Obligation, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;

2. Modifications to rights of holders;

3. Redemption calls;

4. Release, substitution, or sale of property securing repayment of the Certificates of Obligation;

5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its

terms; and

6. Appointment of a successor or additional trustee or the change of name of a trustee.

(ii) The City shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates of Obligation, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates of Obligation, or other events affecting the tax status of the Certificates of Obligation;

6. Tender offers;

7. Defeasances;

8. Rating changes; and

9. Bankruptcy, insolvency, receivership or similar event of an obligated person.

(iii) The City shall notify the MSRB through EMMA, 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 subsection.

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates of Obligation within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 11 of this Ordinance that causes Certificates of Obligation no longer to be outstanding.

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

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OF OBLIGATION 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 comprise 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.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates of Obligation in the primary offering of the Certificates of Obligation in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates of Obligation consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates of Obligation. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates of Obligation in the primary offering of the Certificates of Obligation. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

**SECTION 16. SALE AND DELIVERY OF THE CERTIFICATES OF OBLIGATION.**

The Certificates of Obligation are hereby initially sold and shall be delivered to ____________________for cash at a purchase price to ***$*____________(which amount is equal to the par value thereof, plus an original issue premium of *$*__________, and less a discount retained by the purchaser of *$*________________________________), and no accrued interest. The Certificates of Obligation initially shall be registered in the name of___ ____________________. It is hereby officially found, determined, and declared that said purchaser is the highest bidder for the Certificates of Obligation as a result of invitations for competitive bids. It is further officially found, determined, and declared that the Certificates of Obligation have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Sale and Bidding Instructions and the Preliminary Official Statement, dated September 6, 2016, prepared and distributed in connection with the sale of the Certificates of Obligation. In satisfaction of Section 1201.022(a)(3), Texas Government Code, and upon consultation with the City's Financial Advisor, the City Council hereby determines that the final terms of the Certificates of Obligation as set forth in this Ordinance and resulting from the receipt of such competitive bids are in the City's best interests.

The City (i) shall utilize $____________of the *$*_____________that the City will receive as "original issue premium" on the sale of the Certificates of Obligation as described in the preceding paragraph and apply such amount against the *$7,750,000* of the maximum amount stated in the notice of intention to be used for the purposes described therein and in Section 1 hereof, and (ii) shall apply the remaining balance of such original issue premium as follows: (A) *$*______________________________________________ shall be applied as a discount retained by the purchaser as consideration for purchasing the Certificates of Obligation as described in the preceding paragraph, (B) $__________shall be used to pay other costs of issuance of the Certificates of Obligation, and (C) $____________shall be deposited in the Interest and Sinking Fund all as permitted by Section 1201.042(d), Texas Government Code, as amended.

**SECTION 17. APPROVAL OF OFFICIAL STATEMENT**. The City hereby approves the form and content of the Official Statement relating to the Certificates of Obligation and any addenda, supplement, or amendment thereto, and approves the distribution of the Official Statement in the reoffering of the Certificates of Obligation by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement for the Certificates of Obligation, dated September 6, 2016, prior to the date hereof is hereby ratified and confirmed. The City Council finds and determines that the



Preliminary Official Statement and the Official Statement were and are "deemed final" as of each of their respective dates within the meaning, and for the purpose, of Rule 15c2-12 promulgated under authority granted by the Federal Securities and Exchange Act of 1934.

**SECTION 18. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES.** The Mayor, Mayor Pro-Tem, City Secretary, City Manager and Finance Director of the City shall be and they 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 under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates of Obligation, the sale of the Certificates of Obligation, the Official Statement, and the Paying Agent/Registrar Agreement, and all actions related to the issuance of the Certificates of Obligation which have previously been taken by such officials are hereby ratified and approved. In addition, prior to the initial delivery of the Certificates of Obligation, the Mayor, Mayor Pro-Tem, City Secretary, City Manager, Finance Director, City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or correction to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, or (iii) obtain the approval of the Certificates of Obligation by the Attorney General's office. In case any officer whose signature shall appear on any Certificate of Obligation shall cease to be such officer before the delivery of such Certificate of Obligation, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Finance Director of the City are further authorized to pay to the Attorney General of Texas prior to the delivery of the Certificates of Obligation, for the Attorney General's review of the transcript of proceedings related to the Certificates of Obligation, the amount required pursuant to Section 1202.004, Texas Government Code, as amended.

**SECTION 19. ORDINANCE A CONTRACT; AMENDMENTS**. This Ordinance shall constitute a contract with the Registered Owners of the Certificates of Obligation, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Certificate of Obligation remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Registered Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change which is not to the prejudice of the Registered Owners. The City may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates of Obligation, reduce the principal amount thereof or the rate of interest thereon, (ii) give any preference to any Certificate of Obligation over any other Certificate of Obligation, (ii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Certificates of Obligation required for consent to any such amendment, change, modification, or rescission. Whenever the City shall desire to make any amendment or addition to or rescission of this Ordinance requiring consent of the Registered Owners, the City shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to the Registered Owners at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected by any such amendment, addition, or rescission requiring the consent of the Registered Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Registered Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

**SECTION 20. REMEDIES IN EVENT OF DEFAULT**. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Certificates of Obligation, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance and the continuation thereof for 30 days after the City has received written notice of such defaults, the Holders of any of the Certificates of Obligation shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City 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 21. INTERESTED PARTIES**. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Underwriters and the registered owners of the Certificates of Obligation, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Underwriters and the registered owners of the Certificates of Obligation.

**SECTION 22. INCORPORATION OF RECITALS**. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

**SECTION 23. 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 this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

**SECTION 24. EFFECTIVE DATE**. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Ordinance shall become effective immediately after its adoption by the City Council.

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

***PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS AT A REGULAR MEETING ON THE 13TH DAY OF SEPTEMBER, 2016, AT WHICH MEETING A QUORUM WAS PRESENT.***

Mayor

ATTEST:

City Secretary

(CITY SEAL)

** ** ** ** **

Signature Page to Ordinance Authorizing the Issuance of
City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation, Series 2016

EXHIBIT A

**FORM OF PAYING AGENT/REGISTRAR AGREEMENT**

THE PAYING AGENT/REGISTRAR AGREEMENT IS OMITTED AT THIS POINT AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT.

EXHIBIT B

**WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS**

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Certificates, the City's Finance Director (the "***Responsible Person***") will:

(i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities financed with the Certificates must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Certificates will be entered into within six (6) months of the date of delivery of the Certificates (the "***Issue Date***");

(ii) monitor that at least 85% of the proceeds of the Certificates to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;

(iii) restrict the yield of the investments to the yield on the Certificates after three (3) years of the Issue Date;

(iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Certificates does not exceed an amount equal to the debt service on the Certificates in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Certificates for the immediately preceding 12-month period;

(v) ensure that no more than 50% of the proceeds of the Certificates are invested in an investment with a guaranteed yield for four years or more;

(vi) maintain any official action of the City (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Certificates any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;

(vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and

(viii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Certificates are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Certificates the Responsible Person will:

(i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;

(ii) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;

(iii) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);

(iv) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;

(v) determine whether, at any time the Certificates are outstanding, any person, other than the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;

(vi) determine whether, at any time the Certificates are outstanding, the facilities are sold or otherwise disposed of; and

(vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Certificates and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Certificates. If any portion of the Certificates is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Certificates. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT C

## DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 15 of this Ordinance.

### Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The annual audited financial statements of the City or the unaudited financial statements of the City in the event audited financial statements are not completed within six months after the end of any fiscal year.

2. All quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under Tables 1 through 5 and 7 through 12.

### Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

LAW OFFICES
McCALL, PARKHURST & HORTON L.L.P.

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**Proposed Form of Opinion of Bond Counsel**

*An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Certificates, assuming no material changes in facts or law.*

October __, 2016

**CITY OF LIBERTY, TEXAS**
**COMBINATION TAX AND REVENUE**
**CERTIFICATES OF OBLIGATION, SERIES 2016**
**DATED AS OF SEPTEMBER 1, 2016**
**IN THE AGGREGATE PRINCIPAL AMOUNT OF $___________**

***AS BOND COUNSEL FOR THE CITY OF LIBERTY, TEXAS*** (the "***City***") in connection with the issuance of the certificates of obligation described above (the "***Certificates***"), we have examined into the legality and validity of the Certificates, which bear interest from the dates specified in the text of the Certificates until maturity or prior redemption at the rates, and payable on the dates, as stated in the text of the Certificates, and which are subject to redemption, all in accordance with the terms and conditions stated in the text of the Certificates.

***WE HAVE EXAMINED*** the applicable and pertinent provisions of the Constitution and laws of the State of Texas and a transcript of certified proceedings of the City, and other pertinent instruments authorizing and relating to the issuance of the Certificates including (i) the ordinance authorizing the issuance of the Certificates (the "***Ordinance***"), (ii) one of the executed Certificates (Certificate No. T-1), and (iii) the City's Federal Tax Certificate of even date herewith.

***BASED ON SAID EXAMINATION, IT IS OUR OPINION*** that the Certificates have been authorized, issued and delivered in accordance with law; that the Certificates constitute valid and legally binding general obligations of the City in accordance with their terms except as the enforceability thereof may be limited by governmental immunity and bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally or by general principles of equity which permit the exercise of judicial discretion; that the City has the legal authority to issue the Certificates and to repay the Certificates; that ad valorem taxes sufficient to provide for the payment of the principal of the Certificates, as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limits prescribed by law; and that "***Surplus Revenues***" (as such term is defined and described in the Ordinance) received by the City from the ownership and operation of the City's waterworks and sewer system have been pledged to further secure the payment of the Certificates in the manner set forth in the Ordinance.

***IT IS FURTHER OUR OPINION***, except as discussed below, under the statutes, regulations, published rulings and court decisions existing on the date of this opinion, for federal income tax purposes, the interest on the Certificates (i) is excludable from the gross income of the owners thereof for federal income tax purposes, and (ii) is not treated as a "preference item" in calculating the alternative minimum tax imposed on individuals and corporations under section 57(a)(5) of the Internal Revenue Code of 1986 (the "***Code***"). In expressing the aforementioned opinions, we have relied on and assumed compliance by the City with, certain representations and covenants regarding the use and investment of the proceeds of the Certificates. We call your attention to the fact that failure by the City to comply with such representations and covenants may cause the interest on the Certificates to become includable in gross income retroactively to the date of issuance of the Certificates.

***EXCEPT AS STATED ABOVE***, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Certificates. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation.

***WE CALL YOUR ATTENTION TO THE FACT*** that the interest on tax-exempt obligations, such as the Certificates, is included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by section 55 of the Code.

***OUR OPINIONS ARE BASED ON EXISTING LAW***, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a result and are not binding on the Internal Revenue Service (the "***Service***"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Certificates. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer. We observe that the City has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Certificates, if any, as includable in gross income for federal income tax purposes.

***OUR SOLE ENGAGEMENT*** in connection with the issuance of the Certificates is as Bond Counsel for the City, and, in that capacity, we have been engaged by the City for the sole purpose of rendering an opinion with respect to the legality and validity of the Certificates under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Certificates, if any, for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the City, or the disclosure thereof in connection with the sale of the Certificates, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Certificates and we have relied solely on certificates executed by officials of the City as to the current outstanding indebtedness of, and assessed valuation of taxable property within, the City. Our role in connection with the City's Official Statement prepared for use in connection with the sale of the Certificates has been limited as described therein.

Respectfully,

# PAYING AGENT/REGISTRAR AGREEMENT

***THIS PAYING AGENT/REGISTRAR AGREEMENT***, dated as of September 1, 2016 (this "***Agreement***"), by and between the **CITY OF LIBERTY, TEXAS** (the "***Issuer***") and **THE BANK OF NEW YORK MELLON, N.A.**, Dallas, Texas (the "***Bank***"), a national banking association duly organized and operating under the laws of the United States of America and authorized to transact business in the State of Texas.

***WHEREAS***, the Issuer has duly authorized and provided for the issuance of its **CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016** (the "***Securities***"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon; and

***WHEREAS***, the Securities are scheduled to be delivered to the initial purchasers thereof on or about October __, 2016; and

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

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

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

## ARTICLE ONE
## APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

**SECTION 1.01. APPOINTMENT**. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the "Ordinance" (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Ordinance, a copy of which books and records shall be maintained at the office of the Bank located in the State of Texas or shall be available to be accessed from such office located in the State of Texas.

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

**SECTION 1.02. COMPENSATION.** As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

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

## ARTICLE TWO
## DEFINITIONS

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

"***Bank Office***" means the corporate trust or commercial banking office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"***Fiscal Year***" means the fiscal year of the Issuer, ending September 30.

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

"***Legal Holiday***" means a day on which the Bank is required or authorized to be closed.

"***Ordinance***" means the resolutions, orders or ordinances of the governing body of the Issuer pursuant to which the Securities are issued, certified by the City Secretary or any other officer of the Issuer and delivered to the Bank, together with any pricing certificate executed pursuant thereto.

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

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

"***Redemption Date***" when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

"***Responsible Officer***" when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

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

"***Stated Maturity***" means the date specified in the Ordinance the principal of a Security is scheduled to be due and payable.

**SECTION 2.02. OTHER DEFINITIONS**. The terms "Bank," "Issuer," and "Securities" ("Security") have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "***Paying Agent/Registrar***" refers to the Bank in the performance of the duties and functions of this Agreement.

## ARTICLE THREE
## PAYING AGENT

**SECTION 3.01. DUTIES OF PAYING AGENT**. (a) Principal Payments. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity or Redemption Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

(b) Interest Payments. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

(c) Federal Tax Information Reporting. To the extent required by the Code and the Treasury Regulations (both as defined in the Ordinance), it shall be the duty of the Bank to report to the owners of the Securities and the Internal Revenue Service (i) the amount of "reportable payments," if any, subject to back up withholding during each year and the amount of tax withheld, if any, with respect to the payments on the Securities, and (ii) the amount of interest or amount treated as interest, such as original issue discount, on the Securities required to be included in the gross income of the owners thereof for federal income tax purposes.

**SECTION 3.02. <u>PAYMENT DATES</u>**. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Ordinance.

## ARTICLE FOUR
## REGISTRAR

**SECTION 4.01. <u>SECURITY REGISTER - TRANSFERS AND EXCHANGES</u>**. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "***Security Register***") for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. If the Bank Office is located outside the State of Texas, a copy of the Security Register shall be kept in the State of Texas. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

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

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

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

**SECTION 4.02. <u>SECURITIES</u>**. The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

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

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

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

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

**SECTION 4.05. RETURN OF CANCELLED SECURITIES**. The Bank will, at such reasonable intervals as it determines, surrender Securities to the Issuer in lieu of which or in exchange for which other Securities have been issued, or which have been paid, or will provide a certificate of destruction relating thereto.

**SECTION 4.06. MUTILATED, DESTROYED, LOST, OR STOLEN SECURITIES**. The Issuer hereby instructs the Bank, subject to the applicable provisions of the Ordinance, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed, lost, or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

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

## ARTICLE FIVE
## THE BANK

**SECTION 5.01. DUTIES OF BANK**. The Bank undertakes to perform the duties set forth herein and in the Ordinance and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor, bond counsel or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

**SECTION 5.02. RELIANCE ON DOCUMENTS, ETC**. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

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

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

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

**SECTION 5.05. MONEY HELD BY BANK**. The Bank shall deposit any moneys received from the Issuer into an account to be held in a fiduciary capacity for the payment of the Securities, with such moneys in the account that exceed the deposit insurance, available to the Issuer, provided by the Federal Deposit Insurance Corporation to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas and to the extent practicable under the laws of the United States of America to secure and be pledged as collateral for trust accounts until the principal and interest on such securities have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

Funds held by the Bank hereunder need not be segregated from any other funds provided appropriate accounts are maintained in the name and for the benefit of the Issuer.

The Bank shall be under no liability for interest on any money received by it hereunder.

Any money deposited with the Bank for the payment on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Property Code (Unclaimed Property).

The Bank will comply with the reporting provisions of Chapter 74 of the Property Code with respect to property that is presumed abandoned under Chapter 72 or Chapter 75 of the Property Code or inactive under Chapter 73 of the Property Code.

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

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

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

## ARTICLE SIX
## MISCELLANEOUS PROVISIONS

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

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

**SECTION 6.03. NOTICES**. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

**SECTION 6.04. EFFECT OF HEADINGS**. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

**SECTION 6.05. <u>SUCCESSORS AND ASSIGNS; MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION</u>.** All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor Bank hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto. In case any Security shall have been registered, but not delivered, by the Bank then in office, any successor by merger, conversion, or consolidation to such authenticating Bank may adopt such registration and deliver the Security so registered with the same effect as if such successor Bank had itself registered such Security.

**SECTION 6.06. <u>SEVERABILITY</u>.** In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**SECTION 6.07. <u>BENEFITS OF AGREEMENT</u>.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

**SECTION 6.08. <u>ENTIRE AGREEMENT</u>.** This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

**SECTION 6.09. <u>COUNTERPARTS</u>.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

**SECTION 6.10. <u>TERMINATION</u>.** This Agreement will terminate on the date of final payment of the principal of and interest on the Securities to the Holders thereof or may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted, and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. If the 60-day notice period expires and no successor has been appointed, the Bank, at the expense of the Issuer, has the right to petition a court of competent jurisdiction to appoint a successor under the Agreement. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

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

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

**SECTION 6.11. GOVERNING LAW**. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

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

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

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**

By: ______________________________
Title: ______________________________

Address: The Bank of New York Mellon
Trust Company, N.A.
Institutional Trust Services
P.O. Box. 2320
Dallas, Texas 75221-2320

Attest:

______________________________
Title: ______________________________

**CITY OF LIBERTY, TEXAS**

By: ______________________________
Title: Mayor

Address: 1829 Sam Houston
Liberty, Texas 77575

Attest:

______________________________
Title: City Secretary

Signature Page to Paying Agent/Registrar Agreement Relating to
City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation, Series 2016

# SCHEDULE A

## Paying Agent/Registrar Fee Schedule

See Attached Schedule

**$_______________**
**CITY OF LIBERTY, TEXAS**
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016**

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### PRIMARY FINANCING DOCUMENTS AND AGREEMENTS



### DOCUMENTS RELATED TO TAX EXEMPTION



### CERTIFICATES



### MISCELLANEOUS DOCUMENTS

## Opinions



*Indicates documents included in the Transcript of Proceedings submitted to the Attorney General of Texas.

# CERTIFICATE FOR ORDINANCE

**THE STATE OF TEXAS §**
**COUNTY OF LIBERTY §**
**CITY OF LIBERTY §**

I, the undersigned City Secretary of the **CITY OF LIBERTY, TEXAS** (the "***City***"), hereby certify as follows:

1. The City Council of the City (the "***City Council***") convened in Regular Meeting on September 13, 2016, at the City Hall (the "***Meeting***"), and the roll was called of the duly constituted officers and members of the City Council, to wit:

Carl Pickett, Mayor
Diane Huddleston, Mayor Pro-Tem
David Arnold, Council Member
Dennis Beasley, Council Member
Paul Glazener, Council Member
Louie Potetz, Council Member
Libby Simonson, Council Member

and all of the officers and members of the City Council were present, except the following absentees: ____ ______________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

**ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $__________ IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX AND A PLEDGE OF CERTAIN SURPLUS REVENUES OF THE CITY'S WATER AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO**

(the "Ordinance") was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Ordinance be adopted; and, after due discussion, said motion carrying with it the adoption of the Ordinance, prevailed and carried by the following vote:

AYES: ____ NOES: _____ ABSTENTIONS: ____

2. A true, full and correct copy of the Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Ordinance has been duly recorded in the City Council's minutes of the Meeting; the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Ordinance would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 13th day of September, 2016.

(SEAL)

______________________________

City Secretary, City of Liberty, Texas

Signature Page to the Certificate for Ordinance Relating to the Issuance of
City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation, Series 2016

# GENERAL CERTIFICATE

**THE STATE OF TEXAS §**
**COUNTY OF LIBERTY §**
**CITY OF LIBERTY §**

We, the undersigned, hereby officially certify that we are the Mayor and City Secretary, respectively, of the **CITY OF LIBERTY, TEXAS** (the "***City***"), and we further certify as follows:

1. This Certificate is given for the benefit of the Attorney General of the State of Texas and all parties interested in the **CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016** (the "***Certificates***"), dated as of September 1, 2016, and authorized by an ordinance passed by the City Council of the City on September 13, 2016 (the "***Ordinance***").

2. The City is a duly incorporated Home Rule City, having more than 5,000 inhabitants, operating and existing under the Constitution and laws of the State of Texas and the duly adopted Home Rule Charter of the City, which Charter has not been changed or amended since the passage of the ordinance authorizing the issuance of the most recently dated, issued and outstanding obligations of the City.

3. No litigation of any nature has ever been filed pertaining to, affecting or contesting: (a) the issuance, delivery, payment, security or validity of the proposed Certificates; (b) the authority of the officers of the City to issue, execute and deliver the Certificates; or (c) the validity of the corporate existence or the current Tax Rolls of the City; and no litigation is pending pertaining to, affecting or contesting the boundaries of the City.

4. The currently effective ad valorem tax appraisal roll of the City (the "***Tax Roll***") is the Tax Roll prepared and approved during the calendar year 2016, being the most recently approved Tax Roll of the City; that the taxable property in the City has been appraised, assessed, and valued as required and provided by the Texas Constitution and Property Tax Code (collectively, "***Texas law***"); that the Tax Roll for said year has been submitted to the City Council of the City as required by Texas law, and has been approved and recorded by the City Council; and according to the Tax Roll for said year the net aggregate taxable value of taxable property in the City (after deducting the amount of all applicable exemptions required or authorized under Texas law), upon which the annual ad valorem tax of the City has been or will be imposed and levied, is *$587,306,311*.

5. Attached hereto as *Exhibit A* is a true, full and correct schedule and statement of the aforesaid proposed Certificates, and all presently outstanding tax indebtedness of the City, and attached hereto as *Exhibit B* is a combined debt service schedule for all outstanding tax indebtedness of the City (including the proposed Certificates). The City is not in default as to any covenant, condition, or obligation in connection with any of such outstanding obligations or the ordinances authorizing same.

6. Revenues of the City's Waterworks and Sewer System have not been encumbered other than in connection with (i) the City's outstanding *Utility System Revenue Bonds, Series 2016A* and *Series 2016B*, currently outstanding in the aggregate principal amount of *$1,815,000*, (ii) the proposed Certificates, and (iii) the other series of certificates of obligation identified in *Exhibit A* attached hereto.

7. Attached hereto as *Exhibit C* is a true and correct schedule of the current rates and charges for the City's Waterworks and Sewer System.

8. Attached hereto as *Exhibit D* is a true, full and correct schedule and statement of the income and expenses of the City's Waterworks and Sewer System for the past three fiscal years (year ending September 30).

9. The following persons are the duly elected members of the City Council of the City as of the date hereof:

Carl Pickett, Mayor
Diane Huddleston, Mayor Pro-Tem
David Arnold, Council Member
Dennis Beasley, Council Member
Paul Glazener, Council Member
Louie Potetz, Council Member
Libby Simonson, Council Member

10. The following persons are the duly appointed City Manager, City Secretary and Finance Director of the City as of the date hereof:

| | |
|---|---|
| City Manager | Gary Broz |
| City Secretary | Dianne Tidwell |
| Finance Director | Naomi Herrington |

11. The City received all required disclosure filings under Section 2252.908, Texas Government Code, in connection with the authorization and issuance of the Certificates and has notified, or will timely notify, the Texas Ethics Commission of its receipt of such filings by acknowledging such filings in accordance with the provisions of Section 2252.908, Texas Government Code, and 1 Tex. Admin. Code § 46.5(c).

***SIGNED AND SEALED THIS 13TH DAY OF SEPTEMBER, 2016.***

____________________________________
Mayor
City of Liberty, Texas

____________________________________
City Secretary
City of Liberty, Texas

(SEAL)

# EXHIBIT A

## SCHEDULE OF ALL OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS OF THE CITY OF LIBERTY, TEXAS

## THE PROPOSED CERTIFICATES OF OBLIGATION

**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016**, dated September 1, 2016, to be outstanding in the aggregate principal amount of *$*_________, bearing interest and maturing as set forth in the Ordinance authorizing such Certificates.

## ALL PRESENTLY OUTSTANDING TAX INDEBTEDNESS:

| TITLE OF OUTSTANDING OBLIGATIONS | DATED DATE | CURRENT OUTSTANDING PRINCIPAL AMOUNT ($) |
|---|---|---|
| General Obligation Refunding Bonds, Series 2012 | 10/15/2012 | 2,145,000 |
| Combination Tax and Revenue Certificates of Obligation, Series 2012 | 04/01/2012 | 1,530,000 |
| Combination Tax and Revenue Certificates of Obligation, Series 2010A | 08/15/2010 | 4,160,000 |
| Combination Tax and Revenue Certificates of Obligation, Series 2010 | 04/15/2010 | 865,000 |
| Tax and Revenue Certificates of Obligation, Series 2007 | 07/01/2007 | 5,275,000 |
| TOTAL PRINCIPAL AMOUNT CURRENTLY OUTSTANDING: | *** | 13,975,000 |

# EXHIBIT B

## COMBINED DEBT SERVICE SCHEDULE

# EXHIBIT C

## CURRENT WATERWORKS AND SEWER SYSTEM RATES

# EXHIBIT D

## WATERWORKS AND SEWER SYSTEM
## FISCAL YEAR ENDED SEPTEMBER 30[1]

| | 2015 | 2014 | 2013 |
|---|---|---|---|
| Total Operating Revenues | $2,942,863 | $2,862,168 | $2,842,042 |
| Total Operating Expenses | 1,605,232 | 1,426,297 | 1,446,388 |
| Total Net Revenues | $1,337,631 | $1,445,871 | $1,395,654 |

[1] Audited

## SIGNATURE IDENTIFICATION AND NO-LITIGATION CERTIFICATE

We, the undersigned Mayor and City Secretary, respectively, of the **CITY OF LIBERTY, TEXAS** (the "***City***"), hereby certify as follows:

(a) This certificate is executed and delivered with reference to the **CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016**, dated September 1, 2016, authorized by an ordinance passed by the City Council of the City on September 13, 2016 (the "***Certificates***").

(b) Each of us signed the Certificates by manually executing or causing facsimiles of our manual signatures to be printed or lithographed on each of the Certificates, and we hereby adopt said facsimile signatures as our own, respectively, and declare that said facsimile signatures constitute our signatures the same as if we had manually signed each of the Certificates.

(c) The Certificates are substantially in the form, and each of them has been duly executed and signed in the manner, prescribed in the ordinance authorizing the issuance thereof.

(d) At the time we so executed and signed the Certificates we were, and at the time of executing this certificate we are, the duly chosen, qualified, and acting officers indicated therein, and authorized to execute and sign the same.

(e) No litigation of any nature has been filed or is now pending or, to our knowledge, threatened, to restrain or enjoin the issuance or delivery of any of the Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the proceedings or authority concerning the issuance of the Certificates, and that so far as we know and believe no such litigation is threatened.

(f) Neither the corporate existence nor boundaries of the City is being contested; no litigation has been filed or is now pending or, to our knowledge, threatened, which would affect the authority of the officers of the City to issue, execute, sign, and deliver any of the Certificates; and no authority or proceedings for the issuance of any of the Certificates have been repealed, revoked, or rescinded.

(g) We have caused the official seal of the City to be impressed, or printed, or lithographed on each of the Certificates; and said seal on each of the Certificates has been duly adopted as, and is hereby declared to be, the official seal of the City.

EXECUTED and delivered this ____________________________.

| MANUAL SIGNATURES | OFFICIAL TITLES |
|---|---|
| _________________________________ | Carl Pickett, Mayor |
| _________________________________ | Dianne Tidwell, City Secretary |

Before me, on this day personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

Given under my hand and seal of office this __________________________.

________________________________________
Notary Public

Typed Name ______________________________

(My Commission Expires ____________________)

(Notary Seal)

# CERTIFICATION OF THE OFFICIAL STATEMENT

**THE STATE OF TEXAS §**
**COUNTY OF LIBERTY §**
**CITY OF LIBERTY §**

We are the Mayor and the City Manager of the **CITY OF LIBERTY, TEXAS** (the "***Issuer***"), and we hereby certify as follows:

1. This Certificate is executed and delivered for and on behalf of the Issuer with reference to the issuance of the **CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016** (the "***Certificates***"), as referenced in the caption in Official Statement, dated September 13, 2016, relating to the Certificates (the "***Official Statement***") entitled "OFFICIAL STATEMENT - Certification of the Official Statement." All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Official Statement.

2. To our best knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of sale of the Certificates, and on the date of delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of, or pertaining to, entities other than the City and its activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and that the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since September 30, 2015, the date of the last audited financial statements of the City.

EXECUTED this ____________________.

| ______________________________ | ______________________________ |
|---|---|
| City Manager<br>City of Liberty, Texas | Mayor<br>City of Liberty, Texas |

September 13, 2016

Texas State Comptroller of Public Accounts
Cash and Securities Management Division
Thomas Jefferson Rusk Building
208 East 10th Street, 4th Floor, Room 448
Austin, Texas 78701-2407
Attn: Melissa Mora

**RE: CITY OF LIBERTY, TEXAS**
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016**

Ladies and Gentlemen:

The Attorney General will deliver to you the above-described issues of obligations. At such time as you have registered such obligations, this will be your authority to deliver them to an authorized representative of McCall, Parkhurst & Horton L.L.P. who will deliver said obligations to the Paying Agent/Registrar named in the obligations for delivery to the purchasers thereof.

At the time you have registered the obligations, please deliver three copies of the Attorney General's opinion and the Comptroller's Signature Certificate covering said issue of obligations to a representative of McCall, Parkhurst & Horton L.L.P., or send such documents by overnight courier to Thomas K. Spurgeon, McCall, Parkhurst & Horton L.L.P., 700 N. St. Mary's, Suite 1525, San Antonio, Texas 78205.

Sincerely yours,

**CITY OF LIBERTY, TEXAS**

______________________________
Mayor

cc: Attorney General of Texas

September 13, 2016

The Attorney General of Texas
Public Finance Division
300 W. 15th Street, 9th Floor
Austin, Texas 78701

**RE: CITY OF LIBERTY, TEXAS**
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016**

Ladies and Gentlemen:

It is requested that you examine the above issues of obligations and the proceedings authorizing their issuance.

We enclose herewith one signed but undated copy of the Signature Identification and No-Litigation Certificate. Upon approval of the obligations, you are authorized to insert the date of approval in said Signature Certificate. If any litigation should develop before you have approved the obligations, we will notify you at once both by telephone and telecopy. With this assurance you can rely upon the absence of any such litigation at the time you approve the obligations unless we advise you otherwise.

After you have examined the obligations, kindly deliver them to the Office of the Comptroller of Public Accounts of the State of Texas. The Comptroller has received instructions as to disposition of such obligations following their registration.

Sincerely yours,

**CITY OF LIBERTY, TEXAS**

______________________________
Mayor

cc: Comptroller of Public Accounts

# RECEIPT FOR PROCEEDS

The undersigned hereby certifies as follows:

(a) This Receipt is executed and delivered with reference to the **CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016** (the "***Certificates***")**,** dated September 1, 2016, in the aggregate principal amount of ***$*____________** authorized by an ordinance passed by the City Council of the **CITY OF LIBERTY, TEXAS** (the "***City***") on September 13, 2016.

(b) The undersigned is the duly chosen, qualified, and acting Finance Director of the City.

(c) The Certificates have been duly delivered to the initial purchaser thereof, namely

______________________

(d) The Certificates have been paid for in full by said purchaser concurrently with the delivery of this Receipt, and the City has received, and hereby acknowledges receipt of, the agreed purchase price for the Certificates, being ***$*_________** (which amount is equal to par, plus original issue premium of *$*_________, and less a discount retained by the purchaser of *$*_________) and no accrued interest.

EXECUTED and delivered this ______________________.

**CITY OF LIBERTY, TEXAS**

____________________________
Finance Director

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Public Hearing

## PUBLIC HEARING (ID # 3610)

DOC ID: 3610

EXPLANATION:
This is the first public hearing held on the proposed annexation of property beginning at the intersection of the south line of the existing Liberty city limits and the Trinity River. The public hearing affords citizens the opportunity to voice their questions or concerns regarding this matter.

A second public hearing will be held on Tuesday, September 20th at 6:00 p.m.

.

# NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN TO ALL INTERESTED PERSONS, THAT:

The City of Liberty, Texas proposes to institute annexation proceedings to enlarge and extend the boundary limits of said city to include the following described territory, to-wit:

**.55 SQUARE MILES BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF THE EXISTING CITY LIMITS OF THE CITY OF LIBERTY AND THE TRINITY RIVER HAVING COORDINATES OF N:10004359.04, E:4042761.36**

A public hearing will be held by and before the City Council of the City of Liberty, Texas on the **13th day of September**, 2016 at 6 o'clock p.m. in the City Council Chamber of the City Hall of the City of Liberty, Texas, for all persons interested in the above proposed annexation. At said time and place all such persons shall have the right to appear and be heard. Of all said matters and things, all persons interested in the things and matters herein mentioned, will take notice.

/s/ Dianne Tidwell, City Secretary
Posted: August 31, 2016

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Misc.

## COUNCIL ACTION (ID # 3611)

DOC ID: 3611

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**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: SRMPA Appointments

**RESOLUTION (ID # 3612)**

DOC ID: 3612

EXPLANATION:
Appointments for two-year staggered terms are made to the SRMPA Board of Directors in September of each year. Each member city is allowed two representatives. Our current representatives to this Board are Mayor Pickett and City Manager Gary Broz.

Mayor Pickett's term expires this month.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPOINTING A REPRESENTATIVE TO THE SAM RAYBURN MUNICIPAL POWER AGENCY BOARD OF DIRECTORS

WHEREAS, on October 31, 1979, the City of Liberty, Texas, enacted the concurrent ordinance, establishing Sam Rayburn Municipal Power Agency with the City of Jasper, Texas and the City of Livingston, Texas; and,

WHEREAS, said concurrent ordinance provides that each of the three (3) cities involved in the Sam Rayburn Municipal Power Agency, each appoint Directors to serve with the Agency for a term of two (2) years.

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

That ____________ be appointed to serve as Director for the Agency for the City of Liberty, Texas, for a term of two (2) years, said term ending September, 2018.

PASSED AND APPROVED THIS 13TH DAY OF SEPTEMBER, 2016.

______________________
Carl Pickett
Mayor

ATTEST:

______________________

Dianne Tidwell
City Secretary

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Budget Adoption

**ORDINANCE (ID # 3613)**

DOC ID: 3613

EXPLANATION:
The budget process culminates in action by the City Council to adopt the budget and set the tax rate. This process includes Budget Work Sessions and Public Hearings on both the budget and tax rate, which were held on August 23rd and August 30th.

Before the tax rate is adopted, an ordinance approving the budget must be adopted.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016 AND ENDING SEPTEMBER 30, 2017; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; APPROPRIATING NECESSARY FUNDS FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS, PROJECTS AND ACCOUNTS; PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT ALL ORDINANCES BE READ ON TWO SEPARATE DAYS.

**WHEREAS**, The City Manager of the City of Liberty, Texas has submitted to the City Council a proposed budget of the revenues and expenditures for conducting the affairs of the City and providing a complete financial plan for 2016-2017; and

**WHEREAS**, the City Council has conducted the necessary public hearing as required by law.

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

**SECTION 1**. The proposed budget of the revenues and expenditures necessary for conducting the affairs of the City of Liberty, Texas, said budget being in the amount of $31,522,840.00, providing a complete financial plan for the ensuing fiscal year beginning October 1, 2016, and ending September 30, 2017, as submitted to the City Council by the City Manager, be, and the same is hereby, in all things adopted and approved as the budget of the City of Liberty, Texas for the fiscal year beginning October 1, 2016 and ending September 30, 2017.

**SECTION 2**. The sum of $31,522,840.00 Is hereby appropriated for the payment of the expenditures established in the approved budget for the fiscal year beginning October 1, 2016 and ending September 30, 2017, a copy of which has been filed with the City Secretary, and is made a part hereof for all purposes.

**SECTION 3**. The expenditures during the fiscal year beginning October 1, 2016 and ending September 30, 2017, shall be made in accordance with the budget approved by this ordinance.

**SECTION 4**. Specific authority is given to the City Manager regarding the transfer of appropriations budgeted from one department or activity to another department or activity.

**SECTION 5**. All notices and public hearings required by law have been duly completed. The City Secretary is directed to provide a certified copy of the budget to the County Clerk of Liberty County for recording after final passage hereof.

**SECTION 6**. This Ordinance shall take effect immediately from and after its passage.

**SECTION 7**. That the requirement contained in Section 3.10 of the Home Rule Charter of the City of Liberty, Texas that all ordinances be read on two separate days is hereby dispensed with.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Liberty, Texas on the 13th day of September, 2016.

________________________
Carl Pickett
Mayor

ATTEST:

________________________
Dianne Tidwell
City Secretary

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Tax Issues

## COUNCIL ACTION (ID # 3614)

DOC ID: 3614

EXPLANATION:

Beginning September, 2007, adoption of a budget that raises more revenue from property taxes than in the previous year also requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. This separate vote is in addition to the vote to adopt the budget and the vote to set the tax rate.

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**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Tax Rates

**ORDINANCE (ID # 3615)**

DOC ID: 3615 A

EXPLANATION:
After the budget is adopted, the Council must adopt an ordinance setting the tax rate. This action completes the budget process. The tax rate includes two components: a levy for maintenance and operations of $$0.3548 and a levy for debt service of $0.2552.

The proposed rate is $0.6100.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS ADOPTING AN AD VALOREM TAX RATE FOR FISCAL YEAR 2016-2017, AT A RATE OF $0.6100 PER ONE HUNDRED DOLLAR ($100) ASSESSED VALUATION ON ALL TAXABLE PROPERTY; PROVIDING AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT ALL ORDINANCES BE READ ON TWO SEPARATE DAYS.

**WHEREAS**, following public notices duly posted and published as required by law, public hearings were held on August 23, 2016, and August 30, 2016, by and before the City Council of the City of Liberty, the subject of which was the proposed tax rate for the City of Liberty for Fiscal Year 2016-2017, submitted by the City Manager in accordance with provisions of required state statutes; and

**WHEREAS**, the City Council, upon full consideration of the matter, is of the opinion that the tax rate hereinafter set forth is proper and should be approved and adopted.

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

**SECTION 1**. There is hereby levied and shall be assessed for the tax year 2016-2017 on all taxable property situated within the corporate limits of the City of Liberty, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of $0.6100 on each $100 assessed valuation of taxable property as follows:

(a) for the purpose of General Fund Maintenance and Operation of the municipal government of the City of Liberty, a tax of $0.3548 on each $100 assessed value on all taxable property; and

(b) For the purpose of payment of principal and interest on all Debt Service of the City of Liberty, a tax of $0.2552 on each $100 assessed value on all taxable property.

**THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.88 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $0.00.**

**SECTION 2**. The tax roll, prepared by Richard Brown, Liberty County Tax Assessor-Collector, as presented to the City Council, together with any supplements thereto, be and the same are hereby approved.

**SECTION 3**. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

**SECTION 4**. All ordinances of the City of Liberty Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 5**. This ordinance shall take effect immediately from and after its passage, as the law and charter in such cases provide.

**SECTION 6**. That the requirement contained in Section 3.10 of the Home Rule Charter of the City of Liberty, Texas that all ordinances be read on two separate days is hereby dispensed with.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, ON THIS THE 13$^{TH}$ DAY OF SEPTEMBER, 2016.**

______________________________
Carl Pickett, Mayor

ATTEST:

______________________________
Dianne Tidwell, City Secretary

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Misc. Fees

**ORDINANCE (ID # 3616)**

DOC ID: 3616

EXPLANATION:
Please see the last page of this Ordinance for changes made to the Master Fee Schedule. The changes include a rate increase to water and wastewater fees and the addition of Right-of-Way Management fees.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS PROVIDING FOR THE AMENDMENT OF THE MASTER FEE SCHEDULE FOR ALL RATES AND FEES CHARGED BY THE CITY OF LIBERTY; PROVIDING FOR AN INCREASE IN THE BASE RATE FOR WATER AND SEWER SERVICES FOR RESIDENTIAL AND COMMERCIAL ACCOUNTS; AND THE ADDITION OF FEES FOR PUBLIC RIGHT-OF-WAY USE; PROVIDING THAT ALL RATES OR SCHEDULES OF RATES CONFLICTING HEREWITH ARE AMENDED; PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT ALL ORDINANCES BE READ ON TWO SEPARATE DAYS.

WHEREAS, the City previously adopted a Master Fee Schedule which sets forth all rates and fees charged by the City of Liberty; and

WHEREAS, the City Council finds it more efficient to have the City’s fees set in one Ordinance, which can be amended as necessary by Ordinance; and

WHEREAS, the attached “Exhibit A” represents the rates and fees to be charged by the City, providing for an increase in the base rate for water and sewer services for both residential and commercial accounts and fees for use of public right-of-ways.

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

Section 1.

That all rates or schedules of rates which are in conflict herewith are to the extent of such conflict only, expressly amended, changed and repealed.

Section 2.

That the fee schedule attached hereto as “Exhibit A” amends the previous Master Fee Schedule to include the new rates shown in “Exhibit A” providing for an increase in the base rates for water and sewer service for residential and commercial accounts, and the addition of fees for use of public right-of-ways and is hereby adopted as fully set forth herein.

Section 3.

That the Ordinance containing all current rates and fees charged by the City of Liberty shall take effect October 1, 2016.

Section 4.

That the requirement contained in Section 3.10 of the Home Rule Charter of the City of Liberty, Texas that all ordinances be read on two separate days is hereby dispensed with.

PASSED AND ADOPTED this the 13th day of September 2016.

Carl Pickett, Mayor

ATTEST:

Dianne Tidwell, City Secretary

**CHANGES TO MASTER FEE SCHEDULE**
**September 13, 2016**

**(Old Rates Highlighted)**

**NEW CHANGES**

**SOLID WASTE**
**Commercial Solid Waste Collection**

| | |
|---|---|
| Once-a-week pick-up (1-90 Gal. Container) | 1-96 Gal. Container |

**UTILITY FEES**
**Residential Water Service**

| | |
|---|---|
| Min. Monthly Rate - 2M Gallons | $20.99 (Same) |
| Excess Over ($3.25/M gals) | $3.50/M gals |

**Commercial Water Service**

| | |
|---|---|
| Min. Monthly Rate - 2M Gallons ($23.99) | $27.00 |
| Excess Over ($2.95/M gals) | $3.25/M gals |

**Residential Sewer Service**

| | |
|---|---|
| Min. Monthly Rate - 2M Gallons ($21.74) | $22.00 |
| Excess Over ($2.30/M gals) | $2.55/M gals |

**Commercial Sewer Service**

| | |
|---|---|
| Min. Monthly Rate - 2M Gallons ($25.24) | $29.50 |
| Excess Over ($2.80) | $3.10/M gals |

**ROW MANAGEMENT (ADDITION)**

| | |
|---|---|
| Use of Public Right-of-Way | |
| Permit Fee | $400.00 |
| Annual Fee | Based on Individual Location |

# MASTER FEE SCHEDULE – EXHIBIT "A"
## Amended Septemmber 13, 2016

| Description | Fees |
|---|---|
| **EMS Department** | |
| BLS Emergency Transport | $1,200.00 |
| BLS N-Emergency Transport | $1,200.00 |
| ALS1 Emergency Transport | $2,100.00 |
| ALS2 Transport | $2,600.00 |
| ALS Mileage | $35.00 |
| BLS Mileage | $35.00 |
| No Treatment/No Transport | $50.00 |
| Treatment/No Transport | $75.00 |
| ALS N-Emergency | $1,200.00 |
| **Fire Department (Charges per Hour)** | |
| Chief/Assistant Chief | $50.00 |
| Paid Full Time | $30.00 |
| Volunteer Chief | $25.00 |
| Volunteer Firefighters | $20.00 |
| Engines | $250.00 |
| Mini Pumper Booster | $150.00 |
| Command 27 | $150.00 |
| Chief Vehicle | $75.00 |
| **Municipal Library** | |
| Meeting Room | $20.00 |
| Replacement Library Card | $5.00 |
| Lost/Damaged Books/Items | Cost of Item + Accrued Fines |
| Damaged Video Case | $1.00 |
| Copies | |
| B&W – per page | $0.15 |
| Color – per page | $0.50 |
| 11X17 – B&W | $0.30 |
| 11X17 – Color | $1.00 |

MASTER FEE SCHEDULE – EXHIBIT "A"
Amended Septemmber 13, 2016

| Description | Fees |
|---|---|
| **Municipal Library (Cont.)** | |
| Faxes | |
| First Page | $1.50 |
| Additional Pages | $1.00 |
| Computer Printouts | |
| Black and White per page | $0.15 |
| Color per page | $0.50 |
| Late Fees per day | |
| Books, Periodicals, Cassettes, CDs | $0.10 |
| Videos, DVDs | $1.00 |
| Reference Books | $1.00 |
| Opaque Projector per day | $3.00 |
| Late Fee per day | $5.00 |
| Overhead Projector per day | $3.00 |
| Late Fee per day | $5.00 |
| Multi-Media Projector | |
| Organizations per day | $20.00 |
| Late Fee per day | $20.00 |
| Businesses per day | $50.00 |
| Late Fee per day | $50.00 |
| Purchase of floppy disk | $1.00 |
| Purchase of CD | $1.00 |
| Replacement barcodes on books | $0.25 |
| Interlibrary Loan | Cost of postage to return material |
| **Parks Department** | |
| Facility Fees | |
| Park Gazebo | |
| 8:00 a.m.- Noon | $25.00 |
| Noon – 4:00 p.m. | $25.00 |
| 4:00 p.m. – 8:00 p.m. | $25.00 |

## MASTER FEE SCHEDULE – EXHIBIT "A"
### Amended Septemmber 13, 2016

| Description | Fees |
|---|---|

### Parks Department (Cont.)

Basketball Pavilion

| | |
|---|---|
| 8:00 a.m. – Noon | $40.00 |
| Noon – 4:00 p.m. | $40.00 |
| 4:00 p.m. – 8:00 p.m. | $40.00 |

Daniel Pavilion/City Hall

| | |
|---|---|
| 8:00 a.m. – Noon | $40.00 |
| Noon – 4:00 p.m. | $40.00 |
| 4:00 p.m. – 8:00 p.m. | $40.00 |

City Park Fields - Accounts and Rental Fees

| Complex | Location | Rental Fee 4 Hours | Rental Fee Month |
|---|---|---|---|
| 1 | Field A | $40.00 | $140.00 |
| | Field B | $40.00 | $140.00 |
| | Field C | $40.00 | $140.00 |
| | Field D | $40.00 | $140.00 |
| | Concession | N/A | $140.00 |
| | | | |
| 2 | Field 7-8 | $40.00 | $140.00 |
| | Field 9-10 | $40.00 | $140.00 |
| | Field 11-12 | $40.00 | $140.00 |
| | Field 13-14 | $40.00 | $140.00 |
| | Field 15-18 | $40.00 | $140.00 |
| | Concession | N/A | |
| | | | |
| 3 | T-Ball Lights | $40.00 | $40.00 |
| | T-Ball Concession/ RR | N/A | $25.00 |

Note: Complex 1-Fields C & D; Complex 2; Complex 3 are reserved from February 1 to July 31 of each year.
Complex 2 and Complex 3 Concessions are reserved all year.

### Airport

T-Hangars

| | |
|---|---|
| One (1) year contract per month | $250.00 |

MASTER FEE SCHEDULE – EXHIBIT "A"

Amended Septemmber 13, 2016

| Description | Fees |
|---|---|
| Month to Month rental | $275.00 |
| Tie Down Fee | |
| 1st Week | No Charge |
| After 1st week per day charge | $5.00 |
| Private Hangar site per sq. foot | $0.15 |
| Large Hangar – City owned per month | $600.00 |
| Small Hangar - City owned per month | $300.00 |

## Animal Control

| | |
|---|---|
| 1st Impoundment | $15.00 |
| 2nd Impoundment | $25.00 |
| 3rd and Subsequent Impoundment | $40.00 |
| Housing Fee per day | $8.00 |
| Pet Relinquish Fee | $25.00 |
| Quarantine Fee | $75.00 |
| (additional fee will be assessed, medical, etc.) | |

The above fees do not include large and non-domesticated animals. The fees only apply to small domestic animals.

| | |
|---|---|
| Kennel License Fee | $100.00 |
| Dangerous Dog Registration Fee | $150.00 |
| Adoption Fee | $45.00 |

# MASTER FEE SCHEDULE – EXHIBIT "A"
## Amended Septemmber 13, 2016

| Description | Fees |
|---|---|
| **Permit and Inspection Department** | |
| Electrical Permit Fees | |
| Single Phase - | |
| 100, 150 & 200 amp | $20.00 |
| Re-Inspection Fee | $25.00 |
| Temporary Pole Inspection | $15.00 |
| Air Conditioner Permit Fee | $15.00 |
| Three Phase – Commercial & Residential | |
| (Price includes inspection and can) | |
| 100 amp | $45.00 |
| 200 amp | $50.00 |
| CT Metering – Commercial & Residential | |
| (Price includes inspection and metering equipment) | |
| 200 / 400 amp | $300.00 |
| 400 / 800 amp | $400.00 |

Three phase residential services will also include a charge of $500.00 for the cost of transformer and installation.

Over 300 KVA will have facility charges to be determined by the Electric Department Supervisor.

Primary electrical service lines over two hundred and fifty (250) feet must be paid for by the customer before connection can be made.

All underground services are required to have a main disconnect on the customers take-off pole.

All commercial services are required to have a main breaker outside of the building.

All meter cans must be approved for use and meet the specs set for by the City of Liberty.

# MASTER FEE SCHEDULE – EXHIBIT "A"
## Amended Septemmber 13, 2016

| Description | Fees |
|---|---|

### Permit and Inspection Department (Cont.)

Plumbing Permit Fees

| | |
|---|---|
| Fixtures (lavs, tubs, etc.) 1-4 | $10.00 |
| Over 4 | $10.00 plus $3.00 per additional fixture |
| Sewer Line Inspection | $15.00 |
| Water Line Inspection | $15.00 |
| Water & Sewer Line Inspection (combined) | $20.00 |
| Water Heater Inspection | $15.00 |
| Gas Test Inspection | $20.00 |
| Gas Piping, 1-4 Outlets | $10.00 |
| 5 or more, per outlet | $3.00 |
| Lawn Sprinkler System | $15.00 |
| Per Re-Inspection | $25.00 |

Building Permit Fees

Plat Filing Fees

| | |
|---|---|
| Preliminary Plat | $25.00 |
| Final Plat | $100.00 |
| Filing Fee – Courthouse | $50.00 |

Residential & Commercial Building Permit Fees - (applies to building, remodel, and sign permits)

Total Valuation –

| | |
|---|---|
| $100.00 or less | $5.00 |
| $101.00 - $2,000.00 | $20.00 |

$2,001.00 - $15,000.00

$20.00 for the first $2,000.00 plus $10.00 for each additional TDC or fraction thereof, to and including $15,000.00

$15,000.00 - $99,999.99 –

$150.00 for the first $15,000.00 plus $3.00 for each additional TDC or fraction thereof, to and including $100,000.00

$100,000.00 - $500,000.00

$405.00 for the first $100,000.00 plus $2.75 for each additional TDC or fraction thereof, to and including $500,000.00

$500,000.00 and above

# MASTER FEE SCHEDULE – EXHIBIT "A"
## Amended Septemmber 13, 2016

| Description | Fees |
|---|---|

$1,505.00 for the first $500,000.00 plus $2.50 per TDC

## Permit and Inspection Department (Cont.)

| | |
|---|---|
| Permit Fee for moving a House/Building/Structure | $50.00 |
| Demolition permits are issued at no charge | $0.00 |

Water & Sewer Tap Fees

| Water Tap | Regular Rate |
|---|---|
| ¾" | $375.00 |
| 1" | $575.00 |
| 1 ½" | $875.00 |
| 2" | $950.00 |

| Sewer Tap | Rates |
|---|---|
| 4" | $400.00 |
| 6" | $450.00 |
| 8" | $500.00 |

All taps made outside the legal boundary of the City shall be assessed a charge of $50.00 in addition to the tap fee.

Beverage Permit Fees

The City may levy and collect a fee not to exceed one-half (1/2) the State Fee for each permit issued for premises located within the City.

Amusement Machine and Arcade Center Fees

Occupation Tax - 1/4 the amount levied by the State on each coin-operated machine that an owner exhibits or displays, or permits to be exhibited or displayed in this State.

| | |
|---|---|
| Amusement Center Annual License Fee | $50.00 |
| Release of Sealed Coin-Operated Machine | $5.00 |
| Replacement Tax Tag Fee | $6.00 |

Vendor/Solicitor License Fees

| | |
|---|---|
| Annual Fee for 1st person | $30.00 |
| Each additional person | $10.00 |
| Junk Dealer/Junkyard Permit Fees | $50.00 |

## MASTER FEE SCHEDULE – EXHIBIT "A"
### Amended Septemmber 13, 2016

| Description | Fees |
| --- | --- |
| Recreational Vehicle Parks | |
| Annual License Fee | $150.00 |
| Manufactured Home Permits | $25.00 |
| Floodplain Development Permit | $50.00 |
| **Administration** | |
| Oil/Gas Drilling Permit Fee | $2,000.00 |
| Application Fee | $100.00 |
| Electronic Conversion Fee | Cost |
| Road Damage Fee | Replacement Cost |
| Inspection Fee – Per well, Per year | $100.00 |
| Annual Administrative Fee | $25.00 |
| Nonrefundable Amended Permit Fee | $2,000.00 |
| Administrative Fee | $200.00 |
| Technical Advisor Fee | Cost |
| Appeal Fee | $250.00 |
| Seismic Permit Fee | $2,000.00 |
| Alarm Permit Fees – | |
| Application Fee | $25.00 |
| Renewal Fee | $25.00 |
| Reinstatement Fee | $40.00 |
| False Alarm Notification | $50.00 |
| Late Payment Fee | $10.00 |
| Response to alarms w/o permit | $100.00 |
| Rental of Liberty Center and Kitchen | |
| Room Rental Without Alcohol – until 12:00 a.m. | $500.00 |
| Room Rental With Alcohol – until 12:00 a.m. | $1,000.00 |
| Local Non-Profit Without Alcohol– until 12:00 a.m. | $250.00 |
| Local Non-Profit With Alcohol | $500.00 |
| Additional Time – 12:00 a.m. – 2:00 a.m. (per ½ hr) | $100.00 |
| Kitchen | $300.00 |
| Damage Deposit | $1,000.00 |

**MASTER FEE SCHEDULE – EXHIBIT "A"**
**Amended Septemmber 13, 2016**

| Description | Fees |
|---|---|

Deposit is refundable if facilities are left clean and undamaged. This includes the bathrooms being cleaned and all trash removed to the outside dumpster. **ALL OF THE DEPOSIT** will be kept if the Lease Agreement, rules and regulations are broken for any reason.

## Administration (Cont.)

Tables and Chairs are provided, but renter is responsible for setting up and putting away.

SECURITY for all events will be coordinated by the Liberty Police Department, 936-336-5666.

Fees for Public Information

The City of Liberty fees for providing copies of public information are those fees set forth in the Texas Administrative Code, Title 1, Part 3, Chapter 70.

Garbage Fees

| | |
|---|---|
| Residential Collection Fee per month | $17.70 |

Each dwelling unit shall be considered a residential establishment even though such dwelling unit may be a part of an apartment or duplex.

Commercial Collection Fee per month
Collection from each commercial establishment shall be as follows:

| | |
|---|---|
| Once-a-week pick-up / 3-32 gallons n containers | $31.00 |
| Once-a-week pick-up / / 1-96 gallon container | $37.72 |

## MASTER FEE SCHEDULE – EXHIBIT " A "
## Amended Septemmber 13, 2016

| Description | Fees |
|---|---|

### Administration (Cont.)

Utility Fees- Electric

Residential

| | | |
|---|---|---|
| Minimum charge | | $6.00 |
| Total KW minus 50 | X | 0.037128 |
| Total KW | X | Fuel Adjustment |

These three (3) figures add up to total electricity. Tax is added for a taxable business and rental property.

Commercial

| | | |
|---|---|---|
| Minimum charge | | $21.80 |
| Total KW | X | 0.03832 |
| Total KW | X | Fuel Adjustment |

Total Demand charge (if business has a demand)

Tax (if business is taxable)

Demand decimal figure and multiplier can be obtained from the Billing Department. The demand charge is based on a multiplier on the account. Take the demand decimal figure for the month and multiply by the multiplier number. Take the figure and subtract 15 from this number. Then multiply this figure by $6.24 to get the total demand dollar amount.

Large Commercial

| | | |
|---|---|---|
| Minimum charge | | $30.87 |
| Total KW | X | 0.023989 |
| Total KW | X | Fuel Adjustment |

Total Demand charge (if business has a demand)

Tax (if business is taxable)

MASTER FEE SCHEDULE – EXHIBIT “A”

Amended Septemmber 13, 2016

| Description | Fees |
|---|---|

## Administration (Cont.)

The demand charge is figured the same as regular commercial. Do not subtract the free 15 load amount. The demand figure is multiplied by $4.62 to get the total demand dollar amount.

Utility Fees – Water

Residential Service

This rate is applicable for all domestic purposes in a single family residence or individual apartments. All water rates are based on water consumption which must be taken through a single meter.

| | | |
|---|---|---|
| Minimum Monthly Rate | 2M Gallons | $20.99 |
| Excess Over | 2M Gallons | $3.50/M gals |

Commercial Service

This rate is applicable for all commercial, business and/or manufacturing purposes and is also applicable to residences or apartments serving two or more families. All water rates are based on water consumption which must be taken through a single meter.

| | | |
|---|---|---|
| Minimum Monthly Rate | 2M Gallons | $27.00 |
| Excess Over | 2M Gallons | $3.25/M gals |

NOTE: “M” means thousands.

Utility Fees – Sewer

Residential Service

This rate is applicable for all domestic purposes in a single family residence or individual apartment. All sewer rates are based on water consumption which must be taken through a single meter. This rate has been capped at 15,000 gallons so that citizens no longer pay for sewer service on their usage above 15,000 gallons per month.

| | | |
|---|---|---|
| Minimum Monthly Rate | 2M Gallons | $22.00 |
| Excess Over | 3M – 15M Gallons | $2.55/M gals |
| | Over 15M | No charge |

## MASTER FEE SCHEDULE – EXHIBIT "A"
### Amended Septemmber 13, 2016

| Description | Fees |
|---|---|

## Administration (Cont.)

Commercial Service

This rate is applicable to all commercial, business and/or manufacturing purposes and is also applicable to residences or apartments serving two or more families. All sewer rates are based on water consumption which must be taken through a single meter.

| | | |
|---|---|---|
| Minimum Monthly Rate | 2M Gallons | $29.50 |
| Excess Over | 2M Gallons | $3.10/M Gals |

| | |
|---|---|
| Industrial Waste Permit Fee | $250.00 |

Introduction of wastewater into the City's system is paid at a rate of $.0018/gallon

Security Deposits

| | |
|---|---|
| Residential – Electric | $200.00 |
| Residential – Water | $50.00 |
| Charge for new service | $15.00 |

Reconnection Fee

A fee will be charged to restore service which has been suspended as a result of any utility bill in arrears.

| | |
|---|---|
| Extension Fee | $7.50 |
| During regular business hours | $35.00 |

| | |
|---|---|
| Return check Fee | $35.00 |

Late Fee

The gross monthly bill for all classes of utilities including, but not limited to, electricity, water, wastewater, solid waste and miscellaneous fees for service for which payment is not made within 20 days of the billing date shall be the net monthly bill, including all adjustments and/or other applicable charges, plus a 10% late fee.

Use of Public Right of Way Fees

| | |
|---|---|
| Permit Fee | $400.00 |
| Annual Fee | Based on Individual Location |

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM
Department: Administration
Category: Property Sale

## COUNCIL ACTION (ID # 3617)

DOC ID: 3617

.

We have an offer on the following property:

Account numbers 004300-000024-006 (PID # 48203)

BEING 0.1417 acres, described as Fisher, Block 4, Lot 5, and being further identified in the Tax Rolls of Liberty County as Account # 004300-000024-006.

| | | | |
|---|---|---|---|
| Offeror: | Name: | Alonzo Baldwin Jr. |
| | Address: | 910 Confederate St. |
| | | Liberty, Texas 77575 |
| | Phone #: | 713-277-8599 |

| | | | | |
|---|---|---|---|---|
| Tax owed: | Liberty ISD | $ 9,298.19 | = | 56.23 % |
| | City of Liberty | $ 3,229.48 | = | 19.53 % |
| | County | $ 4,008.33 | = | 24.24 % |
| Total taxes owed: | | $ 16,536.00 | | |

| | |
|---|---|
| Offer: | $ 1,000.00 |
| Less court costs TX11101066 | $ 584.00 |
| Deed Filing Fee | $ 24.00 |
| Amount to be distributed: | $ 392.00 |

| | |
|---|---|
| Amount to be received by Liberty ISD | $ 220.42 |
| Amount to be received by the City of Liberty | $ 76.56 |
| Amount to be received by County | $ 95.02 |
| | $ 392.00 |

| | |
|---|---|
| Total per cent recovered by | 2.37 % |
| Total Base Tax | $ 6,021.08 |
| Per cent of base amount recovered | 6.51 % |
| CAD value (PID #48212) | $ 3,700.00 |
| Percent of CAD value recovered | 10.60 % |

Attachment: Tax Resale Property-Fisher (3617 : Tax Resale Property)

Liberty County Strike Off Property

# Resale Bidders Information Form

## Buyer Information

Name: Alonzo Baldwin Jr.

Address: 910 Confederate St.
Liberty Tx 77575

Phone Number: 713 277-8599

## Property Information

Suit # CV71172

Account # 004300-000024-006

Legal Description: Fisher Bld 4, Lot 5
ac. 1417

## Proposed Bid Information

Amount of Bid: $1,000

A publication fee of $250.00, $24.00 for fee to file the deed and the amount of Court Costs will be deducted from this figure first and then the remaining amount is the figure to be distributed to the taxing authorities.

**** The acceptance of this proposed bid sheet does not warranty nor guarantee that the proposed bid will be approved by the taxing entities****

Return completed form to

Mike Fielder
Fielder, Gunter & Davis
108 W. Clayton
P.O. Box 1265
Dayton, TX 77535

Phone (936) 258-5536, Fax: (936)258-5508, email: mike@texasriverslaw.com

Server: LIBERTYTAX

Database: LIBERTYCOUNTY

User: TAXOFCBACK09152\Owner

Form: Account Status

Date: 7/6/2016 4:09:41 PM

Account: 004300-000024-006
AD #: 48203
Legal: FISHER, BLOCK 4, LOT 5, ACRES .1417
Owner: LIBERTY ISD TRUSTEE ETAL, 1600 GRAND AVE, LIBERTY, TX 77575-472
Stat: SJ
Sup:
Refresh

A Val: 3,700 | S Def: | Deed: | Acres: 0.141700 | Frozen Information: No Frozens | Fiduciaries: 0 found
L Val: 3,700 | E Def: | Vol: 0 | Sq Ft: 0 | Exemptions: MISC
I Val: 0 | Ag Def: 0 | Page: 0 | Inst: 0 | Roll: R | NonBilled: 0 Found
Loc: 0000000 CONFEDERATE | Map#: | Today | Override P&I | Paid: 07/14/2003

Receivables | Detail | Audit |
Owner ID: 196391
Owner %: 100

Current/Due | Prior Years | All | Select...
Values | Year, Unit, Type

| Year | Status | Rec. Bal. | Pen. Due | Int. Due | Col. Pen | Total Due | Paid | Refund |
|---|---|---|---|---|---|---|---|---|
| TOTAL | | 6,021.08 | 722.50 | 7,635.55 | 2,156.87 | 16,536.00 | 10,245.69 | .00 |
| 2015 | | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| 2014 | | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| 2013 | | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| 2012 | | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| 2011 | | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| 2010 | | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| 2009 | | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| 2008 | | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| 2007 | J | 15.08 | 1.81 | 15.39 | 4.84 | 37.12 | .00 | .00 |
| 2006 | | 2,071.38 | 248.57 | 2,361.37 | 702.20 | 5,383.52 | .00 | .00 |
| 2005 | S | 2,227.00 | 267.23 | 2,806.03 | 795.04 | 6,095.30 | .00 | .00 |
| 2004 | J | 905.76 | 108.68 | 1,249.95 | 339.66 | 2,604.05 | .00 | .00 |
| 2003 | J | 801.86 | 96.21 | 1,202.81 | 315.13 | 2,416.01 | .00 | .00 |
| 2002 | | .00 | .00 | .00 | .00 | .00 | 1,017.00 | .00 |
| 2001 | | .00 | .00 | .00 | .00 | .00 | 699.67 | .00 |
| 2000 | | .00 | .00 | .00 | .00 | .00 | 755.46 | .00 |
| 1999 | | .00 | .00 | .00 | .00 | .00 | 705.47 | .00 |

LIBERTY COUNTY
TAX ASSESSOR - COLLECTOR
RICHARD L BROWN

P.O. BOX 1810
LIBERTY, TX 77575
(936) 336-4633

ACCOUNT: 004300-000024-006

**2015+ Tax Statement**

| | |
|---|---|
| **Statement Date:** | 07/06/2016 |
| **Owner:** | LIBERTY ISD TRUSTEE ETAL |
| **Mailing Address:** | 1600 GRAND AVE<br>LIBERTY TX 77575-4725 |

| | |
|---|---|
| **Property Location:** | 0000000 CONFEDERATE |
| **Acres:** | 0.1417 |
| **Legal Description:** | FISHER, BLOCK 4, LOT 5, ACRES .1417 |

**Exemptions:**

| NON-HOMESITE VAL | APPRAISED VALUE |
|---|---|
| 3,700 | 3,700 |

| Taxing Entities | Exemption Amount | Taxable Value | Tax Rate Per $100 | Base Tax |
|---|---|---|---|---|
| CITY OF LIBERTY | 3,700 | 0 | 0.590000 | 0.00 |
| LIBERTY COUNTY | 3,700 | 0 | 0.578800 | 0.00 |
| LIBERTY CO HD #1 | 3,700 | 0 | 0.090000 | 0.00 |
| NAVIGATION SOUTH | 3,700 | 0 | 0.017800 | 0.00 |
| LIBERTY ISD | 3,700 | 0 | 1.394300 | 0.00 |
| WATER DISTRICT #5 | 3,700 | 0 | 0.059700 | 0.00 |
| | | | TOTAL BASE TAX | 0.00 |

LAWSUIT: CV71172 LISD CV71172LISD

| | |
|---|---|
| PRIOR YEARS | 16,536.00 |
| **Total Amount Due** | **16,536.00** |

IF THE PROPERTY DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE LIBERTY COUNTY TAX OFFICE REGARDING A RIGHT YOU MAY HAVE TO ENTER INTO AN INSTALLMENT AGREEMENT DIRECTLY WITH THE LIBERTY COUNTY TAX OFFICE FOR THE PAYMENT OF THESE TAXES.

*LAWSUIT HAS BEEN FILED ON DELINQUENT TAXES. CALL (936) 336-4633 FOR ADDITIONAL AMOUNT DUE.
*ADDITIONAL COUNTY SALES TAX REDUCED YOUR COUNTY AD VALOREM TAX BY $0.00.

↓ Detach ↓

*Detach and return this portion with your check payable to:*

**Liberty County**
**P.O. Box 1810**
**Liberty, TX 77575**
**(936) 336-4633**

2015 +Tax Statement
07/06/2016

Property Account Number
004300-000024-006

**Total Amount Due** **$16,536.00**

OWNER: LIBERTY ISD TRUSTEE ETAL
PIDN: 48203
FID:
CV71172 LISD CV71172LISD

Delinquent Date: 02/01/2016

NOTE: LAWSUIT FILED AGAINST DELINQUENT TAXES. CALL (936) 336-4633.

LIBERTY ISD TRUSTEE ETAL
1600 GRAND AVE
LIBERTY TX 77575-4725

| IF PAID IN | AMOUNT DUE |
|---|---|
| AUG | 16,605.20 |
| SEP | 16,674.44 |
| OCT | 16,743.66 |
| NOV | 16,812.90 |
| DEC | 16,882.14 |
| JAN | 16,951.35 |

# Liberty CAD eSearch

## Property ID: 48203 For Year 2016

### Map

## Property Details

| | |
|---|---|
| **Account** | |
| Property ID: | 48203 |
| Legal Description: | FISHER, BLOCK 4, LOT 5, ACRES .1417 |
| Geographic ID: | 004300-000024-006 |
| Agent Code: | |
| Type: | Real |
| **Location** | |
| Address: | CONFEDERATE |
| Map ID: | 39 A, 807 |
| Neighborhood CD: | LISD01 |
| **Owner** | |
| Owner ID: | 196391 |
| Name: | LIBERTY ISD TRUSTEE ETAL |
| Mailing Address: | 1600 GRAND AVE<br>LIBERTY, TX 77575-4725 |
| % Ownership: | 100.0% |
| Exemptions: | EX-XV - Other Exemptions (including public property, religious organizations, charitable organizations, and other property not reported elsewhere)<br>For privacy reasons not all exemptions are shown online. |

## Property Values

| | |
|---|---|
| Improvement Homesite Value: | $0 |
| Improvement Non-Homesite Value: | $0 |
| Land Homesite Value: | $0 |
| Land Non-Homesite Value: | $3,700 |
| Agricultural Market Valuation: | $0 |
| | |
| Market Value: | $3,700 |
| Ag Use Value: | $0 |
| | |
| Appraised Value: | $3,700 |
| HS Cap: | $0 |
| | |
| Assessed Value: | $3,700 |

Attachment: Tax Resale Property-Fisher (3617 : Tax Resale Property)

**VALUES DISPLAYED ARE 2016 PRELIMINARY VALUES and are subject to change prior to Certification**

**DISCLAIMER** Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

## Property Taxing Jurisdiction

| Entity | Description | Tax Rate | Market Value | Taxable Value | Estimated Tax | Freeze Ceiling |
|---|---|---|---|---|---|---|
| CAD | APPRAISAL DIST | 0.000000 | $3,700 | $0 | $0.00 | |
| CLI | CITY OF LIBERTY | 0.590000 | $3,700 | $0 | $0.00 | |
| GLI | LIBERTY COUNTY | 0.578800 | $3,700 | $0 | $0.00 | |
| HD1 | HOSPITAL DISTRICT 1 | 0.090000 | $3,700 | $0 | $0.00 | |
| NAVS | NAVIGATION-SOUTH | 0.017800 | $3,700 | $0 | $0.00 | |
| PR1 | PRECINCT 1 | 0.000000 | $3,700 | $0 | $0.00 | |
| SLI | LIBERTY ISD | 1.394300 | $3,700 | $0 | $0.00 | |
| WD5 | WATER DISTRICT 5 | 0.059700 | $3,700 | $0 | $0.00 | |

**Total Tax Rate:** 2.730600 **Estimated Taxes With Exemptions:** $0.00 **Estimated Taxes Without Exemptions:** $101.03

## Property Improvement - Building

## Property Land

| Type | Description | Acres | Sqft | Eff Front | Eff Depth | Market Value | Prod. Value |
|---|---|---|---|---|---|---|---|
| PRI | PRIMARY SITE | 0.1417 | 6,173.00 | 0.00 | 0.00 | $3,700 | $0 |

## Property Roll Value History

| Year | Improvements | Land Market | Ag Valuation | Appraised | HS Cap | Assessed |
|---|---|---|---|---|---|---|
| 2016 | $0 | $3,700 | $0 | $3,700 | $0 | $3,700 |
| 2015 | $0 | $3,700 | $0 | $3,700 | $0 | $3,700 |
| 2014 | $0 | $3,700 | $0 | $3,700 | $0 | $3,700 |
| 2013 | $0 | $3,700 | $0 | $3,700 | $0 | $3,700 |
| 2012 | $0 | $3,700 | $0 | $3,700 | $0 | $3,700 |
| 2011 | $0 | $3,700 | $0 | $3,700 | $0 | $3,700 |
| 2010 | $0 | $3,700 | $0 | $3,700 | $0 | $3,700 |
| 2009 | $75,470 | $20,370 | $0 | $95,840 | $0 | $95,840 |

Attachment: Tax Resale Property-Fisher (3617 : Tax Resale Property)

## Property Deed History

| Deed Date | Type | Description | Grantor | Grantee | Volume | Page | Number |
|---|---|---|---|---|---|---|---|
| 2/21/2007 | SD | SHERIFF'S DEED | DECKERT MICHAEL E & PENNY L | LIBERTY ISD TRUSTEE ETAL | 2007 | 004021 | |
| 3/2/2000 | GD | GIFT DEED | DECKERT LAWRENCE E | DECKERT MICHAEL E & PENNY L | 1821 | 705 | 0 |

**VALUES DISPLAYED ARE 2016 PRELIMINARY VALUES and are subject to change prior to Certification**

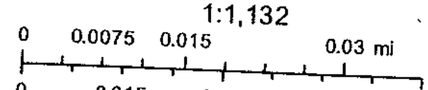
**DISCLAIMER** Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

# Map Title


July 6, 2016

- Parcels
- Abstracts

Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries




Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographic
DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, sw

Liberty County Appraisal District & BIS Consulting

Attachment: Tx Property Pic 1  (3617 : Tax Resale Property)

Attachme

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Agreements

## COUNCIL ACTION (ID # 3618)

DOC ID: 3618

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# INTERLOCAL AGREEMENT FOR ACQUISITION AND DEMOLITION OF PROPERTY LOCATED AT 1309 NORTH MAIN STREET, LIBERTY, TEXAS 77575

This agreement ("Agreement") is made and entered into between the **City of Liberty**, a home rule municipal corporation of the State of Texas ("City"), acting by and through **Carl Pickett**, its duly authorized City Mayor, **Liberty Independent School District,** a political subdivision of the State of Texas located in Liberty County and a legally constituted Independent School District ("District"), acting by and through **Dr. Cody Abshier**, its duly authorized Superintendant, **Liberty County,** a political subdivision of the State of Texas located in Liberty County ("County"), acting by and through **Jay Knight**, its duly authorized County Judge, **Liberty County Hospital District No. 1**, a political subdivision of the State of Texas located in Liberty County ("Hospital District"), Texas, acting by and through **C. Bruce Stratton**, its duly authorized agent, **Liberty County Water Control and Improvement District #5,** a political subdivision of the State of Texas ("WCID5"), acting by and through, **James Kevin Leonard**, its duly authorized agent, and the **Chambers Liberty Counties Navigation District**, a political subdivision of the State of Texas ("Navigation District"), acting by and through **Terry Haltom**, its duly authorized agent.

## RECITALS

This Agreement is made under the authority granted to the City, the District, the County, the Hospital District, the WCID5, and the Navigation District pursuant to the Texas Government Code, Chapter 791, known as the INTERLOCAL COOPERATION ACT.

WHEREAS, the Liberty City Council has determined that the Property located at 1309 North Main Street (the "Property") is currently in an unsafe condition and is an impediment to further development within the City and County; and

WHEREAS, the City recognizes that one of its goals is to promote public safety within the City of Liberty; and

WHEREAS, City recognizes that purchase of the Property from the taxing entities will permit the City to clear the Property and sell it in order to make it available for development and return it to the tax roll; and

WHEREAS, City recognizes that demolishing the building located on the Property will permit future development to take place on the property; and

WHEREAS, City, District, County, the Hospital District, the WCID5, and the Navigation District all recognize that the building located on the Property is in an unsafe condition and should be demolished; and

WHEREAS, City, District, County, the Hospital District, the WCID5, and the Navigation District recognize the benefits of having the building razed and the Property developed and returned to the tax rolls; and

WHEREAS, City, District, County, the Hospital District, the WCID5, and the Navigation District recognize the benefits of future developments within the City of Liberty on the Property; and

WHEREAS, City, District, County, the Hospital District, the WCID5, and the Navigation District agree to sell the Property to the City in exchange for the City paying all demolition costs; and

WHEREAS, City agrees to pay the full cost to demolish the structure located on the Property in exchange for quitclaim deeds to the property; and

WHEREAS, City agrees to place the Property for sale after demolishing the structure located on said property; and

WHEREAS, City, District, County, the Hospital District, the WCID5, and the Navigation District agree that after selling the Property City will keep all funds necessary to reimburse the City for demolishing the structure, and all proceeds from the sale of the Property over and above the cost of demolition shall be submitted to the Liberty County Tax Assessor Collector to be distributed to the Parties in accordance with the tax liens; and

WHEREAS, in accordance with the Act, City, District, County, the Hospital District, the WCID5, and the Navigation District all recognize that any payments for the performance of governmental functions or services, to the extent such payments would be required, are from available current revenues.

NOW, THEREFORE, the City of Liberty, Texas enters into Agreement with the Liberty Independent School District, Liberty County, the Hospital District, the Liberty County Water Control and Improvement District #5, and the Chambers Liberty Counties Navigation District to purchase and demolish the building located on the Property in exchange for consideration of the mutual covenants, promises and agreements herein expressed, the parties agree as follows:

## AGREEMENT

1.

The City of Liberty agrees to take title from the Liberty Independent School District, Liberty County, the Liberty County Hospital District No. 1, the Liberty County Water Control and Improvement District #5, and the Chambers Liberty Counties Navigation District to the Property, located at 1309 North Main Street, Liberty, TX 77575, and further described below:

LIBERTY OUTER BLOCKS, BLOCK O-7, LOT 4, TRACT 12, BEING FURTHER DESCRIBED IN VOLUME 1700, PAGE 684 OF THE REAL PROPERTY RECORDS OF LIBERTY COUNTY, TEXAS (Account No 005901-000070-006)

In exchange for the title to the Property, free of taxes owed, CITY agrees to pay the full cost of demolishing the structure located on the Property. After demolishing the structure on the Property City agrees to sale the Property. After the sale of the Property City will keep all funds necessary to reimburse the City for the demolition of the structure. All proceeds from the sale of the Property over and above the cost of demolition shall be submitted to the Liberty County Tax Assessor Collector to be distributed to the Parties in accordance with the tax liens. Demolition of the buildings on the Property and the future sale of the Property will benefit all parties involved by helping further development within the City of Liberty and returning the Property to the tax roll.

2.

The term of this Agreement is for a period beginning on ____________________, and lasting indefinitely.

3.

This Agreement may be terminated by agreement of the Parties.

The City, the District, the County, the Hospital District, the WCID5, and the Navigation District covenant and agree that in the event any party fails to comply with, or breaches, any of the terms and provisions of this Agreement, each party shall provide written notice to the other as soon as reasonably possible after the non-breaching party becomes aware of the failure to comply or breach of contract. In the event that the breaching party fails to cure or correct such breaches within a reasonable time following the receipt of notice, such reasonable time not to exceed 15 days, the non-breaching party shall have the right to declare this agreement immediately terminated, and neither party shall have further responsibility or liability hereunder.

4.

The City, the District, the County, the Hospital District, the WCID5, and the Navigation District covenant that neither they nor any of their officers, members, agents, employees, program participants, or subcontractors, while engaged in performing this Agreement shall, in connection with the employment, advancement, or discharge of employees, or in connection with the terms, conditions or privileges of their employment, discriminate against persons because of their age, except on the basis of a bona fide occupational qualification, retirement plan, or statutory requirement.

5.

The City, the District, the County, the Hospital District, the WCID5, and the Navigation District in the execution, performance or attempted performance of this Agreement, will not discriminate against any person or persons because of sex, race, religion, age, disability, color, national origin, or familial status, nor will Contractor permit its agents, employees, subcontractors or program participants to engage in such discrimination.

6.

The provisions of this Agreement are severable and if for any reason a clause, sentence, paragraph or other part of this Agreement shall be determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity shall not affect other provisions which can be given effect without the invalid provision.

7.

The failure of the City, the District, the County, the Hospital District, the WCID5, and the Navigation District to insist upon the performance of any term or provision of this Agreement or to exercise any right herein conferred shall not be construed as a waiver or relinquishment to any extent of the party's right to assert or rely upon any such term or right on any future occasion.

8.

Should any action, whether real or asserted, at law or in equity, arise out of the execution, performance, attempted performance or non-performance of this Agreement, venue for said action shall lie in Liberty County, Texas.

9.

The governing bodies of the City, the District, the County, the Hospital District, the WCID5, and the Navigation District have approved the execution of this Agreement, and the persons signing the Agreement have been duly authorized by the governing bodies of the City, the District, the County, the Hospital District, the WCID5, and the Navigation District to sign this Agreement and the deeds to the property on behalf of the governing bodies.

10.

This written instrument constitutes the entire agreement by the parties hereto concerning the property and services to be transferred and performed hereunder, and any prior or contemporaneous, oral or written agreement which purports to vary from the terms hereof shall be void.

11.

The parties agree that this agreement may be executed in duplicate originals.

12.

Notices to the City shall be deemed given when delivered in person to the City Manager, or the next business day after the mailing of said notice addressed to said City Manager by United States mail, certified or registered mail, return receipt requested, and postage paid at 1829 Sam Houston St., Liberty, TX 77575.

Notices to County shall be deemed given when delivered in person to the County Judge, or the next business day after the mailing of said notice addressed to said County by United States mail, certified or registered mail, return receipt requested, and postage paid at 1923 Sam Houston St., Suite 201, Liberty, TX 77575.

Notices to District shall be deemed given when delivered in person to the District Superintendant, or the next business day after the mailing of said notice addressed to said District by United States mail, certified or registered mail, return receipt requested, and postage paid at 1600 Grand Ave., Liberty, TX 77575.

Notices to Hospital District shall be deemed given when delivered in person to the Hospital District Board President, or the next business day after the mailing of said notice addressed to said Hospital by United States mail, certified or registered mail, return receipt requested, and postage paid at 624 Fannin St., Liberty, TX 77575.

Notices to Liberty County Water Control and Improvement District 5 shall be deemed given when delivered in person to the WCID5 President, or the next business day after the mailing of said notice addressed to said WCID5 by United States mail, certified, or registered mail, return receipt requested, and postage paid at PO Box 626, Liberty, TX 77575.

Notices to the Chambers Liberty Counties Navigation District shall be deemed given when delivered in person to the Navigation District Chair, or the next business day after the mailing of said notice addressed to said Navigation District by United States mail, certified or registered mail, return receipt requested, and postage paid at PO Box 518, Anahuac, TX 77514.

IN WITNESS WHEREOF, the parties hereto have executed this agreement to multiples this _____ day of ____________________, A.D. 2016.

ATTEST: CITY OF LIBERTY

_________________________ _________________________

City Secretary

Carl Pickett
Mayor, City of Liberty

ATTEST: LIBERTY COUNTY

____________________ ______________________________

Jay Knight
Liberty County Judge

ATTEST: Liberty I.S.D.

____________________ ______________________________

Dr. Cody Abshier
District Superintendant

ATTEST: LIBERTY HOSPITAL DISTRICT NO. 1

____________________ ______________________________

C. Bruce Stratton
Hospital District Board President

ATTEST: WCID #5

____________________ ______________________________

James Kevin Leonard
President

ATTEST: NAVIGATION DISTRICT

____________________ ______________________________

Terry Haltom
Chair

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Wastewater Issues

## COUNCIL ACTION (ID # 3619)

DOC ID: 3619

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**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM
Department: Administration
Category: Street Issues

## COUNCIL ACTION (ID # 3620)

DOC ID: 3620

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# CITY OF LIBERTY

## City Council
## Agenda Item Form

| | |
|---|---|
| **Council Meeting Date:** September 13, 2016 |
| |
| **Agenda Item No.** VII.A.12 |
| |
| **Agenda Wording:** City Council authorize the award of a contract to CBL Industries in the amount of $25,725.28 for the resurfacing of Lakeland. |
| |
| **Department:** Public Works |
| |
| **Subject:** Resurfacing of Lakeland between Jefferson and the Fire Department. |
| |
| **Background:** In late April of 2016, the City began experiencing a number of sink holes in and around sanitary sewer lines. The first sinkhole to appear was on Lakeland between Jefferson and the Fire Department. City crews made repairs to the bad section of clay pipe but another failure occurred approximately five to ten feet from the first repair. Due to the condition of the existing sanitary sewer line, it was determined that approximately 600 feet of sewer line should be replaced between two manholes. Upon completion of the sewer line work the Street Department installed base material until Lakeland could be resurfaced. The contract for repairing the sanitary sewer line did not include resurfacing of the street. Several companies were requested to provide quotes to resurface the street with only one responding. The contractor that responded is also resurfacing the north end of Bowie. The contractor has submitted a quote of $25,725.28 to resurface this section of Lakeland. The City Engineer's estimate was $30,000. |
| |
| **Fiscal Impact:** Funds for this work is available in the Street Departments budget. |
| |
| **Staff Recommendation:** Staff recommends awarding the contract to CBL Industries. |
| |
| **Purpose:** The resurfacing of Lakeland will provide an improved riding surface for motorists. |
| |

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Agreements

## COUNCIL ACTION (ID # 3621)

DOC ID: 3621

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AGREEMENT BETWEEN THE TEXAS DEPARTMENT OF AGRICULTURE
AND
THE CITY OF LIBERTY
CONTRACT NO. 7216290
FOR
THE COMMUNITY DEVELOPMENT FUND

## SECTION 1. PARTIES TO CONTRACT

This contract and agreement is made and entered into by and between the Texas Department of Agriculture (herein referred to as the "Department"), an agency of the State of Texas, and the City of Liberty (herein referred to as "Contractor"). The parties to this contract agree to the mutual obligations and performance of the tasks described herein.

## SECTION 2. CONTRACT PERIOD

This contract and agreement shall commence on September 15, 2016, and shall terminate on September 14, 2018, unless otherwise specifically provided by the terms of this contract.

## SECTION 3. PURPOSE

The Department has been designated as the state agency to administer, and the United States Government has awarded the Department funds for, the Texas Community Development Block Grant ("TxCDBG") Program under Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.), herein referred to as the "HCD Act." Contractor has submitted, and the Department has approved, Contractor's application for a TxCDBG award to undertake eligible community and/or economic development activities in a non-entitlement area (herein referred to as the "Application"). This contract sets forth the obligations of the parties along with the terms and conditions under which the Department will provide funds to Contractor.

## SECTION 4. CONTRACTOR PERFORMANCE

A. Contractor shall conduct the activities approved under this award in a manner satisfactory to the Department and consistent with any standards required as a condition of providing these funds. The authorized use of TxCDBG funds is premised upon, and conditioned on, Contractor fulfilling a CDBG national objective as a result of the TxCDBG-assisted activities. Contractor shall perform all activities in accordance with the terms of the Performance Statement (Exhibit A); Budget (Exhibit B); Project Implementation Schedule (Exhibit C); Special Conditions (Exhibit D); Applicable Laws and Regulations (Exhibit E); Certifications (Exhibit F); and with all other terms, provisions, and requirements set forth in this contract. The Application, in addition to any certifications, assurances, information and documentation required to meet award conditions, are hereby incorporated into this contract.

B. Contractor shall ensure that the national program objective identified in the Performance Statement has been met and that the persons expected to benefit from the activities performed under this contract are receiving such benefit before submitting the Project Completion Report to the Department. If Contractor fails to meet a national program objective, Contractor must repay to the Department any associated disallowed costs as specified by the Department.

C. Contractor shall adhere to the Project Implementation Schedule timelines for key project activities. As described in the TxCDBG Project Implementation Manual and policy directives, the Department may require Contractor to submit written justification and take remedial action for any contract activity that is not completed by the date specified on the Project Implementation Schedule.

## SECTION 5. DEPARTMENT OBLIGATIONS

A. Payment for Allowable Costs. In consideration of full and satisfactory performance of the activities referred to in Section 4 of this contract, the Department shall be liable for actual and reasonable costs incurred by Contractor during the contract period subject to the limitations set forth in this Section.

1. The parties agree that the Department's obligations under this contract are contingent upon the actual receipt of adequate state or federal funds to meet the Department's liabilities under this contract. If adequate funds are not available to make payments under this contract, the Department shall notify Contractor in writing within a reasonable time after such fact is determined. In such event, the Department shall terminate this contract and will not be liable for failure to make payments to Contractor under this contract.

2. The Department shall not be liable to Contractor for any costs incurred by Contractor which are not allowable costs, as set forth in Section 7 of this contract. Expenses paid by or financed from other funding sources are not allowable costs under this contract.

3. The Department shall not be liable to Contractor for any costs incurred by Contractor or for any performances rendered by Contractor which are not in accordance with the terms of this contract.

4. The Department shall not be liable for costs incurred or performances rendered by Contractor before commencement of this contract or after termination of this contract. The Department may reimburse allowable administrative and engineering costs incurred by Contractor prior to this contract's execution date, if prior to the award Contractor requested and received written approval from the Department, and Contractor complied with all requirements for the release of such funds.

5. The Department shall not be liable to Contractor for any costs incurred by Contractor in the performance of this contract which have not been submitted to the Department by Contractor within 60 days following termination of this contract, with the exception of administrative costs for preparation of a Single Audit. Administration funds reserved on the Certificate of Expenditures for audit costs and eligible for reimbursement shall be billed to the Department within nine (9) months after the end of Contractor's fiscal year that follows the termination date of this contract. The Department shall deobligate all funds not requested under this paragraph.

B. Excess Payments. Contractor shall refund to the Department any sum of money which has been paid to Contractor by the Department which the Department determines has resulted in overpayment to Contractor, or which the Department determines has not been spent by Contractor in accordance with the terms of this contract. Such refund shall be made by Contractor to the Department within 30 calendar days after such refund is requested by the Department.

C. Limit of Liability. Notwithstanding any other provision of this contract, it is expressly agreed and understood that the total amount to be paid by the Department to Contractor for allowable expenses incurred under this contract shall not exceed Three Hundred Fifty Thousand and No/100 Dollars ($350,000).

## SECTION 6. GENERAL CONDITIONS

A. General Compliance. Contractor agrees to comply with the requirements of Title 24 of the Code of Federal Regulations (CFR) Part 570 (the U.S. Housing and Urban Development [HUD] regulations concerning CDBG), in particular Subparts I and K. Contractor also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies as now in effect and as may be amended from time to time, including those specified in the Applicable Laws and Regulations attached to this contract. Contractor further agrees to utilize funds available under this contract to supplement rather than supplant funds otherwise available.

B. Independent Contractor. Nothing contained in this contract is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties to this contract. Contractor shall at all times remain an "independent contractor" with respect to the services to be performed under this contract.

C. Indemnification. Contractor agrees, to the extent allowed by law, to hold harmless, defend and indemnify the Department from any and all claims, actions, suits, charges and judgments whatsoever that arise out of Contractor's performance or nonperformance of the activities, services or subject matter called for in this contract.

D. Department Recognition

1. Public buildings, facilities, and centers, including infrastructure visible to the general public, constructed with funds provided under this contract shall have permanent signage placed in a prominent visible public area with the wording provided below.

2. Other construction projects, e.g., water transmission lines, sewer collection lines, drainage, roadways, housing rehabilitation, etc., utilizing funds provided under this contract shall have temporary signage erected in a prominent location at the construction project site or along a major thoroughfare within the locality as directed by the owner.

3. Size and Formatting. The signage must be legible from a distance of at least three feet and comply with the size and formatting requirements set forth in the TxCDBG Project Implementation Manual.

4. Project Sign Wording: "This project is funded by the Office of Rural Affairs of the Texas Department of Agriculture with funds allocated by the United States Department of Housing and Urban Development through the Community Development Block Grant Program."

E. Changes and Amendments

1. Except as specifically provided otherwise in this contract or the TxCDBG Project Implementation Manual, any alterations, additions, or deletions to the terms of this contract shall be by amendment in writing and executed by both parties to this contract. Such amendments shall not invalidate this contract, nor release the Department or Contractor from its obligations under this contract, except as specifically set out therein.

2. A request for an extension must be supported by documentation of extenuating circumstances beyond Contractor's control which prevented completion of the project within the contract period.

3. A request to extend the contract period should be submitted in writing to the Department as soon as a delay is foreseen. Contract extension requests must be submitted to the Department approximately 60 days but no later than 30 days prior to the expiration of the contract and include a revised implementation schedule showing when major milestones will be completed for each activity. A request for an exception to the requirements specified in this paragraph will be evaluated in accordance with the applicable section of the TxCDBG Project Implementation Manual.

4. It is understood and agreed by the parties that performances under this contract must be rendered in accordance with the HCD Act; the policies, procedures and regulations of the Department; assurances and certifications made to the Department by Contractor; and assurances and certifications made to HUD by the State of Texas with regard to the operation of the TxCDBG Program. Based on these considerations, and in order to ensure the legal and effective performance of this contract by both parties, it is agreed by the parties that performance is subject to and governed by the provisions of the TxCDBG Project Implementation Manual and any amendments thereto. Further, the Department may from time to time during the period of performance of this contract issue policy directives which serve to establish, interpret, or clarify performance requirements under this contract. Such policy directives shall be promulgated by the Department in the form of TxCDBG issuances, shall have the effect of qualifying the terms of this contract and shall be binding upon the Contractor, as if written herein, provided, however, that the policy directives and any amendments to the TxCDBG Project Implementation Manual shall not alter the terms of this contract so as to release the Department from any obligation specified in Section 5 of this contract to reimburse costs incurred by the Contractor prior to the effective date of such amendments or policy directives.

5. Any alterations, additions, or deletions to the terms of this contract which are required by changes in Federal or State laws or regulations are automatically incorporated into this contract without written amendment and shall become effective on the date designated by such law or regulation.

F. Remedies for Noncompliance. The Department may take one or more corrective or remedial actions as specified in this contract and 2 CFR 200.338, "Remedies for Noncompliance."

1. Suspension or Termination

a. The Department may suspend or terminate this contract, in whole or in part, if Contractor materially fails to comply with any term of this contract, including but not limited to:

(1) Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

(2) Failure, for any reason, of Contractor to fulfill its obligations under this contract within the timeframes and manner as specified by the Department;

(3) Failure to complete activities in accordance with the Project Implementation Schedule;

(4) Failure to submit to the Department, within the timeframes and manner as specified by the Department, any report required by this contract;

(5) Submission of reports to the Department that are incorrect or incomplete in any material respect; or

(6) Misuse or improper use of funds provided under this contract.

b. Knowingly making false statements or providing false information on a grant application, certification, or report submitted to the Department is grounds for termination of the contract award.

c. The contract may also be terminated for convenience, in whole or in part, only as follows:

(1) by the Department with the consent of Contractor in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated; or

(2) by Contractor upon written notification to the Department, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the Department determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the Department may terminate the award in its entirety.

d. Upon termination or receipt of notice to terminate, whichever occurs first, Contractor shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts related to the performance of this contract or the portion of this contract to be terminated, as applicable, and shall cease to incur costs thereunder. The Department shall not be liable to Contractor for costs incurred after termination of this contract.

e. Notwithstanding any exercise by the Department of its right of suspension or termination as provided in this Section, Contractor shall not be relieved of any liability to the Department for damages due to the Department by virtue of any breach of this contract by Contractor. The Department may withhold payments to Contractor until such time as the exact amount of damages due to the Department from Contractor is agreed upon or is otherwise determined.

2. If Contractor materially fails to comply with any term of the award, whether stated in a federal or state statute or regulation, an assurance, in a state plan or application, a notice of award, or elsewhere, the Department, until it is satisfied that there is no longer any such failure to comply, will take one or more of the following actions, or impose other sanctions, as appropriate in the circumstances:

a. Terminate payments to Contractor under this contract;
b. Temporarily withhold payments pending correction of the deficiency by Contractor;
c. Reduce the grant award or disallow all or part of the cost of the activity or action not in compliance;
d. Wholly or partly suspend or terminate the current award;
e. Withhold further awards for the program; or
f. Take other remedies that may be legally available.

3. Reduction of Payments. In addition to, or in lieu of, any other right or remedy specified in this contract, as determined by the Department, in its sole discretion, violations or breaches by the Contractor of certain contractual and TxCDBG program requirements will result in the reduction of Administration funds awarded under this contract in accordance with the Administrative Penalty Matrixes set out in the TxCDBG Project Implementation Manual.

4. Withholding of Payments. In addition to any other remedy specified in this contract, if Contractor fails to submit to the Department in a timely and satisfactory manner any report required by this contract, the Department shall, at its sole option and in its sole discretion, withhold any or all payments otherwise due or requested by Contractor. If the Department withholds such payments, it shall notify Contractor in writing of its decision and the reasons therefore. Payments withheld pursuant to this section may be held by the Department until such time as the delinquent obligations for which funds are withheld are fulfilled by Contractor.

5. Ineligibility Period

a. Delinquent audit. If Contractor fails to comply with the single audit requirements specified in this contract and fails to submit an acceptable audit report within 90 days after the receipt of notice by the Department that the audit is past due, Contractor shall be ineligible to receive other TxCDBG grant funding opportunities for a period of one year after the 90-day period.

b. Delinquent debt. If the Department requests or requires Contractor to repay funds to the Department as a result of Contractor's noncompliance with contractual or TxCDBG program requirements and Contractor fails to repay the funds by such date as specified by the Department, Contractor shall be ineligible to receive any future TxCDBG grant funding until Contractor has repaid the entire obligation to the Department.

6. Opportunity to cure. The Department shall give Contractor an opportunity to cure a breach of contract as follows:

a. Department shall provide written notice to Contractor, detailing all elements of the breach or noncompliance.
b. Contractor must commence cure within 30 days of the Department's notice.
c. Contractor must notify the Department in writing within 30 days that cure has begun and provide detailed explanation of the steps being made to cure the breach or noncompliance.
d. Contractor must complete the cure within 90 days of the Department's notice.
e. Failure to commence cure within 30 days, or failure to complete cure within 90 days, will result in the Department's right to immediately terminate this contract or take other remedial action that may be legally available.

## SECTION 7. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Uniform Administrative Requirements and Accounting Standards. Except as specifically modified by law or the provisions of this contract, the Contractor shall comply with applicable uniform requirements in 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," as described in 24 CFR 570.502, and, to the extent applicable, the standards promulgated by the Office of the Comptroller under the Uniform Grant and Contract Management Act (Tex. Gov't. Code Chapter 783, referred to as "UGCMS"). Contractor agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles. The allowability of costs incurred for performances rendered under this contract shall be determined in accordance with 2 CFR Part 200 subpart E, "Cost Principles," UGCMS, and this contract.

B. Documentation and Record Keeping

1. Records to be Maintained. Contractor shall maintain all records required by the Federal regulations specified in 24 CFR 570.490 that are pertinent to the activities to be funded under this contract. Such records shall include but are not limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
c. Records required to determine the eligibility of activities;
d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with TxCDBG assistance;
e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program (Such records must include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the funds provided under this contract);
f. Financial records, including but not limited to source documentation; invoices; records pertaining to obligations, expenditures, and drawdowns;
g. Records documenting compliance with labor standards and environmental review; and
h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Audits & Inspections/Access to Records

a. Contractor shall give HUD, the Inspector General, the General Accounting Office, the Auditor of the State of Texas, an authorized office or agency of the State of Texas, and the Department, or any of their representatives or successors, access to all books, accounts, records, reports, files, and other papers or property pertaining to the administration, receipt and use of TxCDBG funds as may be necessary to facilitate review and audit of the Contractor's administration and use of TxCDBG funds received under this contract. Such rights to access shall continue as long as the records are retained by Contractor. Contractor agrees to maintain such records in an accessible location and to provide citizens reasonable access to such records consistent with the Texas Public Information Act (Tex. Gov't. Code, Chapter 552). Contractor shall include the substance of this clause concerning the authority to audit funds and the requirement to cooperate in all subcontracts it awards.

b. Any deficiencies noted in audit reports must be fully cleared by Contractor within 30 days after receipt by Contractor. Failure of Contractor to comply with the audit requirements will constitute a violation of this contract and will result in Contractor's ineligibility to receive other TxCDBG funding opportunities for a period of one year as provided in Section 6 of this contract.

c. Contractor understands and agrees that it shall be liable to the Department for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this contract. Contractor further understands and agrees that reimbursement to the Department of such disallowed costs shall be paid by Contractor from funds which were not provided or otherwise made available to Contractor under this contract.

3. Records Retention. Contractor shall retain all financial and programmatic records, supporting documents, statistical records, and all other records required to be maintained in accordance with 24 CFR 570.490, 2 CFR 200.333, and this contract for the greater of: (i) three years after close-out of the grant from HUD to the State of Texas (not the closeout of this contract); (ii) the period required by other applicable laws and regulations described in 24 CFR 570.487 and 570.488; or (iii) other record retention obligations specific to Contractor's contract or project. Contractor may be required to meet record retention requirements greater than those specified in this Section until audit issues are resolved to the Department's satisfaction and all other pending matters are closed. The Department posts a list on its website of contracts that HUD has closed out with the State of Texas. These contracts are listed by closed Program Year, updated once a year or as needed. In the event Contractor has a question regarding the record retention requirements under this contract, it should contact the Department. Contractor shall include the substance of this clause in all subcontracts it awards.

4. Close-outs. Contractor's obligation to the Department shall not end until all close-out requirements are completed. Activities during this close-out period shall include but are not limited to: making final payments, disposing of program assets (including the return of all unspent funds, program income balances, and accounts receivable to the Department), and determining the custodianship of records. Contractor shall submit all required close-out reports to the Department, in a format prescribed by the Department, no later than 60 days after the contract termination date or at the conclusion of all contract activities as determined by the Department. Notwithstanding the foregoing, the terms of this contract shall remain in effect during any period that Contractor has control over TxCDBG funds, including program income.

C. Reporting and Payment Procedures

1. Program Income. In the same manner as required for all other funds under this contract, Contractor shall maintain records of the receipt, accrual, and disposition of all program income (as defined at 24 CFR 570.489(e)) generated by activities carried out with TxCDBG funds made available under this contract. The use of program income by Contractor shall comply with the requirements set forth at 24 CFR 570.489(e). Contractor shall use such income during the contract period for activities permitted under this contract prior to requesting additional funds from the Department. Contractor shall provide reports of program income to the Department with each payment request form submitted by Contractor in accordance with the payment procedures described herein, and at the termination of this contract. All unexpended program income shall be returned to the Department at the end of the contract period, unless otherwise specifically provided within this contract.

2. Payment Procedures

a. The Department shall pay Contractor based upon information submitted by Contractor, consistent with the approved budget and Department policy concerning payments. Payments shall be made for allowable costs actually incurred by Contractor, not to exceed actual, properly documented, cash expenditures. Payments will be adjusted by the Department in accordance with program income balances available in Contractor accounts.

b. The Department shall not be liable to Contractor for any costs incurred by Contractor under this contract until Contractor submits to the Department a properly completed Form A202, Depository/Authorized Signatories Designation Form, found in Chapter 2 of the TxCDBG Project Implementation Manual.

c. Contractor shall submit to the Department at its offices in Austin, Texas, a properly completed Request for Payment form as specified by the Department. Contractor should submit a request for payment under each budget line item, or a written justification for the delay in drawdown of funds, at least annually or as directed by the Department. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in the Budget and in accordance with performance. Expenses for general administration shall also be paid against the line item budgets specified in the Budget and in accordance with performance. The Department shall determine the reasonableness of each amount requested and shall not make disbursement of any such payment until the Department has reviewed and approved such Request.

d. Notwithstanding the provisions of clauses C.2.a to C.2.c of this Section, it is expressly understood and agreed by the parties to this contract that payments under this contract are contingent upon Contractor's full and satisfactory performance of its obligations under this contract.

3. Progress Reports. Contractor shall submit regular Progress Reports to the Department in the form, content, and frequency as required by the Department. Contractor shall comply with all reporting and submission requirements of the Federal Funding Accountability and Transparency Act (Public Law 109-282, as amended by section 6202 of Public Law 110-252), as well as the reporting and submission requirements of HUD as prescribed by the Department.

D. Procurement. Unless specified otherwise within this contract, Contractor shall procure all materials, property, and services in accordance with: (1) current Department policy concerning procurements, (2) the procurement standards in 2 CFR Part 200 Subpart D, and (3) Chapter 252 or 262 of the Texas Local Government Code, as applicable. Contractor shall ensure that all purchase orders and contracts include all applicable references to statutes, implementing regulations and executive orders. In addition, Contractor shall maintain records of all materials, property, and services as may be procured with funds provided herein.

E. Use and Reversion of Assets. The use and disposition of real property and equipment acquired or improved in whole or in part using TxCDBG funds shall be in compliance with the requirements of 2 CFR 200.311 and 200.313, and 24 CFR 570.489(j).

## SECTION 8. PERFORMANCE MONITORING

A. The Department shall monitor the performance of Contractor against the goals stated in the Performance Statement and the milestones listed in the Project Implementation Schedule. The Department reserves the right to perform periodic on-site monitoring of Contractor's compliance with the terms and conditions of this contract, and of the adequacy and timeliness of Contractor's performances under this contract. After each monitoring visit, the Department shall provide Contractor with a written report of the monitor's findings. If the monitoring reports note deficiencies in Contractor's performances under the terms of this contract, the monitoring report shall include requirements for the timely correction of such deficiencies by Contractor. Failure by Contractor to take action specified in the monitoring report may be cause for suspension or termination of this contract, as provided in Section 6 of this contract, or the Department may withhold other grant awards.

B. As stipulated in Section 4.B. of this contract, if the contract ends without any project beneficiaries resulting from the use of contract funds, Contractor shall reimburse to the Department all contract funds disbursed to Contractor, including but not limited to funds disbursed for administration and engineering services. Contractor shall be required to repay the funds within the timeframe specified by the Department.

## SECTION 9. SUBCONTRACTS

A. Except for subcontracts to which the federal labor standards requirements apply, Contractor may subcontract for performances described in this contract without obtaining the Department's prior written approval. Contractor shall only subcontract for work to which the federal labor standards requirements apply after Contractor has verified the subcontractor's eligibility under the federal System for Award Management and has followed the subcontracting requirements in the TxCDBG Project Implementation Manual. Contractor, in subcontracting for any performances described in this contract, expressly understands that in entering into such subcontracts, the Department is in no way liable to the subcontractor(s).

B. Selection Process

1. Contractor shall insure that all subcontracts are awarded as a result of fair and open competition in accordance with applicable procurement requirements.

2. Documentation concerning the selection process, including evidence of competitive procurement as specified in the TxCDBG Project Implementation Manual, must be submitted to the Department prior to drawdown of funds relating to the appropriate subcontract.

3. Executed copies of all subcontracts shall be forwarded to the Department upon request.

C. Contractor shall ensure that the applicable prevailing wage rate is included in the advertising and solicitation of bids in accordance with the TxCDBG Project Implementation Manual.

D. Monitoring. Contractor shall monitor all subcontracted services on a regular basis to assure contract compliance. In no event shall any provision of this Section be construed as relieving Contractor of the responsibility for ensuring that all subcontracts comply with all terms of this contract, as if performed by Contractor. The Department's approval under this Section does not constitute adoption, ratification, or acceptance of Contractor's or subcontractor's performance. The Department maintains the right to insist upon Contractor's full compliance with the terms of this contract, and by the act of approval under this Section, the Department does not waive any right of action which may exist or which may subsequently accrue to the Department under this contract.

E. Content. Contractor shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this contract insofar as they are applicable to the work of subcontractors.

F. Bonding. Contractor shall comply with the bonding requirements of Chapter 2253 of the Texas Government Code and 2 CFR 200.325, as applicable.

G. Contractor shall retain five percent (5%) of each construction or rehabilitation subcontract entered into by Contractor until the Department determines that the Federal labor standards requirements applicable to each such subcontract have been satisfied.

## SECTION 10. LEGAL AUTHORITY

A. Contractor assures and guarantees that Contractor possesses the legal authority to enter into this contract, receive funds authorized by this contract, and perform the services it has obligated itself to perform.

B. The person or persons signing and executing this contract on behalf of Contractor hereby warrant and guarantee that he, she or they have been duly authorized by Contractor to execute this contract and have authority to validly and legally bind the Contractor to all terms, performances, and provisions set forth herein.

C. The Department shall have the right to suspend or terminate this contract if there is a dispute as to the legal authority of either Contractor, the person signing this contract, or the party rendering services under the contract. Contractor is liable to the Department for any money it has received from the Department pursuant to this contract, if the Department has suspended or terminated this contract for reasons stated in this Section.

## SECTION 11. LITIGATION AND CLAIMS

Contractor shall give the Department immediate notice in writing of (1) any action, including any proceeding before an administrative agency, filed against Contractor arising out the performance of any subcontract; and (2) any claim against Contractor, the cost and expense of which Contractor may be entitled to be reimbursed by the Department. Except as otherwise directed by the Department, Contractor shall furnish immediately to the Department copies of all pertinent papers received by Contractor with respect to such action or claim. Contractor shall provide a notice to the Department within 30 days upon filing under any bankruptcy or financial insolvency provision of law.

## SECTION 12. AUDIT

A. Audits shall be conducted in accordance with applicable federal, state and local laws, policies and regulations, including 2 CFR Part 200 Subpart F, "Audit Requirements," and the audit requirements set forth in the TxCDBG Project Implementation Manual.

B. Audit Certification. Within 60 days after the end of each fiscal year in which Contractor has an open contract with the Department, Contractor shall submit an Audit Certification Form (ACF) in accordance with the requirements of the current TxCDBG Project Implementation Manual. Failure by Contractor to submit a complete ACF by the required due date will adversely affect funding for all existing contracts, eligibility to apply for assistance under the TxCDBG Program, and the issuance of new contracts for funding awards.

C. Single Audit Report. If Contractor expends $750,000 or more in Federal awards, including TxCDBG funds or other Federal financial assistance received indirectly from pass-through entities, during a fiscal year, Contractor shall be responsible for obtaining an audit in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501–7507) and other applicable federal regulations. The audit shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits.

130. Contractor shall submit required audit documentation (single audit package), as specified in the TxCDBG Project Implementation Manual, to the Department within 30 days after completion of the audit, but no later than nine (9) months after the end of the audit period (i.e., after Contractor's fiscal year end).

131. Contractor shall ensure that the audit report is made available for public inspection within 30 days after completion of the audit.

132. Failure by Contractor to submit a completed single audit package as described in the audit requirements by the required due date will adversely affect funding for all existing contracts, eligibility to apply for assistance under the TxCDBG Program, and the issuance of new contracts for funding awards.

D. Contractor shall take such action to facilitate the performance of such audit or audits conducted pursuant to this Section and Section 7 as the Department may require of Contractor. Contractor shall establish written standard operating procedures and internal controls to include the timely procurement of a CPA firm to start and complete the year end single audit report if applicable, in order to comply with contractual and regulatory requirements. The Department shall not release any funds for any costs incurred by Contractor under this contract until the Department has received a copy of any audit report required by this Section.

## SECTION 13. ENVIRONMENTAL REVIEW REQUIREMENTS

A. Contractor understands and agrees that it is responsible for environmental review, decision-making, and action under 42 U.S.C. 5304(g), the National Environmental Policy Act of 1969 (NEPA) [42 U.S.C. 4321 et seq.], and other provisions of law which further the purposes of NEPA, as specified in 24 CFR 58.5. Contractor shall comply with the environmental review procedures set forth in 24 CFR Part 58, the TxCDBG Project Implementation Manual, and all other applicable federal, state, and local laws insofar as they apply to the performance of this contract. Contractor must certify that it has complied with the requirements that would apply under the laws and authorities cited in 24 CFR 58.5 and must consider the criteria, standards, policies and regulations of these laws and authorities. In addition, Contractor must comply with the requirements specified in 24 CFR 58.6.

Contractor shall be responsible for complying with all applicable requirements; for issuing public notifications; for submitting a request for release of funds and related certifications, when required; and for ensuring the Environmental Review Record is complete.

B. Limitations on Activities Pending Clearance

1. Neither Contractor nor any participant in the development process, or any of their contractors, may commit TxCDBG funds on an activity or project, or execute a legally binding agreement for property acquisition, rehabilitation, conversion, repair or construction pertaining to a specific site, until Contractor has completed the 24 CFR Part 58 environmental review process and the Department has authorized use of grant funds or approved the Contractor's request for release of funds and related certification. In addition, until Contractor's request for release of funds and related certification have been approved, neither the Contractor nor any participant in the development process may commit non-TxCDBG funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

2. If an activity is exempt under 24 CFR 58.34, or is categorically excluded (except in extraordinary circumstances) under 24 CFR 58.35(b), a request for release of funds is not required but Contractor must document its determination as required in 24 CFR 58.34(b) and 58.35(d). Contractor shall comply with the requirements and procedures in the current TxCDBG Project Implementation Manual, and shall submit to the Department a Determination of Exemption or Determination of Categorical Exclusion, as applicable, and other required environmental compliance documentation as specified in the Implementation Manual. Contractor shall also comply with other applicable requirements, as specified in 24 CFR 58.6, regardless of whether the activity is exempt under 24 CFR 58.34 or categorically excluded under 24 CFR 58.35(b).

C. In accordance with 24 CFR 58.77(b), Contractor shall handle inquiries and complaints from persons and agencies seeking redress in relation to environmental reviews covered by approved certifications.

## SECTION 14. CITIZEN PARTICIPATION REQUIREMENTS

A. Contractor shall provide for and encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which the funds provided under this contract are used, in accordance with 24 CFR 570.486 and this contract.

B. Contractor shall hold a public hearing concerning any activities proposed to be added, deleted, or substantially changed, as determined by the Department, from the activities specified in the Application or the Performance Statement.

C. Prior to the programmatic closure of this contract, Contractor shall hold a public hearing to review its performance under this contract.

D. For each public hearing scheduled and conducted by Contractor under this Section, Contractor shall comply with the hearing requirements specified in the TxCDBG Project Implementation Manual.

E. Notwithstanding the provisions of Section 7 of this contract, Contractor shall retain documentation of public hearing notices, a list of the attendees at each hearing, and minutes of each hearing held in accordance with this section for a period of three (3) years after the termination of this contract. Contractor shall make such records available to the public in accordance with Texas Government Code, Chapter 552.

F. Complaint Procedures. Contractor shall maintain written citizen complaint procedures that provide a timely written response to complaints and grievances. Such procedures shall comply with the Department's requirements. Contractor shall ensure that its citizens are aware of the location and hours at which they may obtain a copy of the written procedures and the address and phone number for submitting complaints.

## SECTION 15. DEBARMENT

By signing this contract, Contractor certifies that it is not debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 2 CFR Part 2424. Contractor is required to immediately report to the Department if it is debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs. Additionally, Contractor certifies that it will not award any funds provided under this contract to any party which is debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs. Contractor shall verify the eligibility status of each proposed subcontractor under this contract and its principals and retain documentation in the local files.

## SECTION 16. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights and Anti-discrimination

1. Contractor agrees to ensure that no person shall on the grounds of race, color, national origin, religion, sex, age, or disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity assisted in whole or in part with TxCDBG funds.

2. Contractor agrees to comply with all federal, state and local civil rights laws and ordinances, including but not limited to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*), as amended; the Fair Housing Act (42 U.S.C. 3601 *et seq.*), as amended; Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(b) and 24 CFR Part 6, respectively), as amended; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.*); the Architectural Barriers Act of 1968 (42 U.S.C. 4151 *et seq.*); the Age Discrimination Act of 1975 (42 U.S.C., 6101 *et seq.*); and Executive Order 11063 (Equal Opportunity in Housing), as amended by Executive Order 12259.

3. Contractor agrees to comply with the non-discrimination laws, regulations, and executive orders referenced in 24 CFR 570.607 in employment and contracting opportunities.

4. Contractor shall include the terms and conditions of this civil rights clause in every subcontract or purchase order so that these terms and conditions will be binding upon each subcontractor or vendor.

B. Employment Restrictions

1. Prohibited Activity. Contractor agrees that no funds provided, nor personnel employed, under this contract shall be used for: political activities or to further the election or defeat of any candidate for public office; lobbying; inherently religious activities; political patronage; and nepotism activities.

2. Labor Standards

a. Contractor agrees to comply with the requirements of the U.S. Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*) as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 *et seq.*), and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract.

b. Contractor agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*; 40 U.S.C. 3145) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 3. Contractor shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

c. Contractor agrees that, except with respect to the rehabilitation of residential property containing less than eight (8) units, all subcontractors engaged under contracts in excess of $2,000 for construction, alteration or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Department pertaining to such contracts and with the applicable requirements of the regulations of the U.S. Department of Labor, under 29 CFR Parts 1, 3, and 5 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve Contractor of its obligation, if any, to require payment of the higher wage.

Contractor shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). Section 3 requires that, to the greatest extent feasible, opportunities for training, employment, contracting and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3 be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

b. The parties to this contract will comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

c. Contractor agrees to send to each labor organization or representative of workers with which Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of Contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.

d. Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. Contractor will not subcontract with any entity where Contractor has notice or knowledge that the entity has been found in violation of the regulations in 24 CFR Part 135.

e. Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent Contractor's obligations under 24 CFR Part 135.

f. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

C. Conflict of Interest. Contractor agrees to abide by the provisions of Chapter 171, Texas Local Government Code, 2 CFR 200.318-200.319, and 24 CFR 570.489, which include but are not limited to the following:

1. Contractor shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by TxCDBG funds.

2. No employee, officer or agent of Contractor shall participate in the selection, or in the award, or administration of, a contract supported by TxCDBG funds if a conflict of interest, real or apparent, would be involved.

3. No covered persons who exercise or have exercised any functions or responsibilities with respect to TxCDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the TxCDBG-assisted activity, or with respect to the proceeds from the TxCDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this

paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Department, the Contractor, or any designated public agency.

4. Contractor shall include in all subcontracts any necessary provisions to eliminate or neutralize conflicts of interest.

D. Lobbying

87. No funds provided under this contract shall be used to pay any person to communicate with (a) a member of the legislative or executive branch of state government, as defined in Chapter 305 of the Texas Government Code, which includes a member-elect, officer-elect, officer or employee of the legislature or a legislative committee, and officer or employee of any state agency, department or office in the executive branch; (b) a Member of Congress; or (c) an officer or employee of Congress or a federal agency, to influence legislation or administrative action.

88. The following activities are excepted from the coverage of paragraph 1: technical and factual presentations on topics directly related to the performance of this contract in response to a documented request made by the Department.

**SECTION 17. FRAUD, ABUSE, AND MISMANAGEMENT**

Contractor must take steps, as directed by the Department, to avoid or mitigate occurrences of fraud, abuse, and mismanagement especially with respect to the financial management of this contract and procurements made under this contract. Upon the discovery of such alleged or suspected fraud or any incident of misapplication of TxCDBG funds associated with this contract, Contractor shall immediately notify the Department and appropriate law enforcement authorities, if necessary, of the theft of any assets provided for under this contract, malfeasance, abuse of power or authority, kickbacks, or the embezzlement or loss of any funds under this contract.

**SECTION 18. EFFECTIVE DATE**

This contract is not effective unless signed by the Commissioner of the Department or by his authorized designee.

**SECTION 19. WAIVER**

Any right or remedy provided for in this contract shall not preclude the exercise of any other right or remedy under this contract or under any provision of law, nor shall any action taken by the Department in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. The Department's failure to act with respect to a breach by Contractor does not waive its right to act with respect to subsequent or similar breaches. The failure of the Department to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

**SECTION 20. ORAL AND WRITTEN AGREEMENTS**

A. All oral and written agreements between the parties to this contract relating to the subject matter of this contract that were made prior to the execution of this contract have been reduced to writing and are contained in this contract.

B. The attachments specified in Section 4.A. above are hereby made a part of this contract and constitute promised performances by Contractor in accordance with Section 4 of this contract.

**SECTION 21. VENUE**

For purposes of litigation pursuant to this contract, venue shall lie in Travis County, Texas.

**Signed:**

Carl Pickett, Mayor
City of Liberty

Date

Approved and accepted on behalf of the Texas Department of Agriculture.

Jason Fearneyhough, Deputy Commissioner
Texas Department of Agriculture

Date

# EXHIBIT A

# PERFORMANCE STATEMENT

# CITY OF LIBERTY

All activities funded with TxCDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income (LMI) persons, aid in the prevention or elimination of slums or blight, or meet community development needs having a particular urgency.

Contractor shall carry out the following activities in the target area identified in the Application. The Contractor shall ensure that the amount of funds expended for each activity described does not exceed the amount specified for such activity in the Budget.

## CURRENT NEED

The City of Liberty has a sewer line and manholes that are aged and deteriorated, resulting in frequent maintenance issues and excessive inflow and infiltration.

The Contractor certifies that the activity (ies) carried out under this contract will meet the National Objective of benefitting LMI persons with at least 51% of the beneficiaries qualifying as LMI.

## ACTIVITIES

Sewer Improvements    Contractor shall replace sewer line and manholes to prevent frequent maintenance issues and excessive inflow and infiltration. Contractor shall install approximately one thousand six hundred linear feet (1,600 l.f.) of eight-inch (8") sewer line, manholes, service reconnections, pavement repair, and all associated appurtenances. Construction shall take place on Layl Drive, from Avenue G to Avenue C.

These activities shall benefit one thousand eight hundred eighty-four (1,884) persons, of which nine hundred ninety-seven (997) or fifty-three percent (53%) are of low- to moderate-income.

### Engineering

Contractor shall ensure that the amount of Department funds expended for all eligible project-related engineering services, including preliminary and final design plans and specifications, all interim and final inspections, and all special services does not exceed the amount specified for engineering in the Budget.

### General Administration

Contractor shall ensure that the amount of Department funds expended for all eligible project-related administration activities, including the required annual program compliance and fiscal audit does not exceed the amount specified for administration in the Budget.

# EXHIBIT B

## BUDGET

## CITY OF LIBERTY

| Project Activities | | Contract Funds | Other Funds | Total Funds |
|---|---|---|---|---|
| 03J_S | Sewer Improvements - Total | $314,910 | $101,210 | $416,120 |
| | Sewer Improvements-Construction | $266,790 | $101,210[1] | $368,000 |
| | Sewer Improvements-Engineering | $48,120 | $0 | $48,120 |
| 21A | General Program Administration - Total | $35,090 | $0 | $35,090 |
| | **TOTALS** | **$350,000** | **$101,210** | **$451,210** |

Source of Other Funds:
1 – City of Liberty, General Fund

# EXHIBIT C

## PROJECT IMPLEMENTATION SCHEDULE

## CITY OF LIBERTY

CONTRACT START DATE
September 15, 2016

CONTRACT END DATE
September 14, 2018

**If Contractor fails to meet milestones in accordance with this schedule, the Department will withhold payments to Contractor until such milestone has been completed.**

| Activity To Be Completed by Date Specified: | | **Milestone Date** |
|---|---|---|
| | | |
| Procurement of Professional Services Completed | Month 2 | 11/15/2016 |
| | | |
| 4-Month Conference Call / Meeting Completed (1) | Month 4 | 1/15/2017 |
| | | |
| Plans and Specifications Completed | Month 6 | 3/15/2017 |
| Plans and Specifications Submitted for Approval (as required 1) | Month 6 | 3/15/2017 |
| | | |
| Environmental Review Completed | Month 6 | 3/15/2017 |
| | | |
| Clearance of Pre-Construction Special Conditions | Month 8 | 5/15/2017 |
| | | |
| Wage Rate 10-Day Confirmation | Month 8 | 5/15/2017 |
| | | |
| Construction Contract Awarded & Executed | Month 9 | 6/15/2017 |
| | | |
| Construction - 50% TxCDBG project complete | Month 14 | 11/15/2017 |
| | | |
| Construction - 75% TxCDBG project complete | Month 17 | 2/15/2018 |
| | | |
| Construction - 90% TxCDBG project complete | Month 19 | 4/15/2018 |
| | | |
| Construction & Final Inspections Completed | Month 20 | 5/15/2018 |
| | | |
| End Date of Contract | Month 24 | 9/14/2018 |
| | | |
| Close-out documents submitted to Department (60 days after End Date) | Month 26 | 11/13/2018 |

(1) See TxCDBG Project Implementation Manual

# EXHIBIT D

# COMMUNITY DEVELOPMENT FUND

# SPECIAL CONDITIONS

# CITY OF LIBERTY

A. Special Conditions for Release of Construction Funds

Funds for construction activities under this contract will not be released to Contractor by the Department until the following special conditions for release of funds are met. These special conditions must be satisfactorily completed no later than twelve (12) months after the contract start date. In accordance with Section 6 of the contract, the Department may terminate this contract twelve (12) months after the commencement date specified in Section 2 if these special conditions are not met by such date. Contractor shall submit to the Department:

1. Documentation evidencing Contractor's completion of its responsibilities for environmental review and decision-making pertaining to the project as required by Section 13 (Environmental Review) of this contract, and its compliance with NEPA and other provisions of law as specified in 24 CFR 58.5.

2. Certification that Contractor has received all required pre-construction permits or approvals from the appropriate federal, state, or local entity or regulatory agency prior to beginning construction activities under this contract.

3. Other documentation required by the Department for release of construction funds as specified in Chapter 2 of the TxCDBG Project Implementation Manual.

B. Other Special Conditions

1. Project Mapping/Design Information and Copyright

a. Contractor shall receive and maintain a copy of the final project record drawing(s) engineering schematic(s), as constructed using funds under this contract. These maps shall be provided in digital format containing the source map data (original vector data) and the graphic data in files on machine readable media, such as compact disc (CD), which are compatible with computer systems owned or readily available to Contractor. The digital copy provided shall not include a digital representation of the engineer's seal but the accompanying documentation from the engineer shall include a signed statement of when the map was authorized, that the digital map is a true representation of the original sealed document, and that a printed version with the seal has been provided to Contractor. In addition, complete documentation as to the content and layout of the data files and the name of the software package(s) used to generate the data and maps shall be received and maintained by Contractor in written form. Contractor shall provide the Department upon request a copy of all the electronic files and other data received, including the original vector data, and all documentation in electronic format, on a CD or other media in a file format determined by the Department. If requested by the Department, Contractor shall ensure that the CD copy of all the electronic files and other data provided to the Department are properly identified. Specifically, the CD label shall show Contractor's name, the Department's assigned contract number, the contents of CD, the preparer's name, and the name of the software package(s) used to generate the maps on the CD.

b. Where activities supported by this contract produce copyrightable material, Contractor shall not assert any rights at common law or in equity or establish any claim to statutory copyright in such material without the Department's prior written approval. The Department reserves a royalty-free, nonexclusive, and irrevocable license to copy, produce, publish, and use such material, and to authorize others to do so.

# EXHIBIT E

## APPLICABLE LAWS AND REGULATIONS

Contractor shall comply with the HCD Act; laws and regulations specified in this contract; and with all other federal, state, and local laws and regulations insofar as they apply to the performance of this contract, including but not limited to the laws and regulations specified in this Exhibit.

I. LEAD-BASED PAINT

Any construction or rehabilitation of residential structures with assistance provided under this contract shall be subject to the Lead-Based Paint laws cited in 24 CFR 570.608, and implementing regulations at 24 CFR Part 35.

II. ENVIRONMENTAL LAW AND AUTHORITIES

A. Council on Environmental Quality regulations contained in 40 CFR parts 1500 through 1508
B. Historic Properties
   - National Historic Preservation Act of 1966, as amended (54 U.S.C. 300101 *et seq.*)
   - Executive Order 11593, Protection and Enhancement of the Cultural Environment
   - Federal historic preservation regulations at 36 CFR part 800
   - Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (54 U.S.C 312501-312508), as amended
C. Floodplain management and wetland protection - Executive Order 11988, Floodplain Management; Executive Order 11990, Protection of Wetlands; and HUD regulations at 24 CFR part 55
D. Coastal Zone Management Act of 1972 (16 U.S.C. 1451 *et seq.*), as amended
E. Water systems
   - Safe Drinking Water Act of 1974 (42 U.S.C. 300f *et seq.*) as amended
   - Sole Source Aquifers (Environmental Protection Agency - 40 CFR part 149)
F. Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) as amended
G. Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 *et seq.*) as amended
H. Air quality
   - Clean Air Act (42 U.S.C. 7401 *et seq.*) as amended
   - Determining Conformity of General Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency - 40 CFR parts 6, 51, and 93)
I. Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 *et seq.*), and implementing regulations at 7 CFR part 658
J. HUD environmental criteria and standards at 24 CFR part 51
K. Executive Order 12898, Environmental Justice in Minority Populations and Low-Income Populations

III. ACQUISITION/RELOCATION

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601 *et seq.*, and HUD regulations at 24 CFR Part 42 and 24 CFR 570.606

IV. FAITH-BASED ACTIVITIES

Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations, as amended by Executive Order 13559, Fundamental Principles and Policymaking Criteria for Partnerships with Faith-Based and Other Neighborhood Organizations, and HUD regulations at 24 CFR 570.200(j)

V. OTHER UNIFORM ADMINISTRATIVE REQUIREMENTS

IIII. English Language - 2 CFR 200.111
JJJJ. Mandatory Disclosures - 2 CFR 200.113

# EXHIBIT F

## CERTIFICATIONS

NOTE: Certain of these certifications and assurances may not be applicable to Contractor's project or program.

As the duly authorized representative of the City of Liberty, I certify that:

**Affirmatively Further Fair Housing** -- It will comply with the Fair Housing Act (42 U.S.C. 3601 *et seq.*), as amended, and HUD's implementing regulations at 24 CFR Part 100; and it will affirmatively further fair housing, as specified by the Department.

**Anti-discrimination Laws** -- It will administer the grant in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and HUD's implementing regulations at 24 CFR Part 1; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and HUD's implementing regulations at 24 CFR Part 8; and the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107), as amended, and HUD's implementing regulations at 24 CFR Part 146.

**Anti-displacement and Relocation Plan** -- It will minimize displacement of persons as a result of activities assisted with TxCDBG funds; it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR Part 24 and 24 CFR 42 Subpart A; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with TxCDBG funding.

**Anti-Lobbying** -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Citizen Participation** -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 and the Department.

**Environmental Review** -- It will comply with environmental requirements of the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*) and related Federal authorities prior to the commitment or expenditure of funds for property acquisition and physical development activities subject to implementing regulations at 24 CFR Parts 50 or 58.

**Excessive Force** -- It has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations, and a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

**Lead-Based Paint** -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

**Use of Funds (Special Assessments)** -- It will not attempt to recover any capital costs of public improvements assisted in whole or part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) such funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from other revenue sources; or (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the jurisdiction certifies that it lacks sufficient CDBG funds to comply with the requirements of subclause (A).

**Compliance with Laws** -- It will comply with applicable laws.

Carl Pickett, Mayor
City of Liberty

Date

These certifications are material representations of fact upon which the Department can rely when entering into and executing this contract. If it is later determined that City of Liberty knowingly made an erroneous certification, it may be subject to criminal prosecution. The Department may also terminate the award and take other available remedies.

**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Change Orders

## COUNCIL ACTION (ID # 3622)

DOC ID: 3622

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# CITY OF LIBERTY

## City Council
## Agenda Item Form

| |
|---|
| **Council Meeting Date:** September 13, 2016 |
| |
| **Agenda Item No.** VII.A.14 |
| |
| **Agenda Wording:** City Council authorize the City Manager to execute Change Order No. 3 for the pipe bursting contract for US Hwy 90. |
| |
| **Department:** Public Works |
| |
| **Subject:** The sanitary sewer pipe bursting project on US Hwy 90 will require the installation of three 8" valves on the adjacent waterline. |
| |
| **Background:** The City contracted with PM Construction to pipe burst the sanitary sewer lines on Alabama, the north end of Bowie and US Hwy 90. The pipe bursting on Alabama and Bowie has been completed. When the contractor began pipe bursting on US Hwy 90 several water leaks occurred. During the repair of these leaks it was determined that the waterline was closer to the sanitary sewer line than anticipated. On a previous waterline repair just west of the recent water leaks, the sanitary sewer and water line were three to four foot apart. In the area where the water leaks occurred the lines were within four inches of each other. The waterline in this area is constructed of AC pipe and over time undergoes gradual degradation in the form of corrosion due to leaching. Leaching leads to a reduction in the effective cross-section of the pipe and eventually results in pipe softening and loss of strength. This combined with the closeness of the pipe bursting operation is the cause of the water leaks. In order to complete the pipe bursting project it will be necessary to isolate this section of the waterline to prevent an impact on other areas of the city when additional leaks occur. The valve are proposed to be installed between the creek and the east driveway to the John Deere Dealership, east of the FM 2684 and US Hwy 90 intersection and on the north side of US Hwy 90 at San Jacinto (near the water tower). Additionally, a water tap will be provided to the John Deere Dealership to minimize the impact on their business. By installing the valves and isolating the waterline in this area, any future leaks whether from the project or not will have little to no impact on other areas of the City. The cost to install the three valves is $30,000. |
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| **Fiscal Impact:** The total contract amount for these projects, including previous change orders, will be $1,099,459.20. |

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| **Staff Recommendation:** Staff recommends City Council authorize the City Manager to execute Change Order No. 3. |
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| **Purpose:** The purpose of the valve installation is to minimize the impact to the residents when a water leak occurs. |
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**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Sewer System Issues

## COUNCIL ACTION (ID # 3623)

DOC ID: 3623

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# CITY OF LIBERTY

## City Council
## Agenda Item Form

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| **Council Meeting Date:** September 13, 2016 |
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| **Agenda Item No.** VII.A.15 |
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| **Agenda Wording:** City Council authorize the City Manager to execute an agreement with HR Green for engineering services associated with Phase A Improvements to the sanitary sewer system. |
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| **Department:** Public Works |
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| **Subject:** Sanitary Sewer System Improvements |
| |
| **Background:** The Preliminary Engineering Report prepared by HR Green identified $18,792,000 of recommended improvements to the City's sanitary sewer system. The Improvements were prioritized into three phases with five types of system improvements within each phase. The Phase A improvements by type and estimated cost are as follows: Expansion Areas - $520,000: Manhole Improvements - $544,000; Sewer Collection Lines - $1,594,000; Lift Stations - $951,000 and Wastewater Treatment Plant (WWTP) Outfall - $1,497,000. The total cost for all improvements in Phase A is $5,106,000. This total includes a 20% contingency and 15% for engineering, administration and legal costs. The proposed contact with HR Green is to design the improvements outlined in Phase A of the Preliminary Engineering Report. The base design fee is $541,781and $211,000 for additional services such as surveying, geotechnical investigations, smoke testing, construction inspection, start up services and warrantee assistance for construction services. Several of the additional services can be coordinated by the City, rather than HR Green, through separate agreements with third party companies. |
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| **Fiscal Impact:** The estimated cost of Phase A Improvements is $5,106,000 and will be financed through the sale of $7.75 million in bonds. |
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| **Staff Recommendation:** Staff recommends City Council authorize the City Manager to execute an agreement with HR Green for engineering services associated with proposed improvements to the sanitary sewer system. |
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| **Purpose:** The purpose of the improvements is to provide a reliable and TCEQ compliant sanitary sewer system. |
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**The City of Liberty**
City Council
1829 Sam Houston
Liberty, TX  77575

Meeting: 09/13/16 06:00 PM

Department: Administration
Category: Executive Session Items

## COUNCIL ACTION (ID # 3624)

DOC ID: 3624

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