



City of Abilene City Council Agenda

Weldon Hurt, Mayor Pro-tem
Shane Price, Council Member
Jack Rentz, Council Member
Robert Hanna, City Manager

Anthony Williams, Mayor

Donna Albus, Council Member
Kyle McAlister, Council Member
Travis Craver, Council Member
Stanley Smith, City Attorney
Shawna Atkinson, City Secretary

Notice is hereby given of a meeting of the City Council of City of Abilene to be held on Thursday, November 7, 2019, at 8:30 a.m. at City Hall, 555 Walnut Street, Council Chambers, Abilene, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action. The City Council reserves the right to meet in a 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.

CALL TO ORDER

INVOCATION

1. Deputy Mayor Pro-tem Donna Albus

PLEDGE TO THE UNITED STATES FLAG AND THE TEXAS FLAG

PRESENTATIONS, RECOGNITIONS, PROCLAMATIONS AND ANNOUNCEMENTS

2. **Employee Service Awards:**

- Bobby Woodward - Transportation Services - 25 Years

CONSENT AGENDA

All consent agenda 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 Councilmember or Citizen so requests, in which event the item will be removed from the Consent Agenda and considered separately.

3. **Minutes:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Minutes from the Regular Meeting Held on October 17, 2019 **(Shawna Atkinson)**
4. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving a Professional Services Contract with Jacob and Martin, LLC for South 14th Water Line Replacement **(Rodney Taylor)**

5. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving a Professional Services Contract with Jacob and Martin, LLC for the 2020 SSOI Agreement Sewer Line and Manhole Rehabilitation **(Rodney Taylor)**
6. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding purchase of four Street Sweepers to Pannell Industries II **(Chris Taylor)**
7. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Purchase of Twelve Police Packaged SUVs to Caldwell Country Chevrolet **(Chris Taylor)**
8. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a resolution creating a Demolition Assistance Grant Program and committing funds necessary for implementation **(Mike Warrix)**
9. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on G-Suite Contract Renewal **(Bob von Wolffradtt)**
10. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Donation of Surplus and Salvage Fire Equipment to the Helping Hands Program, an Extension of the Texas A&M Forest Service **(Cande Flores)**
11. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a Resolution of the City Council of the City of Abilene, Texas Authorizing the City Manager to Execute a Contract with Galls for \$68,827.50 for the Purchase of Workrite Nomex IIIA Uniform Pants **(Cande Flores)**.
12. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on resolution authorizing a single-family rehabilitation/reconstruction project with FY 2019/2020 HOME Funds **(Mike Warrix)**
13. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on authorizing the City Manager to approve the Abilene Public Library purchases from Baker & Taylor **(Lesli Andrews)**
14. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on authorizing the City Manager to approve the Abilene Public Library purchases from Midwest Tape for Hoopla **(Lesli Andrews)**
15. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on authorizing the City Manager to continue the Agreement between the Abilene Public Library and Overdrive, Inc. **(Lesli Andrews)**
16. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on authorizing the City Manager to continue the Agreement between the Abilene Public Library and Abilene Library Consortium **(Lesli Andrews)**
17. **Resolution:** Received a Report, Hold a Discussion, Public Hearing, and Take Action on Approving a Contract Amendment for the Landfill Agreement between Abilene Landfill, PC, LP and the City of Abilene. **(Greg McCaffery)**
18. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving an Amendment to the Street Maintenance Advisory and Appeals Board Prior Resolution that Established Bi-annual Meeting Dates for the Board. **(Greg McCaffery)**
19. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Use of the Surplus 2015 Street Bond Proceeds towards the Design and Construction of Sayles Boulevard from South Danville Drive to Buffalo Gap Road to be Constructed in 2020. **(Greg McCaffery)**

20. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on the Support to the West Central Texas Council of Government Towards a USDA Rural Development Solid Waste Management Grant for FY 2020-21. **(Greg McCaffery)**

REGULAR AGENDA - ORDINANCES AND PUBLIC HEARINGS - RESOLUTIONS

21. **Ordinance:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Authorizing the Issuance and Sale of City of Abilene, Texas General Obligation Bonds, Series 2019; Levying an Annual Ad Valorem Tax and Providing for the Security for and Payment of Said Bonds; Approving the Official Statement; Providing an Effective Date; and Enacting other Provisions Relating to the Subject **(Mike Rains)**
22. **Ordinance:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Authorizing the Issuance and Sale of City of Abilene, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019; Levying an Annual Ad Valorem Tax and Providing for the Security for and Payment of Said Certificates; Approving the Official Statement; Providing an Effective Date; and Enacting other Provisions Relating to the Subject **(Mike Rains)**
23. **Ordinance:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Authorizing the Issuance and Sale of City of Abilene, Texas General Obligation Refunding Bonds, Series 2019; Establishing Procedures and Delegating Authority for the Sale and Delivery of the Bonds; Providing An Effective Date; and Enacting Other Provisions Relating to the Subject **(Mike Rains)**
24. **Ordinance (Final Reading) Z-2019-25:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a request from Bryan Pope, John Michael Clark, Jerold Armstrong and Abilene Auto Glass; agent C.J. Chaney, to rezone seven tracts of land from a Heavy Industrial (HI) to a Heavy Commercial (HC) District. Proposed HC zoning includes all except the south 139 feet of the east 130 feet of city block bounded by South Treadaway Boulevard; Dimmitt, Cherry and South 14th Streets, plus Lots 4 thru 6 in Block B of John Touy's Subdivision of Lot Numbers 3 and 4 in Block 208, Original Town of Abilene and located at northwest corner of Cherry and South 14th Streets **(Mike Warrix)**
25. **Ordinance (Final Reading) Z-2019-26:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a request from Lytle Creek Golf Links LLC; agent David Todd of Enprotec/Hibbs & Todd, to amend Planned Development District Number 70 (a.k.a. PD 70) to include revised building setback standards for patio homes constructed therein located at 3669 thru 3963 National Drive, which said street projects north from 1500 block of East Industrial Boulevard in southeast Abilene **(Mike Warrix)**

PUBLIC COMMENTS

There will be no votes or any formal actions taken on subjects presented during public comment. The public comment period will only allow members of the public to present ideas and information to city officials and staff.

EXECUTIVE SESSION

26. **The City Council of the City of Abilene reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by the noted Texas Government Code Sections:**

A. 551.071 (Consultation with Attorney)

1. City of Abilene, Texas v. Aurora Bumgarner; 104th Judicial District Court, Taylor County, Texas; filed November 17, 2011
2. Chad Carter v. City of Abilene, Texas; Cause No. 10138-D, In the 350th Judicial District Court, Taylor County, Texas, filed June 17, 2014
3. Susan Lewis King & Austin King MD vs Ken Paxton, Attorney General of Texas and the City of Abilene, Cause No. D-1-GN-16-001160, filed March 16, 2016
4. Ruby Flores and Cory Almanza v. Jesus Verastegui, Alfredo Verastegui, Rosalva Verastegui, and City of Abilene, Cause No. 49368-A, 42nd District Court, Abilene, Taylor County, Texas, filed April 13, 2016
5. Robert Steven Reitz v. City of Abilene, Texas, et al., Case No. 1:16-cv-00181-BL; In the U.S. District Court, Northern District of Texas, Abilene Division, filed October 10, 2016
6. Officer Patrick Sumrall and City of Abilene, Case No. 01-18-000-8653; Appeal of Indefinite Suspension to Arbitration, filed February 6, 2018
7. Tracy Kennedy and Richard Kennedy v. Katie Snell, Richard Perez, Thomas Bryant, John Doe 1, and John Doe 2; Case No. 1:18-cv-162, In the United States District Court, Northern District of Texas, Abilene Division, filed October 16, 2018
8. Alfredo Valencia v. Corey Davis and City of Abilene; Case No. 1:19-cv-00017-C; In the United States District Court, Northern District of Texas, Abilene Division, filed February 4, 2019.
9. City of Abilene v. Patrick Sumrall; Cause No. 27,733-B, In the 104th Judicial District Court, Taylor County, Texas, filed May 28, 2019
10. Ovation Services, LLC v. Blanca Cortez, et al.; Case No. 11875-D; In the 350th Judicial District Court, Taylor County, Texas; filed July 15, 2019
11. City of Abilene v. 3118 South 22nd Street, Abilene, Texas, et al.; Cause No. 11968-D, In the 350th Judicial District Court, Taylor County, Texas; filed October 11, 2019
12. Maria Ramirez v. The City of Abilene; Cause No. 27880-B, In the 104th Judicial District Court, Taylor County, Texas; filed October 22, 2019

B. 551.072 (Deliberations about Real Property)

1. Clyde Water
2. Use of Eminent Domain for Cedar Creek Waterway

C. 551.073 (Deliberations about Gifts and Donations)

D. 551.074 (Personnel Matters)

1. City Council may consider appointment, employment, compensation, reassignment, duties, discipline, or dismissal of public officers or employees, City Manager, City Attorney, Municipal Court Judge, City Secretary, and City Board and Commission Members
2. City of Abilene Boards & Commissions May be Discussed, as needed for (re)appointment

E. 551.076 (Deliberations about Security Devices)

F. 551.087 (Business Prospect/Economic Development)

1. Abilene Convention Center Hotel Project
2. 1166 N 2nd Street
3. Windsor Hotel

RECONVENE

REGULAR AGENDA

27. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Casting a Vote to Nominate a Member to the Taylor County Appraisal District Board of Directors **(Shawna Atkinson)**
28. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Casting a Vote to Nominate a Member to the Jones County Appraisal District Board of Directors **(Shawna Atkinson)**
29. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving an Economic Development Agreement with the Abilene Convention Center Hotel Development Corporation for the Development of the Downtown Hotel **(Robert Hanna)**
30. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving an Economic Development Agreement with Silverthorne Properties for 1166 North 2nd Street **(Robert Hanna)**

ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Abilene will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please call 325-676-6208.

CERTIFICATION

I hereby certify the above meeting notice was posted on the bulletin board at the City Hall of the City of Abilene, Texas, on the 1st day of November, 2019, at 3:30 p.m.

Shawna Atkinson, City Secretary



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Honorable Mayor & Members of City Council

FROM: Shawna Atkinson, City Secretary

SUBJECT: 3. Minutes: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Minutes from the Regular Meeting Held on October 17, 2019 (Shawna Atkinson)

GENERAL INFORMATION

City Council is asked to approve the above-noted minutes.

SPECIAL CONSIDERATIONS

None.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends approval of the item.

BOARD OR COMMISSION RECOMMENDATION

N/A

ATTACHMENTS:

1. 10-17-2019 Minutes - Regular - Evening



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Rodney Taylor, Director

SUBJECT: 4. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving a Professional Services Contract with Jacob and Martin, LLC for South 14th Water Line Replacement (Rodney Taylor)

GENERAL INFORMATION

Water Utilities staff is requesting that the Abilene City Council approve a Professional Services Contract with Jacob and Martin, LLC (JM) for the South 14th Water Line Replacement project in the amount not to exceed \$85,000.00. JM is to provide drawings and contract documents, bidding assistance, contract administration, and general project supervision (not RPR) as described in the contract.

SPECIAL CONSIDERATIONS

There exists an 8" water line along South 14th street between Willis Street and Pioneer Drive. The pipeline consists of sections of cast iron and AC pipe materials. Historically there has been numerous water main breaks along the section of piping that results in disruptions to traffic, water service, and impacts water quality. The engineer will evaluate the capacity needs in the area and design replacement piping using PVC material.

FUNDING/FISCAL IMPACT

Funding for the contract will come from the FY2020 annual operating budget of the Water Utilities Department.

STAFF RECOMMENDATION

Staff recommends that the Abilene City Council approve the professional services contract with Jacob and Martin, LLC in the amount not to exceed \$85,000.00 for the South 14th Water Line Replacement project.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. WrittenResolution-WtrDpt-Authorize PS Contract with JM for S 14th Water Line Replacement-11-7-2019
2. Contract-PS-JM-design of South 14th Water Line Replacement-11-7-2019
3. Presentation-PS Contract-JM-S 14th Street Water Line Replacement-11-7-2019

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,
AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH JACOB AND
MARTIN, LLC FOR THE SOUTH 14TH STREET WATER LINE REPLACEMENT.**

WHEREAS, the City of Abilene (Abilene) owns and operates a Public Water Supply System that includes water transmission and distribution piping; and

WHEREAS, the water main piping existing along South 14th Street is aged, has a history of failures resulting in water outages, and is in need of replacement; and

WHEREAS, a section of that piping located between South Willis Street and Pioneer Drive has been identified by water utilities staff as being of high priority for replacement; and

WHEREAS, the professional services contract with Jacob and Martin, LLC will provide for the preparation of design plans and contract documents, bidding assistance, contract administration, and general project supervision (not RPR) for the South 14th Street Water Line Replacement in the amount not to exceed \$85,000.00; and

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

That the City Manager is authorized to execute the professional services contract with Jacob and Martin, LLC for the South 14th Street Water Line Replacement in the amount not to exceed \$85,000.00.

ADOPTED this 7th day of November 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley E. Smith, City Attorney



PROFESSIONAL SERVICES CONTRACT

Engineers & Architects

This contract, dated the _____ day of _____, 2019, is between the City of Abilene, a home rule municipal corporation of the State of Texas ("City"), and Jacob & Martin, a LLC organized under the laws of the State of Texas ("Consultant").

The City is engaged in South 14th Water Line Replacement and desires to engage the services of Consultant, as an independent contractor and not as an employee, to assist in the project and to render his or her or its services on the terms and conditions provided in this Contract.

The Consultant is a[n] qualified architect/engineer properly licensed/certified to practice in the State of Texas. Consultant desires to render professional services to the City on the terms and conditions provided in this Contract.

The Consultant must perform services with the professional skill and care ordinarily provided by competent engineers or architects practicing in the same or similar locality and under the same or similar circumstances and professional license, and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

THEREFORE, the City engages the services of the Consultant. In consideration of the mutual promises contained in this Contract, the parties agree as follows:

I. TERMS

In consideration of the compensation stated in paragraph II, the Consultant must provide all services as described in Attachment A, which is incorporated by reference for all purposes. The Consultant must complete all services by a mutually agreed upon date.

II. FEE

For the services to be rendered under this Contract, the Consultant will be entitled to a fee as described in Attachment B, which is incorporated by reference for all purposes.

III. FACILITIES

The Consultant will furnish all facilities and equipment that may be necessary to perform services required under this agreement.

IV. ASSIGNMENT

The Consultant may not assign in whole or in part any rights, duties, obligations or interest arising from this agreement without the City's prior written consent. In the event of an assignment by the Consultant to which the City has consented, the assignee or assignee's legal representative must agree in writing with the City to personally assume, perform, and be bound by all the provisions of this Contract. All of the terms and provisions of this Contract are binding on Consultant's successors and assigns and may be enforced by the City against such successors and assigns.

V. STATUS OF CONSULTANT

The Consultant is an Independent Contractor. Consultant and Consultant's employees are not the agents, servants or employees of the City.

VI. AMENDMENT OR MODIFICATION

This contract, including attachments, constitutes the entire agreement of the parties. Any statements, promises, or agreements made by either party or its agent which are not contained in this contract are of no effect. This contract may not be amended or modified except by both parties' written consent. This Contract supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Contract.

VII. OWNERSHIP OF DOCUMENTS AND MATERIALS

All documents and materials prepared by Consultant under the terms of this contract are the Consultant's property from the time of preparation. Consultant will deliver copies of the documents and materials to the City or make them available for inspection *whenever requested*. City has the right to make duplicate copies of such documents or materials for its own file or use for any other such purposes as the City deems necessary and there shall be no additional costs incurred because of such copying or use.

VIII. NONDISCLOSURE

The Consultant may not show to any person or entity any documents, reports, plans, programs, reports, drawings, or any other material which Consultant prepares or acquires in performing this contract, including any duplicate copies kept by Consultant. The Consultant may not disclose to any person or entity any information regarding the City's activities. The City may, however, specifically authorize a limited disclosure at its discretion.

IX. INDEMNITY

A. Definitions

For the purpose of this section the following definitions apply:

“City” shall mean all officers, agents and employees of the City of Abilene.

“Claims” shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

“Consultant” includes the person, corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

“Consultant’s employees” shall mean any employees, officers, agents, subcontractors, licensee and invitees of Consultant.

“Damages” shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

- (i) injury or damage to any property or right
- (ii) injury, damage, or death to any person or entity
- (iii) attorneys fees, witness fees, expert witness fees and expenses, and
- (iv) all other costs and expenses of litigation

“Premise Defects” shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

B. Indemnity

The Consultant shall indemnify, hold harmless and defend the City against liability for damage that is caused by or results from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the Consultant or the Consultant’s agent, or another entity over which the Consultant exercises control.

The Consultant is an independent contractor and is not, with respect to its acts or omissions, an agent or employee of the City.

Consultant must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Consultant’s employees while in the vicinity where the work is

being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Consultant or Consultant's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Consultant.

The City and Consultant must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Consultant or City. The City has the right to compromise and defend the same to the extent of its own interests.

X. INSURANCE

A. GENERAL REQUIREMENTS

The Consultant agrees to maintain the type and amounts of insurance required in this contract throughout the term of the agreement. The Consultant is solely responsible for providing the required certificates of insurance. The City may terminate this agreement if the Consultant fails to timely comply with the insurance requirements.

The required insurance must be issued by a company or companies of sound and adequate financial responsibility and authorized to do business in the State of Texas. All policies are subject to examination and approval by the City for their adequacy as to content, form of protection, and providing company.

The required insurance naming the City as additional insured must be primary insurance and not contributing with any other insurance available to City, under any third party liability policy.

Before the City executes the notice to proceed with any work under this agreement, the Consultant must provide the City Secretary with either an original certificate of insurance or a certified copy of the insurance policy evidencing the required insurance. Thereafter, the Consultant must furnish new certificates or copies of the policy before the expiration date.

Texas Labor Code Section 406.096 requires a city to ensure that contractors carry workers' compensation for each employee when the city is a party to any "building or construction contract." The code enumerates that "building and construction" includes:

- (A) erecting or preparing to erect a structure, including a building, bridge, roadway, public utility facility, or related appurtenance;
- (B) remodeling, extending, repairing, or demolishing a structure; or

(C) otherwise improving real property or an appurtenance to real property through similar activities.

B. ADDITIONAL REQUIREMENTS

The required liability insurances and their certificates must:

1. Name the City as an additional insured with respect to operations for which this agreement is made.
2. Provide for 30 days advance written notice of cancellation or material change.

C. TYPES AND AMOUNTS OF INSURANCE

The types of insurance required in this contract are those indicated by initials. If no initials appear on any of items 1 through 6, items 1 through 4 shall be required.

<u>Type</u>	<u>Amount</u>
<u>_X_</u> 1. Workers' Compensation Employer's Liability	Statutory \$100,000 per occurrence
<u>_X_</u> 2. Commercial (Public) Liability including, but not limited to: • Premises/Operations • Independent Contractors • Products/Completed Operations • Contractual Liability (insuring above indemnity) and where the exposures exist • Explosion Collapse and Underground	\$500,000 combined single limit for bodily injury and property damage (per occurrence)
<u>_X_</u> 3. Business Automobile Liability to include coverage for: • Owned/Leased Autos • Non-Owned Autos • Hired Cars	\$500,000 combined single limit for bodily injury and property damage (per occurrence)
<u>_X_</u> 4. Professional Liability	\$500,000 combined single limit (per occurrence)
<u> </u> 5. See Addendum for Special Coverages and/or revisions	

6. No Insurance Required

XI. VENUE, CHOICE OF LAW AND INTERPRETATION

Venue for any cause of action arising under this contract is Taylor County, Texas. This contract is governed by the laws of the State of Texas both as to interpretation and performance. This contract shall, in any dispute over its meaning or application, be interpreted fairly and reasonably, and not more strongly for or against either party.

XII. TERMINATION

This contract may be terminated at any time upon 30 days written notice by City to Consultant. In the event of termination, Consultant will be compensated for work satisfactorily performed before the termination date.

If, through any cause, the Consultant fails to fulfill his obligations under this contract, or if the Consultant violates any of the agreements of this contract, the City has the right to terminate the contract by giving five days written notice to the Consultant. The Consultant will be compensated for work satisfactorily performed before the termination date.

The Consultant, however, is not relieved of liability to the City for damages sustained by the City because of any breach of contract by Consultant. The City may withhold any payments to Consultant for the purpose of setoff until the exact amount of damages due the City from the Consultant is determined and paid.

XIII. PROJECT REPRESENTATION

The City agrees to appoint a Project Representative to assist in obtaining information from various City departments as requested by Consultant and in coordinating, monitoring, and evaluating the project to its completion. The Project Representative has no control over the means, methods, techniques, or procedures employed by Consultant. The City is interested only in the results obtained under this contract; the manner and means of obtaining those results is solely under the Consultant's control.

XIV. NOTICE

All notices must be in writing, hand-delivered or mailed by certified mail, to the other party at the address below. The name and address for notification may be changed by notice to the other party.

City – ATTN:
Rodney Taylor
P.O. Box 60
Abilene, TX 79604

Consultant – ATTN:
Kirt Harle
3465 Curry Lane
Abilene, TX 79606

XV. COMPLIANCE WITH LAWS, CHARTER, ORDINANCES

Consultant, its agents, employees and subcontractors must comply with all applicable federal and state laws, the charter and ordinances of the City of Abilene, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Consultant must obtain all necessary permits and licenses required in completing the work contracted for in this agreement.

XVI. NO INDEBTEDNESS

Consultant agrees that no payments owed by him of any nature whatsoever to the City, including payment in advance for service charges or any sums of any character whatsoever, shall become delinquent or in arrears.

The City will not knowingly award contracts for goods or services to any bidder in arrears to the City for any debt, claim, demand, or account whatsoever, including taxes, penalty and interest. Consultant is responsible for ensuring that no indebtedness exists.

Section 130 of the City Charter authorizes the City to counterclaim and offset against any debt, claim, demand or account owed by the City to any person, firm or corporation in arrears to the City for any debt, claim, demand or account of any nature whatsoever, including taxes, penalty and interest.

XVII. EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of the City to recruit, employ, and to provide compensation, promotion, and other conditions of employment without regard to race, color, religion, sex, age, national origin, or disability. The City affirms that employment decisions shall be made only on the basis of bonafide occupational qualifications. The City shall continually review its employment practices and personnel procedures and take positive steps to assure that equality of employment opportunity in the City of Abilene, Texas, is a fact as well as an ideal.

XVIII. VERIFICATION OF EMPLOYMENT ELIGIBILITY

Consultant must comply with the Immigration Reform and Control Act (IRCA) and may not knowingly obtain labor or services of an unauthorized alien. Consultant -- not City -- must verify eligibility for employment as required by IRCA.

XIX. MINORITY AND WOMEN BUSINESS ENTERPRISES

The City hereby gives notice that Minority and Women Business Enterprises will be afforded equal opportunities to submit bids in for this contract and will not be discriminated against on the grounds of race, ethnicity, color, sex, religion or national origin in awarding the contract. Technical assistance is available to Minority and Women Business Enterprises through the Texas

Tech University Small Business Development Center, 749 Gateway St., #301, Building C, Abilene, Texas, 79602, 325-670-0300.

XX. SALES TAX

The City qualifies as an exempt agency under the Texas Limited Sales, Excise and Use Tax Act (the "Tax Act"), and is not subject to any State or City sales taxes on materials incorporated into the project. Labor used in the performance of this contract is also not subject to State or City sales taxes. The City will provide an exemption certificate to the Consultant. The Consultant must have a sales tax permit issued by the Comptroller of Public Accounts and shall issue a resale certificate complying with the Tax Act, as amended, when purchasing said materials. The Consultant is responsible for any sales taxes applicable to equipment purchases, rentals, leases, consumable supplies which are not incorporated into the project, tangible personal property purchased for use in the performance of this contract and not completely consumed, or other taxable services used to perform this contract, or other taxes required by law in connection with this contract.

XXI. LEGAL CONSTRUCTION

In the event that any one or more of the provisions contained in this Contract is for any reason held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provisions, and the Contract will be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

XXII. BOYCOTT OF ISRAEL

In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

This section only applies to a contract that: (a) is between a governmental entity and a company with 10 or more full-time employees, and (b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. Additionally, "company" does not include a sole proprietorship.

If this section is applicable, the signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

XXIII. SECTIONS AND OTHER HEADINGS

Section, paragraph, and other headings contained in this Contract are for reference purposes only and do not affect in any way the meaning or interpretation of this Contract.

XIV. COUNTERPARTS

This Contract may be executed in two or more counterparts (including fax, email, or electronic PDF counterparts), each of which shall be deemed an original and all of which together shall constitute one instrument.

{Remainder of Page Intentionally Left Blank—Signature Page Follows}

IN WITNESS HEREOF, the parties hereto have executed this contract effective as of the date written above:

CITY OF ABILENE

By:

Name:

Title:

ATTEST:

City Secretary

APPROVED:

By: _____

City Attorney

CONSULTANT

By:

Name: Kirt Harle, P.E.

Title: P.E. - Principle

Address: 3465 Curry Lane
Abilene, TX 79606

Phone Number: 325-695-1070

Federal Tax ID#: 75-1285782

ATTEST: (If Corporation)

Corporation's Secretary

Corporate Seal (if available)

ATTACHMENT A

Scope of Services

The project scope includes engineering services for design and construction review of proposed 8-Inch water line replacement along South 14th Street from Willis Street to Pioneer Drive.

A – Design Phase (to be completed within 3 months from the date of contract execution)

A.1 Prepare detailed specifications, contract drawings and plans for bidding project.

A.2 Assist City with permitting as required.

A.3 Prepare detailed cost estimates, which shall include summaries of bid items and quantities.

A.4 Furnish Bidding Documents to City for legal review.

A.5 Finalize Contract Documents incorporating City's comments.

A.6 Perform required topographic surveying.

B – Bidding Phase (to be completed within 5 months from the date of contract execution)

B.1 Assist City in the advertisement for bids.

B.2 Conduct pre-bid meeting.

B.3 Answer bidder's questions and issue addenda (if necessary).

B.4 Assist the City in the opening and tabulation of bids for construction of the project and make recommendations to the Owner for the proper action on all proposals received.

B.5 Assist in the preparation of formal Contract Documents for the construction of the project.

C – Construction Phase (to be completed within 12 months from the date of contract execution)

C.1 Coordinate Pre-Construction Conference.

C.2 Make periodic visits to the site to observe the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents.

C.3 Consult and advise the City, issue all instructions to the Contractor requested by the City, and prepare routine field orders and/or change orders as required.

C.4 Review samples, catalog data, schedules, shop drawings, laboratory, shop and mill tests of material and equipment, and other data which the Contractor is required to submit, only for conformance with the design concept of the project and compliance with the information given by the

Contract Documents.

C.5 Review and recommend Contractor's payment requests.

C.6 Conduct in company with the City a site visit following substantial completion notice and prepare punch list.

C.7 Conduct in company with the City a final inspection of the project for conformance with the design concept of the project and compliance with the Contract Documents and approve in writing final payment to the Contractors.

C.8 Review contract drawings with the assistance of the Resident Project Representative to show the work as actually constructed. Furnish two (2) sets of Record Drawings and a digital copy of the Record Drawings to the City.

C.9 Provide construction staking.

C.10 Provide materials testing for density control of pavement repairs.

ATTACHMENT B
PAYMENT SCHEDULE
PARTIES TO INITIAL OPTION SELECTED

OPTION 1 X

Compensation is based on actual hours of work/time devoted to providing the described professional services and will be paid at a rate of \$(Time & Expense per the attached Rate sheet) per hour not to exceed \$85,000.00.

Professional must submit monthly invoices to City accompanied by an explanation of charges, professional fees, and services. City will pay invoices according to its normal payment procedures.

OPTION 2

Payment is in a lump sum amount of \$Click or tap here to enter text. upon completion of the work and written acceptance by City's Project Representative.

No mechanic, contractor, subcontractor, materialman or other person can or will contract for or in any other manner have or acquire any lien upon any building or work covered by the contract or the land upon which the same is situated.

Before final acceptance of this project by the City, the Contractor must execute and provide City with an Affidavit that all bills for labor, materials and incidentals incurred by subcontractors, materialmen, mechanics and suppliers under this agreement have been paid in full, and that there are no claims pending of which Contractor has been notified.

OPTION 3

Payment is a fixed fee amount of \$Click or tap here to enter text. payable per Click or tap here to enter text. upon completion of the work and written acceptance by City's Project Representative.

No mechanic, contractor, subcontractor, materialman or other person can or will contract for or in any other manner have or acquire any lien upon any building or work covered by the contract or the land upon which the same is situated.

Before final acceptance of this project by the City, the Professional shall execute and provide City with an Affidavit that all bills for labor, materials and incidentals incurred by subcontractors, materialmen, mechanics and suppliers under this agreement have been paid in full, and that there are no claims pending of which Professional has been notified.



INTEGRITY
EXCELLENCE
TRUST

FEES FOR PROFESSIONAL SERVICES

Principal Engineer	\$ 200.00
Licensed Architect-1	170.00
Licensed Architect-2	140.00
Architectural Associate	100.00
Registered Professional Engineer-1	175.00
Registered Professional Engineer-2	145.00
Engineer-in-Training (E.I.T.)	110.00
Engineering Technician-1	100.00
Engineering Technician-2	80.00
Engineering/Architectural Intern	45.00
Environmental Coordinator	100.00
Environmental Technician	65.00
GIS Technician-1	100.00
GIS Technician-2	70.00
CAD Draftsman-1	90.00
CAD Draftsman-2	70.00
Registered Professional Land Surveyor	145.00
Surveyor-in-Training (S.I.T.)	90.00
Resident Project Representative-1	90.00
General Overtime (Weekends, Holidays or before 8 am or after 5 pm)	110.00
Resident Project Representative-2	75.00
General Overtime (Weekends, Holidays or before 8 am or after 5 pm)	90.00
Licensed Water/Wastewater Operator	75.00
Clerical-1	60.00
Clerical-2	50.00

FIELD WORK

1-Man Crew or Technician	\$ 80.00
2-Man Crew	130.00
3-Man Crew	150.00
GPS Equipment	60.00
Robotic Total Station	50.00
Vehicle Charge (per day)	50.00

A FACTOR OF 1.1 SHALL BE APPLIED TO THE FOLLOWING

1. Actual cost of subsistence and lodging
2. Actual cost of postage and shipping fees
3. Actual cost of materials required for the project used in surveying, drafting and associated activities
4. Actual cost of special tests and services of special consultants, if required

Effective 1/1/2019



325.695.1070
817.594.9880
806.368.6375



info@jacobmartin.com
www.jacobmartin.com



3465 Curry Lane
Abilene, TX 79606

1508 Santa Fe, Suite 203
Weatherford, TX 76086

1014 Broadway
Lubbock, TX 79401

TBPE Firm # 2448

|

TBAE Firm #: BR 2261

|

TBPLS Firm #: 10024300 - Abilene

|

TBPLS Firm #: 10193992 - Weatherford



INTEGRITY
EXCELLENCE
TRUST

CONSTRUCTION MATERIALS ENGINEERING AND TESTING FEES

SERVICE TIME

Registered Professional Engineer	\$	175.00
Materials Technician Service Time		60.00
General Overtime (Weekends, Holidays or before 8 am or after 5 pm)		75.00
Pier Observation, Hot Mix, Reinforcing Steel		75.00
Overtime (Weekends, Holidays or before 8 am or after 5 pm)		80.00

CONCRETE

Concrete Cylinder Compressive Strength Tests	25.00
Client Made Cylinder	30.00
Entrained Air Content Test	30.00
Slump Tests, when cylinders are not made	18.00
Concrete Mix Design	650.00
Concrete Design Confirmation Cylinder	25.00

SOILS

Atterberg Limits (Liquid Limit, Plastic Limit & P.I.)	75.00
Field Compaction Test	26.00
Moisture-Density Curve (Proctor)	260.00
Washed Sieve Analysis (Soil)	70.00
Washed Sieve Analysis (Base Material)	75.00
Unit Weight	45.00
Absorption	45.00
Decantation	45.00
Moisture Content	45.00

ASPHALT

Rice Theoretical Specific Gravity	\$	80.00
Field Density, Hot Mix (Nuclear Method)		26.00

Local Vehicle Charge (within 20 miles of Abilene) - \$25.00 per trip to the project
Travel from and return to office at IRS rate per mile, plus service time at above rates
Travel Charges (outside 20 miles of Abilene) – Round trip mileage at IRS current rate, plus

A FACTOR OF 1.1 SHALL BE APPLIED TO THE FOLLOWING

1. Actual cost of subsistence and lodging
2. Actual cost of postage and shipping fees
3. Actual cost of materials required for the project used in surveying, drafting and associated activities
4. Actual cost of special tests and services of special consultants, if required

Effective 1/1/2019



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ATTACHMENT C

OWNERSHIP OF DOCUMENTS AND MATERIALS

Parties to initial option chosen

(Option 1) ____

All documents and materials prepared by Professional under the terms of this contract are the City's property from the time of preparation, and Professional must deliver the documents and materials to the City or make them available for inspection whenever requested. Professional has the right to make duplicate copies of such documents or materials for its own file or for other such purposes as the City authorizes in writing.

(Option 2) X

All documents and materials prepared by the Professional remain the property of the Professional; however, Professional must furnish City, at no additional cost, one set of reproducible mylars of the original drawings of the work and/or one copy of all documents prepared by the Professional pursuant to this Agreement.

ATTACHMENT D

STATE MANDATED WORKERS' COMPENSATION INSURANCE LANGUAGE

THIS ATTACHMENT IS ONLY APPLICABLE IF WORKERS' COMPENSATION COVERAGE IS PROVIDED

a. Definitions

Certificate of coverage ("certificate") - a copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the Professional's/person's work on the project has been completed and accepted by the City.

Persons providing services on the project ("subcontractors" in 406.096) - includes all persons or entities performing all or part of the services the Professional has undertaken to perform on the project, regardless of whether that person contracted directly with the Professional and regardless of whether that person has employees. This includes, without limitation, independent contractors, subprofessionals, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitations, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- b. The Professional shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Professional providing services on the project, for the duration of the project.
- c. The Professional must provide a certificate of coverage to the City prior to being awarded the contract.
- d. If the coverage period shown on the Professional's current certificate of coverage ends during the duration of the project, the Professional must, prior to the end of the coverage period, file a new certificate of coverage with the City showing that coverage has been extended.
- e. Professional shall obtain from each person providing services on a project and provide to City:
 - (1) a certificate of coverage, prior to that person beginning work on the project, so the City will have on file certificates of coverage showing coverage for all persons providing services on the project; and

(2) no later than seven (7) days after receipt by the Professional, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

- f. The Professional shall retain all required certificates of coverage for the duration of the project and for one (1) year thereafter.
- g. The Professional shall notify the City in writing by certified mail or personal delivery, within ten (10) days after the Professional knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
- h. The Professional shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- i. The Professional shall contractually require each person with whom it contracts to provide services on a project to:
 - (1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;
 - (2) provide to the Professional, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing service on the project, for the duration of the project;
 - (3) provide the Professional, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - (4) obtain from each other person with whom it contracts, and provide to the Professional:
 - (a) a certificate of coverage, prior to the other person beginning work on the project; and
 - (b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - (5) retain all required certificates of coverage on file for the duration of the project and for one (1) year thereafter;
 - (6) notify the City in writing by certified mail or personal delivery, within ten (10) days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing service on the project;

(7) contractually require each person with whom it contracts, to perform as required by paragraphs (1) - (7), with the certificates of coverage to be provided to the person for whom they are providing services.

- j. By signing this contract or providing or causing to be provided a certificate of coverage, the Professional is representing to the City that all employees of the Professional who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Professional to administrative penalties, criminal penalties, civil penalties, or other civil actions.
- k. The Professional's failure to comply with any of these provisions is a breach of contract by the Professional which entitles the City to declare the contract void if the Professional does not remedy the breach within ten (10) days after receipt of notice of breach from the City.

ATTACHMENT E
NOTICE TO PROCEED

ATTACHMENT F
CHANGE IN SCOPE OF SERVICES

Authorizing a professional services contract with Jacob and Martin, LLC for the South 14th Street Water Line Replacement



- Professional Services Contract with Jacob and Martin, LLC.
- Contract price of \$85,000.00.
- Professional services including providing design plans and contract documents, bidding assistance, contract administration, and project general supervision (not RPR).
- Replace existing aged and problematic 8” water line with PVC pipe.
- Project along South 14th Street from South Willis Street to South Pioneer Drive.





SOUTH PIONEER DRIVE

SOUTH 14TH STREET

SOUTH WILLIS STREET



**Authorizing a professional services
contract with Jacob and Martin, LLC for
the South 14th Street Water Line
Replacement.**

QUESTIONS?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Rodney Taylor, Director

SUBJECT: 5. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving a Professional Services Contract with Jacob and Martin, LLC for the 2020 SSOI Agreement Sewer Line and Manhole Rehabilitation (Rodney Taylor)

GENERAL INFORMATION

Water Utilities staff is requesting that the Abilene City Council approve a Professional Services Contract with Jacob and Martin, LLC (JM) for the 2020 SSOI Agreement Sewer Line and Manhole Rehabilitation in the amount not to exceed \$115,000.00. JM is to provide drawings and contract documents, bidding assistance, contract administration, and general project supervision (not RPR) as described in the contract.

SPECIAL CONSIDERATIONS

In June 2013 the City of Abilene entered into the Sanitary Sewer Overflow Initiative Agreement (Agreement) with the TCEQ that includes provisions for sewer system maintenance activities. This design satisfies Provision 11 of the Agreement and includes the design of rehabilitation and/or replacement of sections of small to medium sized sewer mains and the rehabilitation of certain manholes. City staff will work with the professional engineer to identify piping segments and manholes in poor condition and in immediate need of repairs, prioritize the various items, determine appropriate construction methods, and develop plans and specifications for a construction project to implement the rehabilitations.

FUNDING/FISCAL IMPACT

Funding for the contract will come from the FY2020 annual operating budget of the Water Utilities Department.

STAFF RECOMMENDATION

Staff recommends that the Abilene City council approve the professional services contract with Jacob and Martin, LLC in the amount not to exceed \$115,000 for the 2020 SSOI Agreement Sewer Line and Manhole Rehabilitation.

BOARD OR COMMISSION RECOMMENDATION

N/A

ATTACHMENTS:

1. WrittenResolution-PS Contract-JM-2020 SSOI Agreement Sewer Line and Manhole Rehabilitation-11-7-2019
2. Contract-PS-JM-2020 SSOI Agreement Sewer Line and Manhole Rehabilitation-11-7-2019
3. Presentation-PS Contract-JM-2020 SSOI Agreement Sewer Line and Manhole Rehabilitation-11-7-2019

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,
AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH JACOB AND
MARTIN, LLC FOR THE 2020 SSOI AGREEMENT SEWER LINE AND MANHOLE
REHABILITATION.**

WHEREAS, In June 2013 the City of Abilene entered into the Sanitary Sewer Overflow Initiative Agreement (Agreement) with the Texas Commission on Environmental Quality; and

WHEREAS, Provision 11 of the Agreement requires that the City of Abilene shall complete the rehabilitation, repair, or replacement of approximately 3,000 linear feet of additional System line and appurtenances by June 30, 2022; and

WHEREAS, City staff regularly performs inspections, cleaning, and maintenance activities throughout the sewer collection system and has compiled a list of sewer piping and manholes in critical need of rehabilitation; and

WHEREAS, City staff is recommending that the Abilene City Council authorize a professional services contract with Jacob and Martin, LLC for the 2020 SSOI Agreement Sewer Line and Manhole Rehabilitation to provide for site surveying, preparation of plans and contract documents, and provide bidding assistance, construction oversight, materials testing, and contract administration in an amount not to exceed \$115,000.00; and

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

That the City Manager is authorized to execute a Professional Services contract with Jacob and Martin, LLC for the 2020 SSOI Agreement Sewer Line and Manhole Rehabilitation in an amount not to exceed \$115,000.00.

ADOPTED this 7th day of November, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley E. Smith, City Attorney



PROFESSIONAL SERVICES CONTRACT Engineers & Architects

This contract, dated the _____ day of _____, 2019, is between the City of Abilene, a home rule municipal corporation of the State of Texas ("City"), and Jacob & Martin, a LLC organized under the laws of the State of Texas ("Consultant").

The City is engaged in 2020 SSOI Agreement Sewer Line and Manhole Rehab and desires to engage the services of Consultant, as an independent contractor and not as an employee, to assist in the project and to render his or her or its services on the terms and conditions provided in this Contract.

The Consultant is a[n] qualified architect/engineer properly licensed/certified to practice in the State of Texas. Consultant desires to render professional services to the City on the terms and conditions provided in this Contract.

The Consultant must perform services with the professional skill and care ordinarily provided by competent engineers or architects practicing in the same or similar locality and under the same or similar circumstances and professional license, and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

THEREFORE, the City engages the services of the Consultant. In consideration of the mutual promises contained in this Contract, the parties agree as follows:

I. TERMS

In consideration of the compensation stated in paragraph II, the Consultant must provide all services as described in Attachment A, which is incorporated by reference for all purposes. The Consultant must complete all services by a mutually agreed upon date.

II. FEE

For the services to be rendered under this Contract, the Consultant will be entitled to a fee as described in Attachment B, which is incorporated by reference for all purposes.

III. FACILITIES

The Consultant will furnish all facilities and equipment that may be necessary to perform services required under this agreement.

IV. ASSIGNMENT

The Consultant may not assign in whole or in part any rights, duties, obligations or interest arising from this agreement without the City's prior written consent. In the event of an assignment by the Consultant to which the City has consented, the assignee or assignee's legal representative must agree in writing with the City to personally assume, perform, and be bound by all the provisions of this Contract. All of the terms and provisions of this Contract are binding on Consultant's successors and assigns and may be enforced by the City against such successors and assigns.

V. STATUS OF CONSULTANT

The Consultant is an Independent Contractor. Consultant and Consultant's employees are not the agents, servants or employees of the City.

VI. AMENDMENT OR MODIFICATION

This contract, including attachments, constitutes the entire agreement of the parties. Any statements, promises, or agreements made by either party or its agent which are not contained in this contract are of no effect. This contract may not be amended or modified except by both parties' written consent. This Contract supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Contract.

VII. OWNERSHIP OF DOCUMENTS AND MATERIALS

All documents and materials prepared by Consultant under the terms of this contract are the Consultant's property from the time of preparation. Consultant will deliver copies of the documents and materials to the City or make them available for inspection *whenever requested*. City has the right to make duplicate copies of such documents or materials for its own file or use for any other such purposes as the City deems necessary and there shall be no additional costs incurred because of such copying or use.

VIII. NONDISCLOSURE

The Consultant may not show to any person or entity any documents, reports, plans, programs, reports, drawings, or any other material which Consultant prepares or acquires in performing this contract, including any duplicate copies kept by Consultant. The Consultant may not disclose to any person or entity any information regarding the City's activities. The City may, however, specifically authorize a limited disclosure at its discretion.

IX. INDEMNITY

A. Definitions

For the purpose of this section the following definitions apply:

“City” shall mean all officers, agents and employees of the City of Abilene.

“Claims” shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

“Consultant” includes the person, corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

“Consultant’s employees” shall mean any employees, officers, agents, subcontractors, licensee and invitees of Consultant.

“Damages” shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

- (i) injury or damage to any property or right
- (ii) injury, damage, or death to any person or entity
- (iii) attorneys fees, witness fees, expert witness fees and expenses, and
- (iv) all other costs and expenses of litigation

“Premise Defects” shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

B. Indemnity

The Consultant shall indemnify, hold harmless and defend the City against liability for damage that is caused by or results from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the Consultant or the Consultant’s agent, or another entity over which the Consultant exercises control.

The Consultant is an independent contractor and is not, with respect to its acts or omissions, an agent or employee of the City.

Consultant must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Consultant’s employees while in the vicinity where the work is

being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Consultant or Consultant's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Consultant.

The City and Consultant must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Consultant or City. The City has the right to compromise and defend the same to the extent of its own interests.

X. INSURANCE

A. GENERAL REQUIREMENTS

The Consultant agrees to maintain the type and amounts of insurance required in this contract throughout the term of the agreement. The Consultant is solely responsible for providing the required certificates of insurance. The City may terminate this agreement if the Consultant fails to timely comply with the insurance requirements.

The required insurance must be issued by a company or companies of sound and adequate financial responsibility and authorized to do business in the State of Texas. All policies are subject to examination and approval by the City for their adequacy as to content, form of protection, and providing company.

The required insurance naming the City as additional insured must be primary insurance and not contributing with any other insurance available to City, under any third party liability policy.

Before the City executes the notice to proceed with any work under this agreement, the Consultant must provide the City Secretary with either an original certificate of insurance or a certified copy of the insurance policy evidencing the required insurance. Thereafter, the Consultant must furnish new certificates or copies of the policy before the expiration date.

Texas Labor Code Section 406.096 requires a city to ensure that contractors carry workers' compensation for each employee when the city is a party to any "building or construction contract." The code enumerates that "building and construction" includes:

- (A) erecting or preparing to erect a structure, including a building, bridge, roadway, public utility facility, or related appurtenance;
- (B) remodeling, extending, repairing, or demolishing a structure; or

(C) otherwise improving real property or an appurtenance to real property through similar activities.

B. ADDITIONAL REQUIREMENTS

The required liability insurances and their certificates must:

1. Name the City as an additional insured with respect to operations for which this agreement is made.
2. Provide for 30 days advance written notice of cancellation or material change.

C. TYPES AND AMOUNTS OF INSURANCE

The types of insurance required in this contract are those indicated by initials. If no initials appear on any of items 1 through 6, items 1 through 4 shall be required.

<u>Type</u>	<u>Amount</u>
<u>X</u> 1. Workers' Compensation Employer's Liability	Statutory \$100,000 per occurrence
<u>X</u> 2. Commercial (Public) Liability including, but not limited to: • Premises/Operations • Independent Contractors • Products/Completed Operations • Contractual Liability (insuring above indemnity) and where the exposures exist • Explosion Collapse and Underground	\$500,000 combined single limit for bodily injury and property damage (per occurrence)
<u>X</u> 3. Business Automobile Liability to include coverage for: • Owned/Leased Autos • Non-Owned Autos • Hired Cars	\$500,000 combined single limit for bodily injury and property damage (per occurrence)
<u>X</u> 4. Professional Liability	\$500,000 combined single limit (per occurrence)
<u> </u> 5. See Addendum for Special Coverages and/or revisions	

6. No Insurance Required

XI. VENUE, CHOICE OF LAW AND INTERPRETATION

Venue for any cause of action arising under this contract is Taylor County, Texas. This contract is governed by the laws of the State of Texas both as to interpretation and performance. This contract shall, in any dispute over its meaning or application, be interpreted fairly and reasonably, and not more strongly for or against either party.

XII. TERMINATION

This contract may be terminated at any time upon 30 days written notice by City to Consultant. In the event of termination, Consultant will be compensated for work satisfactorily performed before the termination date.

If, through any cause, the Consultant fails to fulfill his obligations under this contract, or if the Consultant violates any of the agreements of this contract, the City has the right to terminate the contract by giving five days written notice to the Consultant. The Consultant will be compensated for work satisfactorily performed before the termination date.

The Consultant, however, is not relieved of liability to the City for damages sustained by the City because of any breach of contract by Consultant. The City may withhold any payments to Consultant for the purpose of setoff until the exact amount of damages due the City from the Consultant is determined and paid.

XIII. PROJECT REPRESENTATION

The City agrees to appoint a Project Representative to assist in obtaining information from various City departments as requested by Consultant and in coordinating, monitoring, and evaluating the project to its completion. The Project Representative has no control over the means, methods, techniques, or procedures employed by Consultant. The City is interested only in the results obtained under this contract; the manner and means of obtaining those results is solely under the Consultant's control.

XIV. NOTICE

All notices must be in writing, hand-delivered or mailed by certified mail, to the other party at the address below. The name and address for notification may be changed by notice to the other party.

City – ATTN:
Rodney Taylor
PO Box 60
Abilene, TX 79604

Consultant – ATTN:
Kirt Harle
3465 Curry Lane
Abilene, TX 79606

XV. COMPLIANCE WITH LAWS, CHARTER, ORDINANCES

Consultant, its agents, employees and subcontractors must comply with all applicable federal and state laws, the charter and ordinances of the City of Abilene, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Consultant must obtain all necessary permits and licenses required in completing the work contracted for in this agreement.

XVI. NO INDEBTEDNESS

Consultant agrees that no payments owed by him of any nature whatsoever to the City, including payment in advance for service charges or any sums of any character whatsoever, shall become delinquent or in arrears.

The City will not knowingly award contracts for goods or services to any bidder in arrears to the City for any debt, claim, demand, or account whatsoever, including taxes, penalty and interest. Consultant is responsible for ensuring that no indebtedness exists.

Section 130 of the City Charter authorizes the City to counterclaim and offset against any debt, claim, demand or account owed by the City to any person, firm or corporation in arrears to the City for any debt, claim, demand or account of any nature whatsoever, including taxes, penalty and interest.

XVII. EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of the City to recruit, employ, and to provide compensation, promotion, and other conditions of employment without regard to race, color, religion, sex, age, national origin, or disability. The City affirms that employment decisions shall be made only on the basis of bonafide occupational qualifications. The City shall continually review its employment practices and personnel procedures and take positive steps to assure that equality of employment opportunity in the City of Abilene, Texas, is a fact as well as an ideal.

XVIII. VERIFICATION OF EMPLOYMENT ELIGIBILITY

Consultant must comply with the Immigration Reform and Control Act (IRCA) and may not knowingly obtain labor or services of an unauthorized alien. Consultant -- not City -- must verify eligibility for employment as required by IRCA.

XIX. MINORITY AND WOMEN BUSINESS ENTERPRISES

The City hereby gives notice that Minority and Women Business Enterprises will be afforded equal opportunities to submit bids in for this contract and will not be discriminated against on the grounds of race, ethnicity, color, sex, religion or national origin in awarding the contract. Technical assistance is available to Minority and Women Business Enterprises through the Texas

Tech University Small Business Development Center, 749 Gateway St., #301, Building C, Abilene, Texas, 79602, 325-670-0300.

XX. SALES TAX

The City qualifies as an exempt agency under the Texas Limited Sales, Excise and Use Tax Act (the "Tax Act"), and is not subject to any State or City sales taxes on materials incorporated into the project. Labor used in the performance of this contract is also not subject to State or City sales taxes. The City will provide an exemption certificate to the Consultant. The Consultant must have a sales tax permit issued by the Comptroller of Public Accounts and shall issue a resale certificate complying with the Tax Act, as amended, when purchasing said materials. The Consultant is responsible for any sales taxes applicable to equipment purchases, rentals, leases, consumable supplies which are not incorporated into the project, tangible personal property purchased for use in the performance of this contract and not completely consumed, or other taxable services used to perform this contract, or other taxes required by law in connection with this contract.

XXI. LEGAL CONSTRUCTION

In the event that any one or more of the provisions contained in this Contract is for any reason held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provisions, and the Contract will be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

XXII. BOYCOTT OF ISRAEL

In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

This section only applies to a contract that: (a) is between a governmental entity and a company with 10 or more full-time employees, and (b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. Additionally, "company" does not include a sole proprietorship.

If this section is applicable, the signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

XXIII. SECTIONS AND OTHER HEADINGS

Section, paragraph, and other headings contained in this Contract are for reference purposes only and do not affect in any way the meaning or interpretation of this Contract.

XIV. COUNTERPARTS

This Contract may be executed in two or more counterparts (including fax, email, or electronic PDF counterparts), each of which shall be deemed an original and all of which together shall constitute one instrument.

{Remainder of Page Intentionally Left Blank—Signature Page Follows}

IN WITNESS HEREOF, the parties hereto have executed this contract effective as of the date written above:

CITY OF ABILENE

By:

Name:

Title:

ATTEST:

City Secretary

APPROVED:

By: _____
City Attorney

CONSULTANT

By:

Name: Kirt Harle

Title: P.E., Principal

Address: 3465 Curry Lane
Abilene, TX 79606

Phone Number: 325-695-1070

Federal Tax ID#: 75-1285782

ATTEST: (If Corporation)

Corporation's Secretary

Corporate Seal (if available)

ATTACHMENT A

Scope of Services

Consultant shall provide engineering services for the 2020 Sanitary Sewer Overflow Initiative (SSOI) sewer main and manhole rehabilitation projects as identified by the City of Abilene Water Department:

Engineering services for sewer main and manhole rehabilitation shall include the following:

A. Preliminary Design Phase (to be completed within 4 months from the date of contract execution)

1. Engineer shall assist Owner in the advertisement of the project for bids. Depending on final scope of project, City may elect to pursue a BuyBoard contract for execution of the project.
2. Engineer shall meet with the City to review scope and schedule of the project. Discuss with City specific concerns at each sewer rehabilitation site and obtain valuable input from City staff as it pertains to the project.
3. Engineer shall visit all proposed sewer rehabilitation sites for visual observation and evaluation.
4. Where feasible the City shall flush and clean sewer pipe segments in order to evaluate the interior integrity of pipes through the use of cameras. Using the best available data, the Engineer shall analyze the interior of the pipes to determine the condition of joints, amount of sagging in the pipe and identify additional pipe characteristics that will play an integral role in determining the appropriate rehabilitation alternative.
5. Engineer shall assist City with coordination with Buyboard for cleaning of sewer mains for use of camera in the sewer lines for visual observation.
6. Engineer shall provide topographic surveying to verify existing flow lines. Surveying information shall be utilized during the preliminary and final design phases.
7. Engineer shall review all applicable alternatives for sewer rehabilitation at each site.
8. Engineer shall prepare technical memorandum with prioritization of proposed sewer main rehabilitation projects, discussion of recommended rehabilitation technique at each sewer rehabilitation site, detailed preliminary cost estimates, and implementation schedule. Engineer shall review hydraulic capacity requirements and determine pipe diameter for each sewer line.

B. Design Phase (to be completed within 6 months from the date of contract execution)

1. Engineer shall furnish to the Owner, where required by the circumstances of the assignment, the engineering data necessary for applications for routine permits by local, state and federal authorities.
2. Engineer shall prepare detailed specifications, contract drawings and plans for bidding and constructing the sewer improvements. These designs shall in all respects combine the application of sound engineering principles with a high degree of economy and shall be submitted to the applicable state and federal agencies for approval. Specifications shall be written for clarity to the contractor and to meet all the requirements of Chapter 217 "Design Criteria for Domestic Wastewater Systems".
3. Engineer shall prepare detailed cost estimates, which shall include summaries of bid items and quantities which will be based wherever practical on the unit price system of bidding.
4. Engineer shall furnish to the Owner two (2) hard copies and one (1) electronic copy of plans and specifications for review by City personnel.
5. Engineer shall finalize plans and specifications based on City comments and provide Owner two (2) hard copies and one (1) electronic copy of final plans and specifications.

C. Bidding Phase (to be completed within 8 months from the date of contract execution)

1. Engineer shall assist Owner in the advertisement of the project for bids. Depending on final scope of project, City may elect to pursue a BuyBoard contract for execution of the project.
2. Engineer shall attend pre-bid meeting (if necessary).
3. Engineer shall issue addendums as required during bidding process (if necessary).
4. Engineer shall assist the owner in the opening and tabulation of bids for construction of the project and make recommendations to the Owner for the proper action on all bids received.
5. Engineer shall assist in the preparation of formal Contract Documents for the construction of the project

D. Construction Phase (to be completed within 14 months from the date of contract execution)

1. Engineer shall conduct pre-construction meeting for project.
2. Engineer shall provide construction staking for layout of proposed sewer main improvements.

3. Engineer shall make periodic visits to the site (as distinguished from the continuous services of a Resident Project Representative described in subparagraph (6) to observe the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents. In performing this service, the Engineer will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work or material; the Engineer will not be responsible or liable in any degree for the Contractor's failure to perform the work in accordance with the Contract Documents. During visits to the construction site and on the basis of the Engineer's on-site observations as an experienced and qualified design professional, he will keep the Owner informed of the extent of the progress of the work, and advise the Owner of material or substantial defects and deficiencies in the work of the contractors which are discovered by the Engineer or brought to his attention in the course of construction, and may, on behalf of the Owner, exercise whatever rights the Owner may have to disapprove work and materials as failing to conform to the Contract Documents.
4. Engineer shall consult and advise the Owner, issue all instructions to the Contractor requested by the Owner, and prepare routine change orders as required.
5. If specifically authorized by the Owner, Engineer shall furnish the services of a Resident Project Representative (RPR) and other field personnel for daily on-site inspection of construction and construction surveying as required. This service is not a part of the Engineer's Basic Services, and compensation therefore is not included in the Basic Charge. If provided, compensation shall be agreed upon by both parties and an amendment to this Contract shall be executed, which outlines the RPR scope of services.
6. Engineer shall review samples, catalog data, schedules, shop drawings, laboratory, shop and mill tests of material and equipment, and other data which the Contractor is required to submit, only for conformance with the design concept of the project and compliance with the information given by the Contract Documents.
7. Engineer shall process pay requests.
8. Engineer shall conduct in company of the Owner and Contractor a pre-final inspection of the project and issue a punch list of items to the Contractor.
9. Engineer shall conduct in company with the Owner a final inspection of the project for conformance with the design concept of the project and compliance with the Contract Documents and approve in writing final payment to the Contractors.
10. Engineer shall review contract drawings with the assistance of the Resident Project Representative to show the work as actually constructed. Furnish two (2) sets of prints and a digital copy of these revised drawings to the Owner.

ATTACHMENT B
PAYMENT SCHEDULE
PARTIES TO INITIAL OPTION SELECTED

OPTION 1 X

Compensation is based on actual hours of work/time devoted to providing the described professional services and will be paid at a rate of \$(Time & Expense per the attached Rate Sheet) per hour not to exceed \$115,000.00.

Professional must submit monthly invoices to City accompanied by an explanation of charges, professional fees, and services. City will pay invoices according to its normal payment procedures.

OPTION 2

Payment is in a lump sum amount of \$Click or tap here to enter text. upon completion of the work and written acceptance by City's Project Representative.

No mechanic, contractor, subcontractor, materialman or other person can or will contract for or in any other manner have or acquire any lien upon any building or work covered by the contract or the land upon which the same is situated.

Before final acceptance of this project by the City, the Contractor must execute and provide City with an Affidavit that all bills for labor, materials and incidentals incurred by subcontractors, materialmen, mechanics and suppliers under this agreement have been paid in full, and that there are no claims pending of which Contractor has been notified.

OPTION 3

Payment is a fixed fee amount of \$Click or tap here to enter text. payable per Click or tap here to enter text. upon completion of the work and written acceptance by City's Project Representative.

No mechanic, contractor, subcontractor, materialman or other person can or will contract for or in any other manner have or acquire any lien upon any building or work covered by the contract or the land upon which the same is situated.

Before final acceptance of this project by the City, the Professional shall execute and provide City with an Affidavit that all bills for labor, materials and incidentals incurred by subcontractors, materialmen, mechanics and suppliers under this agreement have been paid in full, and that there are no claims pending of which Professional has been notified.



INTEGRITY
EXCELLENCE
TRUST

FEES FOR PROFESSIONAL SERVICES

Principal Engineer	\$ 200.00
Licensed Architect-1	170.00
Licensed Architect-2	140.00
Architectural Associate	100.00
Registered Professional Engineer-1	175.00
Registered Professional Engineer-2	145.00
Engineer-in-Training (E.I.T.)	110.00
Engineering Technician-1	100.00
Engineering Technician-2	80.00
Engineering/Architectural Intern	45.00
Environmental Coordinator	100.00
Environmental Technician	65.00
GIS Technician-1	100.00
GIS Technician-2	70.00
CAD Draftsman-1	90.00
CAD Draftsman-2	70.00
Registered Professional Land Surveyor	145.00
Surveyor-in-Training (S.I.T.)	90.00
Resident Project Representative-1	90.00
General Overtime (Weekends, Holidays or before 8 am or after 5 pm)	110.00
Resident Project Representative-2	75.00
General Overtime (Weekends, Holidays or before 8 am or after 5 pm)	90.00
Licensed Water/Wastewater Operator	75.00
Clerical-1	60.00
Clerical-2	50.00

FIELD WORK

1-Man Crew or Technician	\$ 80.00
2-Man Crew	130.00
3-Man Crew	150.00
GPS Equipment	60.00
Robotic Total Station	50.00
Vehicle Charge (per day)	50.00

A FACTOR OF 1.1 SHALL BE APPLIED TO THE FOLLOWING

1. Actual cost of subsistence and lodging
2. Actual cost of postage and shipping fees
3. Actual cost of materials required for the project used in surveying, drafting and associated activities
4. Actual cost of special tests and services of special consultants, if required

Effective 1/1/2019



325.695.1070
817.594.9880
806.368.6375



info@jacobmartin.com
www.jacobmartin.com



3465 Curry Lane
Abilene, TX 79606

1508 Santa Fe, Suite 203
Weatherford, TX 76086

1014 Broadway
Lubbock, TX 79401

TBPE Firm # 2448

I TBPE Firm #: BR 2261

I TBPLS Firm #: 10024300 - Abilene

I TBPLS Firm #: 10193992 - Weatherford



INTEGRITY
EXCELLENCE
TRUST

CONSTRUCTION MATERIALS ENGINEERING AND TESTING FEES

SERVICE TIME

Registered Professional Engineer	\$	175.00
Materials Technician Service Time		60.00
General Overtime (Weekends, Holidays or before 8 am or after 5 pm)		75.00
Pier Observation, Hot Mix, Reinforcing Steel		75.00
Overtime (Weekends, Holidays or before 8 am or after 5 pm)		80.00

CONCRETE

Concrete Cylinder Compressive Strength Tests	25.00
Client Made Cylinder	30.00
Entrained Air Content Test	30.00
Slump Tests, when cylinders are not made	18.00
Concrete Mix Design	650.00
Concrete Design Confirmation Cylinder	25.00

SOILS

Atterberg Limits (Liquid Limit, Plastic Limit & P.I.)	75.00
Field Compaction Test	26.00
Moisture-Density Curve (Proctor)	260.00
Washed Sieve Analysis (Soil)	70.00
Washed Sieve Analysis (Base Material)	75.00
Unit Weight	45.00
Absorption	45.00
Decantation	45.00
Moisture Content	45.00

ASPHALT

Rice Theoretical Specific Gravity	\$	80.00
Field Density, Hot Mix (Nuclear Method)		26.00

Local Vehicle Charge (within 20 miles of Abilene) - \$25.00 per trip to the project
Travel from and return to office at IRS rate per mile, plus service time at above rates
Travel Charges (outside 20 miles of Abilene) – Round trip mileage at IRS current rate, plus

A FACTOR OF 1.1 SHALL BE APPLIED TO THE FOLLOWING

1. Actual cost of subsistence and lodging
2. Actual cost of postage and shipping fees
3. Actual cost of materials required for the project used in surveying, drafting and associated activities
4. Actual cost of special tests and services of special consultants, if required

Effective 1/1/2019



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|

TBAE Firm #: BR 2261

|

TBPLS Firm #: 10024300 - Abilene

|

TBPLS Firm #: 10193992 - Weatherford

ATTACHMENT C

OWNERSHIP OF DOCUMENTS AND MATERIALS

Parties to initial option chosen

(Option 1)

All documents and materials prepared by Professional under the terms of this contract are the City's property from the time of preparation, and Professional must deliver the documents and materials to the City or make them available for inspection whenever requested. Professional has the right to make duplicate copies of such documents or materials for its own file or for other such purposes as the City authorizes in writing.

(Option 2) X

All documents and materials prepared by the Professional remain the property of the Professional; however, Professional must furnish City, at no additional cost, one set of reproducible mylars of the original drawings of the work and/or one copy of all documents prepared by the Professional pursuant to this Agreement.

ATTACHMENT D

STATE MANDATED WORKERS' COMPENSATION INSURANCE LANGUAGE

THIS ATTACHMENT IS ONLY APPLICABLE IF WORKERS' COMPENSATION COVERAGE IS PROVIDED

a. Definitions

Certificate of coverage ("certificate") - a copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the Professional's/person's work on the project has been completed and accepted by the City.

Persons providing services on the project ("subcontractors" in 406.096) - includes all persons or entities performing all or part of the services the Professional has undertaken to perform on the project, regardless of whether that person contracted directly with the Professional and regardless of whether that person has employees. This includes, without limitation, independent contractors, subprofessionals, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitations, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- b. The Professional shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Professional providing services on the project, for the duration of the project.
- c. The Professional must provide a certificate of coverage to the City prior to being awarded the contract.
- d. If the coverage period shown on the Professional's current certificate of coverage ends during the duration of the project, the Professional must, prior to the end of the coverage period, file a new certificate of coverage with the City showing that coverage has been extended.
- e. Professional shall obtain from each person providing services on a project and provide to City:
- (1) a certificate of coverage, prior to that person beginning work on the project, so the City will have on file certificates of coverage showing coverage for all persons providing services on the project; and

(2) no later than seven (7) days after receipt by the Professional, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

- f. The Professional shall retain all required certificates of coverage for the duration of the project and for one (1) year thereafter.
- g. The Professional shall notify the City in writing by certified mail or personal delivery, within ten (10) days after the Professional knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
- h. The Professional shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- i. The Professional shall contractually require each person with whom it contracts to provide services on a project to:
 - (1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;
 - (2) provide to the Professional, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing service on the project, for the duration of the project;
 - (3) provide the Professional, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - (4) obtain from each other person with whom it contracts, and provide to the Professional:
 - (a) a certificate of coverage, prior to the other person beginning work on the project; and
 - (b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - (5) retain all required certificates of coverage on file for the duration of the project and for one (1) year thereafter;
 - (6) notify the City in writing by certified mail or personal delivery, within ten (10) days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing service on the project;

(7) contractually require each person with whom it contracts, to perform as required by paragraphs (1) - (7), with the certificates of coverage to be provided to the person for whom they are providing services.

- j. By signing this contract or providing or causing to be provided a certificate of coverage, the Professional is representing to the City that all employees of the Professional who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Professional to administrative penalties, criminal penalties, civil penalties, or other civil actions.
- k. The Professional's failure to comply with any of these provisions is a breach of contract by the Professional which entitles the City to declare the contract void if the Professional does not remedy the breach within ten (10) days after receipt of notice of breach from the City.

ATTACHMENT E
NOTICE TO PROCEED

ATTACHMENT F
CHANGE IN SCOPE OF SERVICES

Authorize a Professional Services Contract with Jacob and Martin, LLC for the 2020 SSOI Agreement Sewer Line and Manhole Rehabilitation



Sewer Main and Manhole Rehabilitations

- Professional Services Contract with Jacob and Martin, LLC.
- Preparation of plans and contract documents, bidding assistance, project supervision (not RPR), and project administration.
- Contract amount not to exceed \$115,000.00
- Engineer to design the rehabilitation of various diameter small to medium diameter sewer mains and several manholes.
- Satisfies Provision 11 of the SSOI Agreement with the TCEQ.



**Authorize a Professional Services Contract with
Jacob and Martin, LLC for the 2020 SSOI
Agreement Sewer Line and Manhole
Rehabilitation
QUESTIONS?**





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Chris Taylor, Assistant Director

SUBJECT: 6. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding purchase of four Street Sweepers to Pannell Industries II *(Chris Taylor)*

GENERAL INFORMATION

A Request for Proposal (CB-1964) was advertised and eight vendors responded. A proposal committee was formed to review and inspect all submitted proposals for accuracy, completeness and equipment supportability of Stormwater's sweeping requirements. Funds will be used from FY19 and FY20 as to make the purchase more efficient.

SPECIAL CONSIDERATIONS

This purchase will replace four inefficient, outdated, and fully utilized units.

FUNDING/FISCAL IMPACT

This purchase will be split between FY19 and FY20 with a total amount of \$1,217,160.00.

STAFF RECOMMENDATION

Staff recommends purchase of the four Dulevo 6000 Street Sweepers from Pannell Industries II.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Street Sweepers Resolution
2. 100319 Quote - Dulevo Sweeper 6000 Tier 3 Low Dump
3. Cummins Industrial Warranty
4. CB-1964 Street Sweepers

RESOLUTION NO _____

**A RESOLUTION OF THE CITY OF ABILENE, TEXAS
TO PURCHASE FOUR STREET SWEEPERS FOR STORMWATER SERVICES FROM PANNELL INDUSTRIES
II**

WHEREAS, City of Abilene's Stormwater Services has a need for four Street Sweepers; and

WHEREAS, City of Abilene budgeted this purchase for Fiscal Year 2019 and Fiscal Year 2020; and

WHEREAS, City of Abilene received pricing to purchase four Street Sweepers as per RFP process CB-1964; and

WHEREAS, Each unit is to be a 2020 Dulevo 6000; and

WHEREAS, Pannell Industries II – Dallas was determined to be the best suited vendor.

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

PART 1: That the City Council approves this purchase from Pannell Industries II – Dallas in the amount of One Million Two Hundred and Seventeen Thousand One hundred and Sixty Dollars and No Cents (\$1,217,160.00) for four complete Street Sweepers.

PART 2: That this resolution shall take effect immediately from and after passage

ADOPTED this 7th day November, 2019

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney



PANNELL INDUSTRIES II

4361 CEDAR LAKE DR
DALLAS, TX 75227
TEL (214) 388-9999 FAX (214) 388-9998

Estimation 100319-002

Quote / Estimation

Customer Information

Name City of Abilene
Stormwater Service Division
Address 555 Walnut St, Room 201A
City Abilene St TX Zip 79601

Customer Information

Name Chris Taylor
Email chris.taylor@abilenetx.gov
Phone (325) 660-6458
Fax (325) 676-6460

Qty	Item Code	Description	Unit Price	TOTAL
4	095006000K	Dulevo 6000 TIER 3 Sweeper - Cummins engine	\$219,090.00	\$876,360.00
		Equipment MAXI Hydraulic dumping up to 90 In 180° Right hand/Left hand front extendable brush unit Water sprinkling system for side brushes (129 Gal Water tank) Water sprinkling extension for front extendable brush unit Suction system with Ø 5,9 In hose Additional Vortex pre-filter for endothermic engine Mirror for front brush Radio con USB e Bluetooth GORE® Filter (5 years warranty)		
4	6000K.09.21		\$37,840.00	\$151,360.00
4	6000T.06.17	Electrically controlled and heated mirrors	\$700.00	\$2,800.00
4	6000T.13.32	Cabin protection cage	\$2,690.00	\$10,760.00
4	6000T.13.15	360° Camera	\$5,000.00	\$20,000.00
4	6000T.02.07	High pressure washing system with gun and reel 433 In hose	\$5,760.00	\$23,040.00
4	6000T.13.22	High visibility arrow warning sign	\$1,210.00	\$4,840.00
4		Customize water tank for herbicides spray operation	\$8,000.00	\$32,000.00
4		Extension up to the 5th year of warranty or 6500 hours (4 years more than standard conditions)	\$16,500.00	\$66,000.00
4		Freight DDP Houston port	\$7,500.00	\$30,000.00

Payment Details

- ☐ Check / Wire Transfer
☐ Cash
☐ Credit Card

SubTotal	\$1,217,160.00
Texas Tax	\$0.00
TOTAL	\$1,217,160.00

Approval

Date 10/3/2019
Order No
Sales Rep T. Pannell

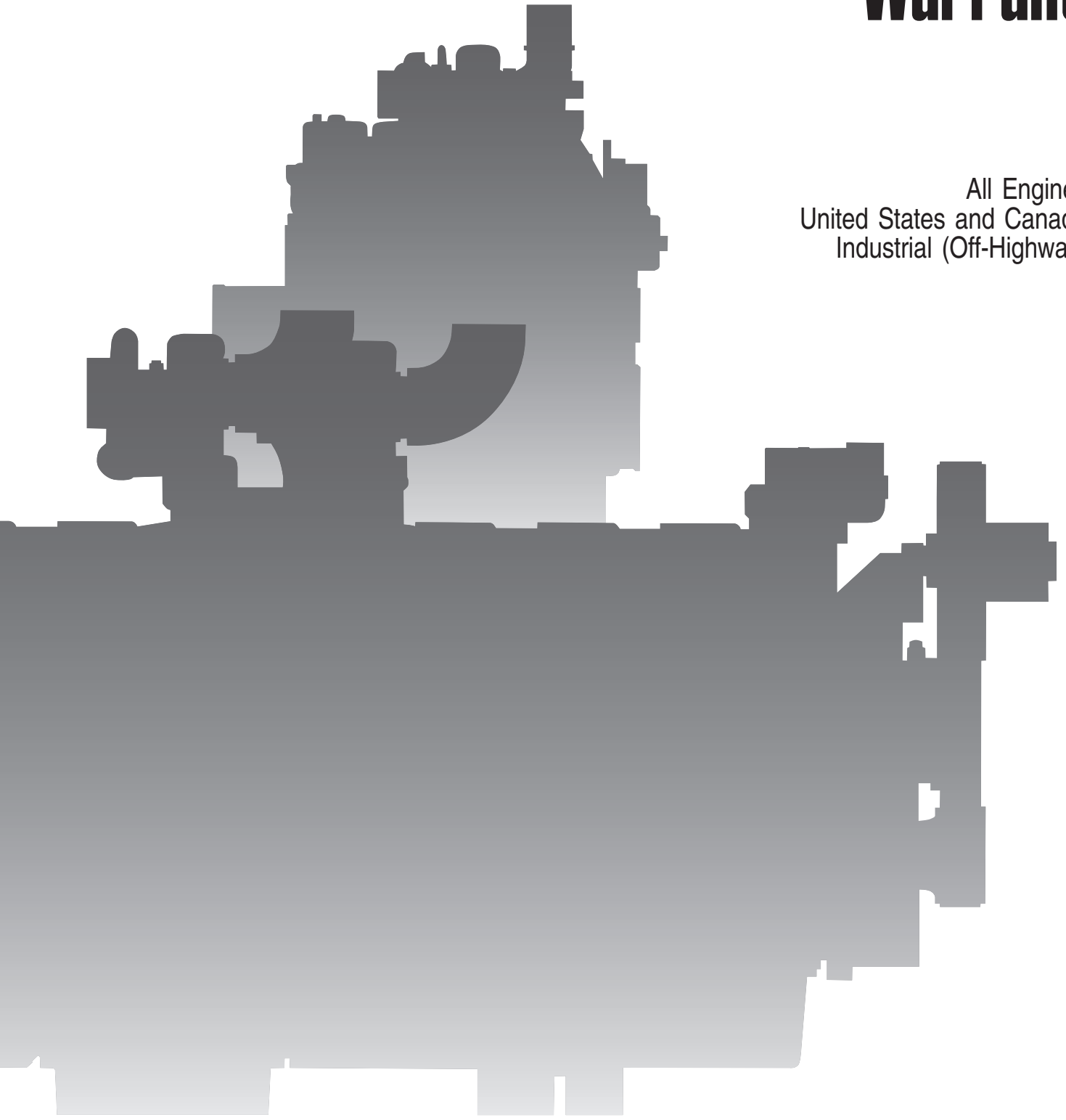
Notes / Remarks

No title or license fees are included in this quote
Deliver Term: 90 - 120 days upon receiving the purchasing order from City of Abilene



Cummins Warranty

All Engines
United States and Canada
Industrial (Off-Highway)



Coverage

Products Warranted

This warranty applies to new Engines sold by Cummins and delivered to the first user on or after April 1, 1999, that are used in industrial (off-highway) applications in the United States* and Canada, except for Engines used in marine, generator drive and certain defense applications, for which different warranty coverage is provided.

Base Engine Warranty

This warranty covers any failures of the Engine, under normal use and service, which result from a defect in material or factory workmanship (Warrantable Failures).

Coverage begins with the sale of the Engine by Cummins. Coverage continues for two years or 2,000 hours of operation, whichever occurs first, from the date of delivery of the Engine to the first user, or from the date the unit is first leased, rented or loaned, or when the Engine has been operated for 50 hours, whichever occurs first. If the 2,000 hour limit is exceeded during the first year, Coverage continues until the end of the first year.

Extended Major Components Warranty

The Extended Major Components Warranty covers Warrantable Failures of the Engine cylinder block, camshaft, crankshaft and connecting rods (Covered Parts).

Bushing and bearing failures are not covered.

This Coverage begins with the expiration of the Base Engine Warranty and ends three years or 10,000* hours of operation from the date of delivery of the Engine to the first user, or from the date the unit is first leased, rented or loaned, or from when the Engine has been operated for 50 hours, whichever occurs first.

*3,000 hours for A series engines.

Consumer Products

The warranty on Consumer Products in the United States is a LIMITED warranty. **CUMMINS IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.** Any implied warranties applicable to Consumer Products in the United States terminate concurrently with the expiration of the express warranties applicable to the product. In the United States, some states do not allow the exclusion of incidental or consequential damages, or limitations on how long an implied warranty lasts, so the limitations or exclusions herein may not apply to you.

These warranties are made to all Owners in the chain of distribution, and Coverage continues to all

subsequent Owners until the end of the periods of Coverage.

Cummins' Responsibilities

During The Base Engine Warranty

Cummins will pay for all parts and labor needed to repair the damage to the Engine resulting from a Warrantable Failure.

Cummins will pay for the lubricating oil, antifreeze, filter elements, and other maintenance items that are not reusable due to the Warrantable Failure.

Cummins will pay reasonable costs for mechanics to travel to and from the equipment site, including meals, mileage and lodging, when the repair is performed at the site of the failure.

Cummins will pay reasonable labor costs for Engine removal and reinstallation when necessary to repair a Warrantable Failure.

During The Extended Major Components Warranty

Cummins will pay for the repair or, at its option, replacement of the defective Covered Part and any Covered Part damaged by a Warrantable Failure of the defective Covered part.

Owner's Responsibilities

During The Base Engine Warranty

Owner is responsible for the cost of lubricating oil, antifreeze, filter elements and other maintenance items provided during warranty repairs unless such items are not reusable due to the Warrantable Failure.

During The Extended Major Components Warranty

Owner is responsible for the cost of all labor needed to repair the Engine, including the labor to remove and reinstall the Engine. When Cummins elects to repair a part instead of replacing it, Owner is not responsible for the labor needed to repair the part.

Owner is responsible for the cost of all parts required for the repair except for the defective Covered Part and any Covered Part damaged by a Warrantable Failure of the defective Covered Part.

Owner is responsible for the cost of lubricating oil, antifreeze, filter elements and other maintenance items

replaced during repair of a Warrantable Failure.

During The Base Engine and Extended Major Components Warranties

Owner is responsible for the operation and maintenance of the Engine as specified in the applicable Cummins Operation and Maintenance Manual. Owner is also responsible for providing proof that all recommended maintenance has been performed.

Before the expiration of the applicable warranty, Owner must notify a Cummins distributor, authorized dealer or other repair location approved by Cummins of any Warrantable Failure and make the Engine available for repair by such facility. Locations in the United States and Canada are listed in the Cummins Off Highway Authorized Dealer Directory.

Owner is responsible for communication expenses, meals, lodging and similar costs incurred as a result of a Warrantable Failure.

Owner is responsible for non-Engine repairs, "downtime" expenses, cargo damage, fines, all applicable taxes, all business costs and other losses resulting from a Warrantable Failure.

Limitations

Cummins is not responsible for failures or damage resulting from what Cummins determines to be abuse or neglect, including, but not limited to: operation without adequate coolants or lubricants; overfueling; overspeeding; lack of maintenance of lubricating, cooling or intake systems; improper storage, starting, warm-up, run-in or shutdown practices; unauthorized modifications of the Engine. Cummins is also not responsible for failures caused by incorrect oil or fuel or by water, dirt or other contaminants in the fuel or oil.

For power units and fire pumps (package units), this warranty applies to accessories, except for clutches and filters, supplied by Cummins which bear the name of another company.

Except for power units and fire pumps, this warranty does not apply to accessories which bear the name of another company. Such non-warranted accessories include, but are not limited to: alternators, starters, fans*, air conditioning compressors, clutches, filters, transmissions, torque converters, steering pumps, and non-Cummins fan drives, engine compression brakes and air compressors.

Cummins Compusave units are covered by a separate warranty.

Before a claim for excessive oil consumption will be considered, Owner must submit adequate

documentation to show that consumption exceeds Cummins published standards.

Failures of belts and hoses supplied by Cummins are not covered beyond the first 500 hours or one year of operation, whichever occurs first.

Parts used to repair a Warrantable Failure may be new Cummins parts, Cummins-approved rebuilt parts, or repaired parts. Cummins is not responsible for failures resulting from the use of parts not approved by Cummins.

A new Cummins or Cummins-approved rebuilt part used to repair a Warrantable Failure assumes the identity of the part it replaced and is entitled to the remaining coverage hereunder.

CUMMINS DOES NOT COVER WEAR OR WEAROUT OF COVERED PARTS.

CUMMINS IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

THESE WARRANTIES SET FORTH HEREIN ARE THE SOLE WARRANTIES MADE BY CUMMINS IN REGARD TO THESE ENGINES. CUMMINS MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, OR OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.

Emission Warranty

Products Warranted

This emission warranty applies to new Engines marketed by Cummins that are used in the United States* in vehicles designed for Industrial off-highway use. This warranty applies to Engines delivered to the ultimate purchaser on or after April 1, 1999 for engines up to 750 horsepower, on or after January 1, 2000 for engines 751 horsepower and over.

Coverage

Cummins warrants to the ultimate purchaser and each subsequent purchaser that the Engine is designed, built and equipped so as to conform at the time of sale by Cummins with all U.S. Federal emission regulations applicable at the time of manufacture and that it is free from defects in workmanship or material which would cause it not to meet these regulations within the longer of the following periods: (A) Five years or 3,000 hours of operation, whichever occurs first, as measured from the date of delivery of the Engine to the ultimate

purchaser, or (B) The Base Engine Warranty.

If the vehicle in which the Engine is installed is registered in the state of California, a separate California Emission Warranty also applies.

Limitations

Failures, other than those resulting from defects in materials, or workmanship, are not covered by this warranty.

Cummins is not responsible for failures or damage resulting from what Cummins determines to be abuse or neglect, including, but not limited to: operation without adequate coolant or lubricants; overfueling; overspeeding; lack of maintenance of lubricating, cooling or intake systems; improper storage, starting, warm-up, run-in or shutdown practices; unauthorized modifications of the Engine. Cummins is also not responsible for failures caused by incorrect fuel or by water, dirt or other contaminants in the fuel.

Cummins is not responsible for non-Engine repairs, "downtime" expenses, cargo damage, fines, all business costs or other losses resulting from a Warrantable Failure.

CUMMINS IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

* Includes American Samoa, the Commonwealth of Northern Mariana Islands, Guam, Puerto Rico, and the U.S. Virgin Islands.

** Alternators, starters, and fans ARE covered for the duration of the base engine warranty on A series and B3.3 engines.



Cummins Inc.
Box 3005
Columbus, IN 47202-3005
U.S.A.

Bulletin 3381321
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CB-1964 Purchase For Four Street Sweepers Assigned to Stormwater



Platform Dump Truck For Stormwater

- Four replacement units for Stormwater
- Unit to be a 2020 Dulevo 6000
- Recommend award to Pannell Industries II





Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Chris Taylor, Assistant Director

SUBJECT: 7. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Purchase of Twelve Police Packaged SUVs to Caldwell Country Chevrolet (Chris Taylor)

GENERAL INFORMATION

Fleet Management seeks approval to purchase twelve Police Patrol Packaged SUVs to replace units that are approaching out-of-service dates.

SPECIAL CONSIDERATIONS

Texas law allows a municipality to purchase goods through a state or local cooperative purchasing program. Buyboard is such a program, and the purchase meets the competitive bidding requirements.

FUNDING/FISCAL IMPACT

Funds for the purchase are to be provided by the Fleet Replacement Fund and total \$449,260.00.

STAFF RECOMMENDATION

Staff recommends purchasing the Police Packaged SUVs.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. CO-OP Police SUVs Resolution.doc
2. CO-OP Police SUVs Addtl Info
3. CO-OP Patrol SUVs Budget vs Actual
4. CO-OP Patrol SUVs Presentation

RESOLUTION NO _____

**A RESOLUTION OF THE CITY OF ABILENE, TEXAS
TO PURCHASE TWELVE POLICE SUVS FROM CALDWELL COUNTRY CHEVROLET
THROUGH BUYBOARD COOPERATIVE**

WHEREAS, City of Abilene has a need for twelve police SUVs; and

WHEREAS, City of Abilene budgeted this purchase for Fiscal Year 2020; and

WHEREAS, City of Abilene received pricing for twelve police SUVs through BuyBoard Co-Op; and

WHEREAS, Caldwell Country Chevrolet is the BuyBoard approved vendor for police SUVs.

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

PART 1: That the City Council approves this purchase from Caldwell Country Chevrolet of Caldwell, Texas in the amount of Four Hundred Forty Nine Thousand Two Hundred and Sixty Dollars (\$449,260) for twelve police SUVs.

PART 2: That this resolution shall take effect immediately from and after passage

ADOPTED this 7th day November, 2019

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

ADDITIONAL INFORMATION FOR COUNCIL MEETING ITEM
POLICE SUVS

Unit #	Assignment	Year	Make	Model	Mileage	Hours	Miscellaneous Repair Costs	PM Costs	Tire Costs	Total Maintenance Costs	Disposal Method	Replacement Reasoning
4025	Police	2009	CHEVROLET	PPV TAHOE	119,903	14,397	\$28,266.28	\$4,731.85	\$2,647.99	\$35,646.12	Auction	Meets replacement criteria
4315	Police	2012	CHEVROLET	PPV TAHOE	131,814	17,119	\$17,414.98	\$1,922.24	\$8,551.61	\$27,888.83	Auction	Exceeds mileage criteria
4316	Police	2012	CHEVROLET	PPV TAHOE	129,338	15,575	\$14,888.17	\$2,443.66	\$6,052.60	\$23,384.43	Auction	Exceeds mileage criteria
4318	Police	2012	CHEVROLET	PPV TAHOE	143,879	17,813	\$11,824.68	\$3,380.52	\$8,476.41	\$23,681.61	Auction	Exceeds mileage criteria
4319	Police	2012	CHEVROLET	PPV TAHOE	110,183	13,673	\$7,665.97	\$1,600.60	\$5,094.81	\$14,361.38	Auction	Will meet mileage criteria by the time the replacement is delivered and ready for in-service.
4320	Police	2012	CHEVROLET	PPV TAHOE	115,271	15,247	\$24,833.01	\$2,699.19	\$5,881.05	\$33,413.25	Auction	Will meet mileage criteria by the time the replacement is delivered and ready for in-service.
4363	Police	2013	CHEVROLET	PPV TAHOE	129,961	14,563	\$8,689.57	\$3,024.13	\$7,269.29	\$18,982.99	Auction	Exceeds mileage criteria
4366	Police	2013	CHEVROLET	PPV TAHOE	126,380	11,858	\$8,348.88	\$1,857.59	\$5,076.46	\$15,282.93	Auction	Exceeds mileage criteria
4367	Police	2013	CHEVROLET	PPV TAHOE	115,993	12,761	\$6,134.83	\$9,533.08	\$4,727.38	\$20,395.29	Auction	Will meet mileage criteria by the time the replacement is delivered and ready for in-service.
4368	Police	2013	CHEVROLET	PPV TAHOE	126,163	16,925	\$21,224.73	\$1,806.86	\$6,381.11	\$29,412.70	Auction	Exceeds mileage criteria
4371	Police	2013	CHEVROLET	PPV TAHOE	133,165	13,652	\$13,590.67	\$1,857.97	\$3,724.11	\$19,172.75	Auction	Exceeds mileage criteria
4373	Police	2013	CHEVROLET	PPV TAHOE	70,196	8,686	\$13,391.01	\$1,858.00	\$4,501.75	\$19,750.76	Auction	Wrecked and Totalled

BUDGET vs ACTUAL COSTS ***
PATROL SUVs

Repl For Unit #	Division #	Division Name	Type Equipment	Budgeted Cost	Actual Cost	Budgeted vs Actual Variance
4025	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4315	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4316	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4318	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4319	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4320	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4363	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4366	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4367	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4368	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4371	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
4373	5015	Police Patrol	Police Patrol SUV	\$45,500.00	\$37,405.00	(\$8,095.00)
				\$546,000.00	\$448,860.00	(\$97,140.00)

*** This budgeted amount includes the price of a fully upfitted police packaged Chevrolet Tahoe. The actual cost reflected above is for the vehicle only. The remainder of the budget will be utilized to complete the upfit of each unit.

CO-OP Purchase For 12 Police Patrol SUVs



12 Police Patrol SUVs

- Twelve Police Packaged SUVs to replace existing units.
- BuyBoard Cooperative purchase to coordinate the build and delivery process.
- Current price is for vehicles only, up-fitting was budgeted for and will be completed at a later date.





Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Mike Warrix, Director

SUBJECT: 8. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a resolution creating a Demolition Assistance Grant Program and committing funds necessary for implementation (Mike Warrix)

GENERAL INFORMATION

The intent of the proposed program is to assist residential and commercial property owners within the Tax Increment Reinvestment Zone No. 2 (TIRZ) boundaries in financing eligible building demolition projects. Competitive 50/50 matching grants for eligible demolition projects will be awarded in accordance with established guidelines and policies as promulgated by the City of Abilene Planning and Development Services Department.

SPECIAL CONSIDERATIONS

None

FUNDING/FISCAL IMPACT

Funding for grants awarded through the program has been recommended by the City of Abilene Tax Increment Reinvestment Zone No. 2 Board of Directors at \$50,000.00 per year for a three year period. The maximum grant award is established at \$15,000.00 per project.

STAFF RECOMMENDATION

Staff recommends approval.

BOARD OR COMMISSION RECOMMENDATION

On September 25, 2019, the City of Abilene Tax Increment Reinvestment Zone No. 2 (TIRZ) Board of Directors considered this proposal and adopted Resolution Number 209-2019 supporting the creation of the Demolition Assistance Grant Program and committing program funding.

ATTACHMENTS:

1. Demolition Assistance Grant Program Council Resolution DRAFT
2. Exhibit A TIRZ Boundary Map
3. 209-2019 - TIRZ - Supporting the Creation of a Demolition Assistance Grant Program & Committing TIRZ Funds for Implementation (1)
4. Demolition Grant Program Policies and Procedures COUNCIL
5. Demolition Assistance Grant Presentation

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS
CREATING A DEMOLITION ASSISTANCE GRANT PROGRAM AND COMMITTING
FUNDS NECESSARY FOR IMPLEMENTATION**

WHEREAS, the governing body of the City of Abilene adopted Ordinance No. 66-2013 creating a Tax Increment Reinvestment Zone No. 2, establishing certain economic development incentives to encourage and promote private investment within the City of Abilene Tax Increment Reinvestment Zone No. 2; and

WHEREAS, the governing body of the City of Abilene desires to create a Demolition Assistance Grant Program for implementation within the boundaries of Tax Increment Reinvestment Zone No. 2; and

WHEREAS, demolition assistance grants are considered eligible activities for Tax Increment Reinvestment Zone No. 2 funding; and

WHEREAS, grants awarded through the Demolition Assistance Grant Program will be financed with funds currently allocated for such use by the Tax Increment Reinvestment Zone No. 2 Board of Directors;

WHEREAS, it is understood that 50/50 matching grants for eligible demolition projects will be made in accordance with established guidelines and procedures as promulgated by the City of Abilene Planning and Development Services Department; and

WHEREAS, the Tax Increment Reinvestment Zone No. 2 Board of Directors adopted Resolution 209-2019 supporting the creation of the Demolition Assistance Grant Program and committing program funding.

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

PART 1: That the City Council hereby create a Demolition Assistance Grant Program.

PART 2: That grant awards made through the Demolition Assistance Grant Program be limited to residential and commercial properties located within the geographic boundaries of the Tax Increment Reinvestment Zone No. 2 as delineated in Exhibit "A".

PART 3: That Tax Increment Reinvestment Zone No. 2 funding for this program be limited to \$50,000.00 per year (\$15,000.00 maximum award per approved project) for a three-year period from the date of City Council approval of this Resolution.

PART 4: That the Abilene Landmarks Commission serve in an advisory capacity in the review of grant applications submitted for properties listed on the Abilene Register of Historic Properties and/or properties having historic overlay zoning designation.

PART 5: That the City Council delegate final grant approval authority to the Director of Planning and Development Services or his/her designee. Appeal of the Director's denial of

an application for grant funding shall be made to the City Manager within fourteen (14) days of the date of denial.

ADOPTED this 7th day of November, 2019.

ATTEST:

Shawna Atkinson
City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney



RESOLUTION NO. 209-2019

A RESOLUTION OF THE TAX INCREMENT REINVESTMENT ZONE NO. 2 BOARD OF DIRECTORS, CITY OF ABILENE, TEXAS, SUPPORTING THE CREATION OF A DEMOLITION ASSISTANCE GRANT PROGRAM AND COMMITTING TIRZ FUNDS FOR IMPLEMENTATION

WHEREAS, the governing body of the City of Abilene adopted Ordinance No. 66-2013 creating a Tax Increment Reinvestment Zone No. 2, establishing certain economic development incentives to encourage and promote private investment within the City of Abilene Tax Increment Reinvestment Zone No. 2; and

WHEREAS, the governing body of the City of Abilene is considering the establishment of a Demolition Assistance Grant Program for implementation within the boundaries of Tax Increment Reinvestment Zone No. 2; and

WHEREAS, demolition assistance grants are considered eligible activities for Tax Increment Reinvestment Zone No. 2 funding; and

WHEREAS, it is understood that grants for eligible demolition projects will be made in accordance with established guidelines and policies as promulgated by the City of Abilene Planning and Development Services Department; and

WHEREAS, grants awarded through the Demolition Assistance Grant Program will be financed with funds currently allocated for such use by the Tax Increment Reinvestment Zone Board.

NOW THEREFORE BE IT RESOLVED BY THE TAX INCREMENT REINVESTMENT ZONE NO. 2 BOARD OF DIRECTORS, CITY OF ABILENE TEXAS:

PART 1: That the Board supports the City of Abilene's creation of a Demolition Assistance Grant Program.

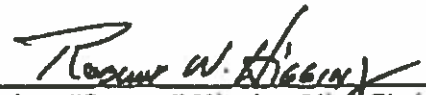
PART 2: That the Board recommends available Tax Increment Reinvestment Zone No. 2 funds for such use and delegates grant approval authority to the Director of Planning and Development Services or his designee.

PART 3: That the TIRZ funding for this program be limited to \$50,000 per year for a three-year period from the date of City Council approval.

ADOPTED this 25th day of September, 2019.

ATTEST:


Shawna Atkinson, City Secretary


Robert "Stormy" Higgins, Vice Chairman

APPROVED:


Stanley Smith, City Attorney



Demolition Assistance Grant Program Application Policies and Procedures

November 7, 2019

City of Abilene
Planning and Development Services Department
555 Walnut Street, Suite 100
Abilene, Texas 79601-5254
(325) 676-6237

A. Background

The City of Abilene is committed to sustaining the highest quality of development and quality of life for its residents. The enhancement and expansion of the city's economy are critical elements of that sustainability. Blighted structures significantly limit the potential for higher development standards on adjacent properties and negatively impact economic growth. In an effort to attract and retain investment in the city, an incentive program was developed to encourage private redevelopment of properties deemed blighted, substandard, and/or dilapidated.

On November 7, 2019, the Abilene City Council adopted Resolution Number ____-2019 creating the *Abilene Demolition Assistance Grant Program*. The intent of the program is to encourage redevelopment of blighted structures in order to improve the overall economic vitality of the city. The program provides financial assistance in the form of reimbursement grants to residential and commercial property owners interested in demolishing qualified properties to reduce blight and further the redevelopment of these properties.

The program provides fifty percent (50%) matching grants not to exceed \$15,000.00 per application.

B. Definitions

The following definitions shall apply to the terms used in these guidelines:

Applicant: The property owner or authorized agent signing the application for a Demolition Assistant Program Grant.

Blighted Structure: A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare.

Department: The City of Abilene Planning and Development Services Department.

Tax Increment Reinvestment Zone (TIRZ) Number 2: A reinvestment zone created by the City of Abilene pursuant to Chapter 311 of the Texas Tax Code, as amended. The purpose of the zone is to promote development or redevelopment within the zone.

C. Eligibility Criteria

The following criteria must be met in order to participate in the program:

A. Applicants must be owners of residential or commercial structures located within the boundary of TIRZ No. 2.

- B. The property proposed for demolition must meet the Department of Housing and Urban Development definition of a “blighted structure”.
- C. The property must not be under enforcement action of the Board of Building Standards.
- D. The property must not be in foreclosure proceedings.
- E. Applicants must be current on all municipal taxes at the time of application.
- F. Applicants must be owners of structures proposed for demolition.
- G. Applicants must not have any city liens filed against any property owned by the Applicant, including but not limited to code enforcement liens or tax liens.
- H. Applicants must comply with all state and local laws and regulations pertaining to licensing, permits, building code, and zoning requirements.
- I. Applicants must identify a plan for the cleared property.

D. Financial Assistance

Funding offered is in the form of a matching grant in which the City of Abilene reimburses the applicant fifty percent (50%) of the total demolition costs, up to a \$15,000.00 maximum match award. Asbestos surveys and related abatement costs may be included in the total cost of eligible improvements.

Matching funds may be in the form of other financial aid (grant or loan) received from other agencies and/or banks, but may not be “in-kind”. The City of Abilene will only provide reimbursement after the applicant submits all required documentation indicating payment has been made for all the work performed.

E. Application Requirements

As supplemental information to the required application, the following items must be included:

1. Two (2) or more itemized estimates/bids.
2. A site plan of the subject property to include legal description, street address, lot dimensions, and structure to be demolished.
3. Proof of ownership, insurance, and property tax payment.

F. Procedural Guidelines

1. All applicants are encouraged to meet with Planning and Development Services Department (Department) staff for an initial pre-application submittal meeting.
2. Applicant submits completed application and all required attachments and supporting materials to the Department for processing.
3. If proposed project involves an historic building or one included in an historic overlay zoning district, the application will be forwarded to the Abilene Landmarks Commission for review and recommendation.
4. After the application has been submitted to the Department, a meeting will be held with the applicant on-site at the subject property to discuss the project.
5. The application will then be reviewed and action to either approve or deny the application will be made by the Department Director. Grant awards are not retroactive. The demolition grant must be approved before any demolition activity begins.
6. In the event an application is denied, the applicant will not be allowed to re-apply for the same project for a period of one (1) year from the date of the original application. An applicant that submitted an application that was denied grant funding may appeal the denial to the City Manager within fourteen (14) days of the date of application denial.
7. Upon application approval, the city will send the applicant a written "Notice of Grant Award." Any work completed prior to receiving the notice will not be reimbursed by the city.
8. A demolition permit must be obtained within 30 days from the date of grant award.
9. On the application, the applicant must provide the dates of when the contractor will begin and complete the project. The project must be completed within 90 days of receiving the Notice of Grant Award. If the project is delayed by weather or unforeseen circumstances, extra time may be requested and submitted to the Department for approval.
10. All applicable city regulations must be met and approvals and permits obtained before demolition begins. Demolition includes leaving the site levelled and stabilized with appropriate vegetation (hydro-mulch, sod or equivalent) if foundation is removed.

11. Demolition projects involving more than one parcel may be considered as separate projects for purposes of grant applications and awards, notwithstanding common ownership.
12. Funds will be disbursed after the demolition process is complete and the required supporting documentation (receipts, invoices, etc.) is submitted to and approved by the Department.

G. Termination

The City of Abilene has the right to terminate any agreement under the grant program if a participant is found to be in violation of any conditions set forth in these guidelines in accordance with the program.

Demolition Assistance Grant Program Application

Please complete and return along with all required attachments to the Planning and Development Services Department, City Hall, 555 Walnut Street, Suite 100

Date_____

Total Demolition Cost \$_____Amount of Grant Request \$_____
(Maximum \$15,000)

Property Address _____

Property Owner Names(s) _____

Property Owner
Address_____

Property Owner Phone_____

Property Owner Email Address_____

If property is held by a corporation:

Registered Agent Name _____

Registered Agent Mailing Address _____

Registered Agent Phone _____

Registered Agent Email Address_____

Please attach:

- (1) A site plan depicting all structures and features to be demolished;
- (2) Two or more quotes detailing the demolition costs including leaving the site levelled and stabilized;
- (3) A project timeline including the date by which demolition and site stabilization will be completed; and
- (4) A proposed post-demolition plan for the property.

Applicant/Owner Signature

Date

Printed Applicant/Owner Name

Certification: "I hereby certify that all information provided in this application is, to the best of my knowledge and belief, true, accurate and complete. I further certify that eligibility criteria are fully met for the structure(s) described in this application."

Signature of Owner/Agent Attesting to Certification _____

Printed
Name _____ Date _____

Acknowledgement:

State of Texas,

County of _____

Before me, a notary public, on this day personally appeared _____,
known to me (or proved to me on the oath of _____ (description of identity
card or other document) to be the person whose name is subscribed to the foregoing instrument and
acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 20__.

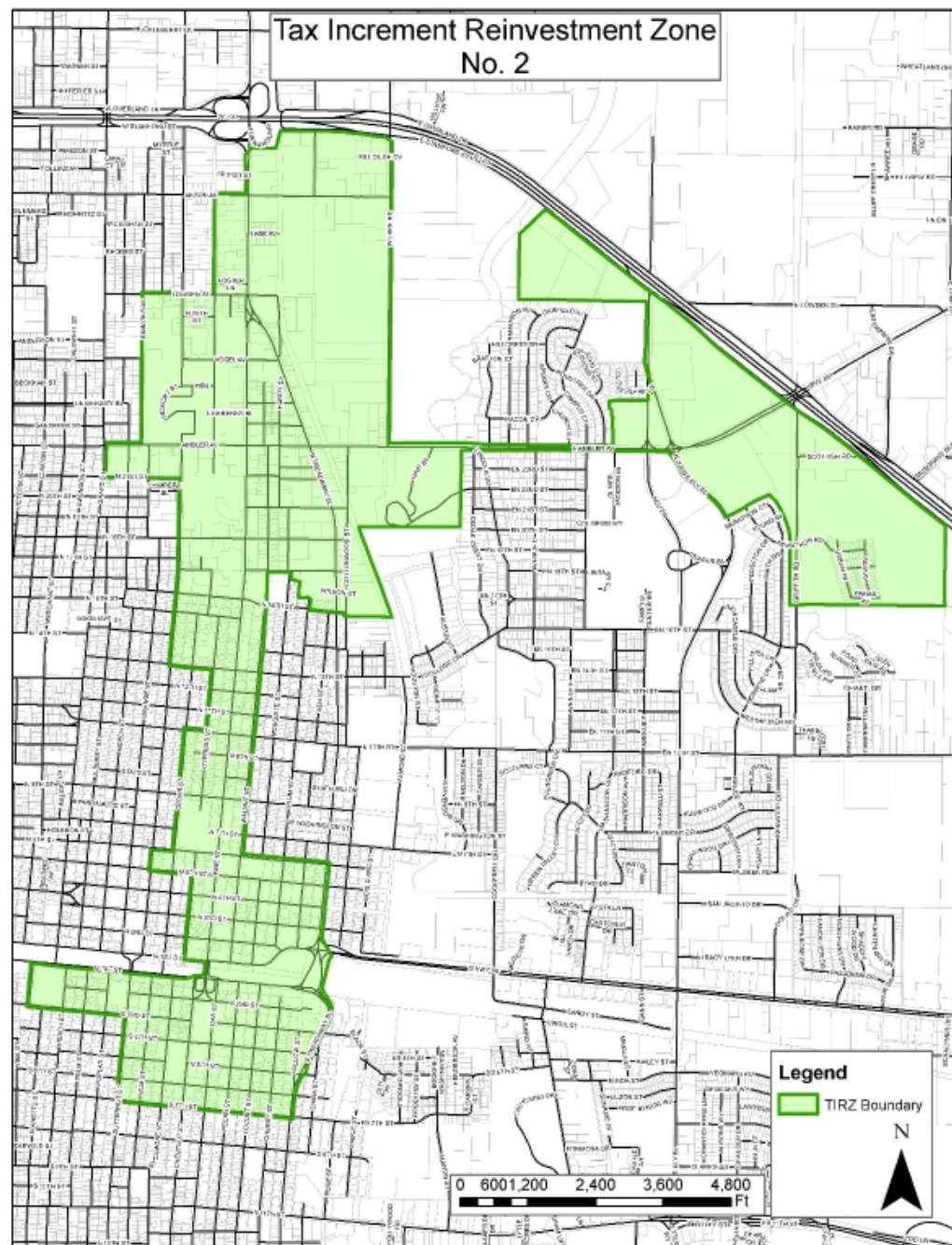
(Personalized Seal)

Notary Signature

Demolition Assistance Grant Program

- Incentive Program for Residential and Commercial Property Owners within TIRZ No. 2 Boundaries
- Grant Awards (Reimbursement) Up to \$15,000 per Eligible Project on 50/50 Match Basis
- Must Submit a Plan for the Post-Demolition Use of the Property
- TIRZ No. 2 Board of Directors Approved Resolution on September 25, 2019 Supporting Program and Recommending Funding
- Funding Proposed for 3 Years at \$50,000 per Year
- Subject to Established Administrative Policies and Procedures
- Grants Reviewed and Approved Administratively







Demolition Assistance Grant Program Application Policies and Procedures

September 26, 2019

City of Abilene
Planning and Development Services Department
555 Walnut Street, Suite 100
Abilene, Texas 79601-5254
(325) 676-6237



Questions





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Bob von Wolffrad, Technical/Back up

SUBJECT: 9. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on G-Suite Contract Renewal (Bob von Wolffrad)

GENERAL INFORMATION

G-Suite Contract Renewal

Background

The City uses Google's G-suite services for email, calendars, documents, meetings, and many other products. The original contract was approved by the City Council on June 8, 2017 for G-Suite Business. This agreement is due for renewal.

Since June 2017, the software services provided by Google have grown and improved dramatically along with the subscription licenses and costs.

After careful analysis of the Basic, Business, and Enterprise license options, staff recommends the Enterprise edition for this contract renewal because of the following products and features available in the Enterprise edition and not available in the other license options:

Advanced Data Loss Prevention (DLP) (CYBERSECURITY)
Security Center (CYBERSECURITY)
Encryption (CYBERSECURITY)
Hangout Meets up to 100 participants, record meetings, live streaming up to 100,000
Advanced mobile management and protection capabilities

The security features justify the selection for protecting City and citizen data.

Basic Details

Advanced Data Loss Prevention (DLP) (CYBERSECURITY)

Allows for scanning of files that are shared with people outside the City, including credit card numbers, bank accounts, social security numbers, etc. Provides immediate feedback to the employee.

Security Center (CYBERSECURITY)

Provides a unified security center dashboard with increased visibility into spam and malware that targets our employees. Provides the ability to identify, triage, and take action on security and privacy issues with the City's domain. Allows for City-wide bulk actions to delete malicious email. And more!

Encryption (CYBERSECURITY)

Additional features include enhanced integrity and confidentiality the City's email messages by enabling hosted Secure/Multipurpose Internet Mail Extensions (S/MIME). Using keys for the sender and recipient to uniquely identify each other. Applies to legal, law enforcement, HIPAA, etc.

Hangout Meets (Audio/Video meetings) up to 100 participants, record meetings, live streaming up to 100,000

Advanced Mobile Management capabilities, advanced password enforcement, security policies, application and network management, remote wipe capability for lost or stolen city-owned devices, and more.

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

		Recommended	
	Current Subscription	Renewal Subscription	Difference

Type License	Business	Enterprise	
Year 1	\$221,500.00	\$252,500.00	\$31,000.00
Year 2	\$221,500.00	\$252,500.00	\$31,000.00
Year 3	\$221,500.00	\$252,500.00	\$31,000.00
Total	\$664,500.00	\$757,500.00	\$93,000.00

STAFF RECOMMENDATION

Staff recommends renewing the G-suite licenses and selecting the Enterprise edition through SADA Systems.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. G-Suite Resolution.2019.10.17
2. G-Suite Contract Renewal - City Council 10-8-2019
3. City of Abilene - G Suite Enterprise 3-Year Quote v2 10.7.19
4. City of Abilene G Suite Customer Agreement 10.21.19
5. G Suite (Online) Agreement - City of Abilene 10-29-2019
6. G-Suite Renewal

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS
AUTHORIZING THE CITY MANAGER TO RENEW THE GOOGLE - SUITE
SOFTWARE LICENSES FROM SADA SYSTEMS, INC.**

WHEREAS, The City uses Google's G-suite services for email, calendars, documents, meetings, and many other products, and the original contract was approved by the City Council on June 8, 2017 for G-Suite Business licenses, and the agreement is due for renewal; and

WHEREAS, Since June 2017, the software services provided by Google have grown and improved dramatically along with the subscription licenses and costs, and after careful analysis of the Basic, Business, and Enterprise license options, staff has selected the Enterprise edition for this contract renewal because of the new security products and features available in the Enterprise edition and not available in the other license options; and

WHEREAS, the proposed license renewal is for 1,630 regular licenses, and 200 archive user licenses at an annual amount of \$252,500 for three years, totaling \$757,500.; and

WHEREAS, city staff has recommended renewing the G-suite licenses and selecting the Enterprise edition through SADA Systems Inc.

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

Part 1: The City Council authorizes the City Manager to sign the renewal agreement for G-Suite Enterprise licenses from Sada Systems Inc.

Part 2: That this Resolution takes effect immediately upon its adoption.

ADOPTED this 7th day of November, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney



G-Suite Contract Renewal

Background

The City uses Google's G-suite services for email, calendars, documents, meetings, and many other products. The original contract was approved by the City Council on June 8, 2017 for G-Suite Business. This agreement is due for renewal.

Since June 2017, the software services provided by Google have grown and improved dramatically along with the subscription licenses and costs.

After careful analysis of the Basic, Business, and Enterprise license options, staff selected the Enterprise edition for this contract renewal because of the following products and features available in the Enterprise edition and not available in the other license options:

Advanced Data Loss Prevention (DLP) (CYBERSECURITY)
 Security Center (CYBERSECURITY)
 Encryption (CYBERSECURITY)
 Hangout Meets up to 100 participants, record meetings, live streaming up to 100,000
 Advanced mobile management and protection capabilities

The security features justify the selection for protecting City and citizen data.

Request

Staff recommends renewing the G-suite licenses and selecting the Enterprise edition through SADA Systems.

		<i>Recommended</i>		
	Current Subscription	Renewal Subscription	Difference	
Type License	Business	Enterprise		
Year 1	\$221,500.00	\$252,500.00	\$31,000.00	
Year 2	\$221,500.00	\$252,500.00	\$31,000.00	
Year 3	\$221,500.00	\$252,500.00	\$31,000.00	
Total	\$664,500.00	\$757,500.00	\$93,000.00	
1. Enterprise licenses represents a 47% discount.				
2. Includes archive license to retain public records, 60% less than a regular license.				
3. Includes security solutions necessary for the City to protect data entrusted to the City.				
4. The increased costs are about \$2.44 per month (\$29.26 annually) per employee license.				



Advanced Data Loss Prevention (DLP) (CYBERSECURITY)

Allows for scanning of files that are shared with people outside the City, including credit card numbers, bank accounts, social security numbers, etc. Provides immediate feedback to the employee.

Security Center (CYBERSECURITY)

Provides a unified security center dashboard with increased visibility into spam and malware that targets our employees. Provides the ability to identify, triage, and take action on security and privacy issues with the City's domain. Allows for City-wide bulk actions to delete malicious email. And more!

Encryption (CYBERSECURITY)

Additional features include enhanced integrity and confidentiality the City's email messages by enabling hosted Secure/Multipurpose Internet Mail Extensions (S/MIME). Using keys for the sender and recipient to uniquely identify each other. Applies to legal, law enforcement, HIPAA, etc.

Hangout Meets (Audio/Video meetings) up to 100 participants, record meetings, live streaming up to 100,000

Advanced Mobile Management capabilities, advanced password enforcement, security policies, application and network management, remote wipe capability for lost or stolen city-owned devices, and more.

SADA Systems, Inc. G SUITE ORDERING DOCUMENT

This G Suite Ordering Document (the “Ordering Document”) and the corresponding G Suite Customer Agreement (the “Agreement”) between SADA Systems, Inc. and Customer (as defined below) governs Customer’s access to and use of the Services. Undefined capitalized terms used in this Ordering Document will have the meanings set forth in the Agreement.

Customer: City of Abilene, TX

Address: 555 Walnut Street, Abilene, TX 79601

Entity: Gov

State of Organization: TX

Pricing and Payment Terms

Pricing			
Costs During the Contract Term: 11/30/19 to 11/29/2022			
Product Description	Discounted Price	Quantity	Amount
Year 1			
G Suite Enterprise Licenses (Annual) <i>List Price \$300 License/year</i>	\$150.00	1,630	\$244,500.00
Archived User - Business (Annual) <i>List Price \$84 License/year</i>	\$40.00	200	\$8,000.00
Year 1 Subtotal			\$252,500.00
Year 2			
G Suite Business Licenses (Annual) <i>List Price \$300 License/year</i>	\$150.00	1,630	\$244,500.00
Archived User - Business (Annual) <i>List Price \$84 License/year</i>	\$40.00	200	\$8,000.00
Year 2 Subtotal			\$252,500.00
Year 3			
G Suite Business Licenses (Annual) <i>List Price \$300 License/year</i>	\$150.00	1,630	\$244,500.00
Archived User - Business (Annual) <i>List Price \$84 License/year</i>	\$40.00	200	\$8,000.00
Year 3 Subtotal			\$252,500.00
Cost Subtotal			\$757,500.00
Sales Tax (not included)			Plus applicable sales tax ***
Total Commitment Over the Contract Term			\$757,500.00
*** All sales taxes which are properly payable in connection with this Agreement under the Applicable law shall be paid by Customer.			
This Pricing and Payments offer is valid only if executed before 11/27/2019.			

Payment Schedule		
Payment	Invoice Date	Amount
License Payment 1	November 29th, 2019	\$252,500.00
License Payment 2	November 29th, 2020	\$252,500.00
License Payment 3	November 29th, 2021	\$252,500.00
Total License Commitment for Contract Term		\$757,500.00

** All sales taxes which are properly payable in connection with this Agreement under the Applicable law shall be paid by Customer.

Procurement Vehicle:

SADA Systems is an authorized reseller/distributor to sell Google products and services in accordance with the pricing structure set up in the Carahsoft Technology Corporation's U.S. Communities Government Purchasing Alliance Contract # 4400006642

Invoices and Payment.

SADA will invoice Customer for all amounts due under any executed Ordering Document in accordance with the schedule set forth above. Each invoice submitted to Customer pursuant to this Agreement will be due and payable by Customer within 30 days of receipt. Payment is accepted by check or ACH/EFT in U.S. Dollars.

Bank Information

Automated Clearing House (ACH) or Electronic Funds Transfer (EFT)

Wells Fargo Bank
Swift Code: WFBIUS6
464 California St. San Francisco, CA 94104
Routing Number: 121042882
Bank Account Name: SADA Systems, Inc.
Bank Account Number: 7757670067

Remittance Address:

SADA Systems, Inc
5250 Lankershim Blvd., Suite 620
North Hollywood, CA 91601
ATTN: Accounting
accounting@sadasystems.com

Customer Information & Project Scope

Billing Contact Information	
Full Name (required)	Bob Von Wolfradt
Phone	-
Email Address (required)	bobvw@abilenetx.gov
Technical Administrator Contact Information	

Full Name (required)	Bob Von Wolffradt
Phone	
Email Address	bobvw@abilenetx.gov

Provisioning of G Suite Licenses by SADA

1. Customer agrees to the terms of the G Suite Customer Agreement, accessible at <https://sadasystems.com/agreements/gafb/gafb-v8.pdf>, of which this Ordering Document is a part.
2. Additional licenses purchased during the Initial Term will be billed at the price per month (for any sku listed above) multiplied by the number of partial or whole months remaining in the Initial Term. Additional licenses do not benefit from any free period of service that may be part of the initial purchase on new domains.
3. Customer agrees that all G Suite licenses will be provisioned on the Primary G Suite Domain, and that the primary domain is accurate as listed in below.
4. Customer agrees that the Initial Term of the G Suite licenses is accurate as listed above.

Provisioning of G Suite Licenses	Customer Acknowledges
Primary G Suite Domain	abilenetx.gov
Domain Status (check at mail.google.com/a/domain-name)	Domain is Currently Provisioned on G Suite

CUSTOMER ACKNOWLEDGES THAT IT HAS READ THIS ORDERING DOCUMENT AND THE CORRESPONDING AGREEMENT, AND UNDERSTANDS AND AGREES TO BE LEGALLY BOUND BY THEIR TERMS.

IN WITNESS WHEREOF, this Ordering Document has been executed by the parties through their duly authorized officers.

SADA Systems, Inc.

City of Abilene, TX

 Print name: _____
 Print title: _____
 Date: _____

 Print name: _____
 Print title: _____
 Date: _____

SADA Systems, Inc.

G SUITE CUSTOMER AGREEMENT

This **G SUITE CUSTOMER AGREEMENT** (this "Agreement"), is made and entered into as of the date the last party executes the G Suite Ordering Document (the "Ordering Document") by electronic or manual signature (the "Effective Date"), thereby indicating acceptance of the terms of this Agreement between SADA Systems, Inc., a California corporation, with offices at 5250 Lankershim Blvd., Suite 620, North Hollywood, CA 91601 ("SADA"), and the customer identified in the Ordering Document ("Customer"). The terms of the Ordering Document are incorporated by reference herein.

1. SERVICES AND TERMS OF SERVICE

1.1 Provision of Services. This Agreement establishes the terms under which SADA, as an authorized reseller of Google LLC ("Google"), will provide Customer with access to the G Suite services set forth in the Ordering Document (the "Services") and account activation (any services associated with such account activation, including administrative account setup, order management and placement, technical support services (as described in Section 1.3), and any other services required to administer Customer's account as Google may require, are referred to herein as the "Provisioning Services"). Customer acknowledges and agrees that this Agreement and the Google TOS (as defined in Section 1.2) govern Customer's use of the Services and the Provisioning Services, but do not govern implementation and deployment services performed by SADA, if any, which will be performed under a separate Master Professional Services Agreement between SADA and Customer.

1.2 Google Terms of Service. The Services will be provided by Google. The Google TOS will govern Customer's access to and use of the Services. For purposes of this Agreement, the "Google TOS" means those terms of service that govern use of the Services and that must be entered into directly between Google and Customer prior to Customer's first log in to the Services, via acceptance by Customer when presented by Google online. The Google TOS can be viewed at https://gsuite.google.com/intl/en/terms/reseller_premier_terms.html (or such other URL as Google may provide). Customer understands and agrees that Customer will be required to accept the Google TOS, without alteration or amendment, before accessing or using the Services. Capitalized terms used in this Agreement that are not defined herein are defined in the Google TOS. The Google TOS is a contract between Customer and Google. SADA will have no liability for performance of the Services, other than as set forth in this Agreement.

1.3 Support. Customer will respond to questions and complaints from Customer's End Users or third parties relating to Customer's or End Users' use of the Services. SADA will provide front-line technical support directly to Customer's technology administrators with respect to questions, complaints and other support issues that Customer cannot resolve. Customer hereby authorizes SADA to submit Customer support issues to Google on behalf of Customer, in connection with which, Customer hereby agrees and consents that SADA may disclose any Customer Information to Google as reasonably required for Google to provide technical support to SADA in connection such Customer support issues. Any Customer Information so disclosed will be used by Google in accordance with the Google TOS, including applicable confidentiality, data processing and security terms. SADA will not otherwise disclose Customer Information to Google. Customer may also escalate support requests to Google in accordance with Google's applicable TSS Guidelines. Google will only provide customer support directly to Customer as set out in the Google TOS.

For purposes of this Agreement, “Customer Information” means: (A) any data received by SADA from, or maintained by SADA on behalf of Customer, its Affiliates and/or its End Users in connection with the resale of the Services and/or supply of Provisioning Services, including any Personally Identifiable Information and End User passwords; and (B) any Services administrative accounts accessed by SADA in connection with the resale of the Services and/or supply of Provisioning Services, and any passwords for such accounts. “Personally Identifiable Information” includes, without limitation, names, contact information (including, without limitation, e-mail addresses, postal addresses and telephone numbers), government identification numbers, financial account numbers, payment card information, transaction information, credit report information, biometric information, IP addresses, network and hardware identifiers, protected health information, geolocation information, and any other information about individual persons or their use of the Services.

1.4 Service Levels. The Services are governed by the SLA set forth in the Google TOS. If Google fails to comply with the SLA, Customer will be eligible to receive those remedies set out in the Google TOS and must request such remedies directly from SADA. Customer’s sole and exclusive remedy in the event of an SLA breach will be the remedies set forth in the applicable SLA.

1.5 Communications with Google. Customer hereby consents and agrees that SADA may provide Google with contact details for Customer to allow Google to communicate directly with Customer for the following purposes: (A) to conduct customer service and satisfaction surveys; (B) as required to ensure Customer is provided with options to maintain continuity of the Services (including, if applicable, any scenario in which SADA’s authorization to continue to resell or provision the Services has been terminated); (C) for purposes related to the provisioning of the Services to Customer’s account, in relation to any Services updates or security incidents; and (D) as required to execute any non-standard Customer orders. Customer also agrees that Google may use such contact details to inform Customer about new or additional Google products related to the Services, provided that Google will take reasonable steps to allow Customer to opt out of receiving such Google product communications at any time.

2. CUSTOMER OBLIGATIONS.

2.1 Compliance with Law; Compliance with Agreement. Customer will comply with all laws, rules and regulations applicable to its use of the Services. Customer acknowledges and agrees that Customer is responsible for ensuring that it and its End Users use the Services in accordance with the Google TOS.

2.2 Customer Administration of the Services. Customer is responsible for: (A) maintaining the confidentiality of the password and administrative account(s) provided to Customer by Google for the purpose of administering End User accounts; (B) designating those of Customer’s employees and SADA’s employees who are authorized to access the administrative account; and (C) ensuring that all activities that occur in connection with Customer’s administrative account comply with the Google TOS. Customer acknowledges and agrees that Google is merely a data processor and that neither SADA’s nor Google’s liability extends to the internal management or administration of the Services for Customer.

2.3 Consents. Customer is responsible for providing the necessary notices to, and obtaining and maintaining any consents required from, End Users to allow SADA and Google to perform their respective contractual obligations under this Agreement and the Google TOS, as applicable.

2.4 Privacy. Customer agrees to protect the privacy rights of its End Users in accordance with all applicable laws and regulations.

3. CHARGES AND PAYMENT

3.1 Payment. Customer's use of the Services is subject to payment of the fee(s) set forth in the Ordering Document. Unless otherwise provided in the Ordering Document, Customer will pay for the Services on a full prepaid basis for the Initial Term and each Renewal Term (both as defined in Section 4.1), to the extent applicable. Fees are due 30 days from the invoice date and are non-refundable, except as otherwise provided in the Google TOS. SADA will have the right to change the fee once each year, effective with the next renewal date. SADA will notify Customer of any fee increase at least 30 days prior to the expiration of the then-current term.

3.2 Support Charges. Any support to be provided by SADA under Section 1.2 of this Agreement will be available to Customer on business days between the hours of 6:00 a.m. to 6:00 p.m. Pacific Time, at no additional cost. Any support services requested by Customer outside these hours, or which requires either (a) on-site assistance by SADA personnel or (b) escalation to Google will be billed to Customer at an hourly rate of \$295.00, except after-hours support required to resolve Customer's "P1" issues (defined as any defect or outage causing the software or product to be unusable, and/or the unavailability of a major functions, for which SADA is unable to determine an acceptable bypass or work-around), for which SADA's support services shall also be rendered at no additional cost.

3.3 Taxes. Customer is responsible for applicable taxes associated with Customer's purchase and receipt of the Services (except for any taxes assessable against SADA based on its income, property or employees) and Customer will pay SADA without any reduction for such amounts. If SADA is obligated to collect or pay taxes, the taxes will be invoiced to Customer (in the case of invoiced fees) or added to Customer's credit card charges (in the case of credit card payments), unless Customer provides SADA with a valid tax exemption certificate authorized by the appropriate taxing authority. If Customer is required by law to withhold any taxes from its payments to SADA, Customer will increase the payment to SADA so that the amount received by SADA is the same as it would have been if no taxes were withheld.

3.4 Late Payments. Customer is responsible for all reasonable expenses (including legal fees) incurred by SADA in collecting unpaid or overdue amounts, except where these unpaid or overdue amounts are due to billing inaccuracies attributable to SADA.

4. TERM, TERMINATION, SUSPENSION AND ADDITIONAL END USER ACCOUNTS

4.1 Term. The term of this Agreement will begin on the Effective Date and will continue for an initial period as set forth in the Ordering Document (such period, the "Initial Term"). At the end of the Initial Term, this Agreement will renew automatically for consecutive renewal terms of 12 months (each, a "Renewal Term"), unless terminated by either party by providing the other party written notice of non-renewal at least 60 days prior to the end of the then-current term. All terms and conditions of this Agreement shall apply during each Renewal Term, except for the fees. The fee for each Renewal Term will be the rates then in effect as described in Section 3.1. SADA will invoice Customer, and Customer agrees to pay, for the renewal of the Services as set forth in the Ordering Document and Article 3 above.

4.2 Termination. Either party may terminate this Agreement for cause upon written notice if the other party fails to cure any material breach of this Agreement within 30 days after receiving written notice of such breach; provided, however, that the period to cure a breach with respect to payment shall be ten days. Other than as may be provided elsewhere in this Agreement, such termination will be Customer's sole and exclusive remedy in the case of a material breach of this Agreement by SADA. This Agreement will also terminate upon termination of the Google TOS by either Customer or Google.

4.3 Effects of Termination. If this Agreement terminates, then the rights granted hereunder by any party to the other will cease immediately and Customer's access to the Services will cease. Unless this Agreement is terminated due to breach by SADA or Google, all payments owed by Customer under this

Agreement are immediately due, including any unpaid fees still owing for the then-current term (regardless of whether such term has been terminated early). Customer's access to Customer Data following termination will be as set forth in the Google TOS.

4.4 Suspension of Services. Without prejudice to SADA's rights under Section 4.2 (Termination), if Customer is in breach of its payment obligations under this Agreement and has failed to cure such breach within ten days of notice from SADA regarding such breach, SADA may suspend Customer's access to the Services until such breach is cured.

4.5 Additional End User Accounts. Customer may increase the number of End User accounts per Customer domain at any time. For End User accounts added during the Initial Term or any Renewal Term, the initial term for such End User accounts will be pro-rated, beginning on the date of the applicable order and ending on the expiration of the applicable term. Customer may request End User accounts by notifying its designated SADA account manager. For each purchase of End User accounts, SADA will issue a quote to Customer. End User accounts automatically renew in accordance with the terms of this Agreement, unless terminated by either party in accordance with the terms of this Agreement. The number of End User accounts cannot be reduced during any term, but may be reduced at the next renewal date. In addition, SADA cannot transfer End User Accounts from one Customer domain name to another.

5. CONFIDENTIAL INFORMATION; PASSWORDS

5.1 Confidential Information. The provisions of the Google TOS regarding Confidential Information are incorporated into this Agreement by reference and govern the exchange of Confidential Information between SADA and Customer under this Agreement. The exchange of Confidential Information between Customer and Google is governed by the Google TOS.

5.2 Passwords. For the avoidance of doubt, SADA will only change or reset Customer or End User passwords if and/or as instructed by Customer.

6. PROCESSING OF PERSONAL DATA ON CUSTOMER'S BEHALF

6.1 Non-European Data Protection Legislation. Except to the extent that the European Data Protection Legislation (as defined in Section 6.4) applies to SADA's processing of any personal data on behalf of Customer, SADA will, with respect to any personal data that it processes on Customer's behalf:

- (A) comply with, and only act on, instructions from or on behalf of Customer regarding the processing of such personal data;
- (B) not process such personal data for any purpose other than the performance of SADA's obligations under this Agreement;
- (C) ensure that appropriate technical and organizational measures are taken to avoid unauthorized or unlawful processing of such personal data and loss or destruction of, or damage to, such personal data;
- (D) ensure the reliability of, and be responsible for, all of SADA's employees, agents and contractors who will have access to such personal data;
- (E) not, by any act or omission, place Customer in breach of Non-European Data Protection Legislation (as defined in Section 6.4);

(F) inform Customer immediately of any suspected or confirmed data protection breaches or unauthorized or unlawful processing, loss, or destruction of, or damage to such personal data;

(G) ensure that any third-party subcontractor engaged by SADA to process such personal data on behalf of Customer only uses and accesses such personal data in accordance with the terms of this Agreement and is bound by written obligations requiring it to provide at least the level of data protection required under this Section 6.1.

6.2 European Data Protection Legislation. If the European Data Protection Legislation applies to SADA's processing as processor of any personal data on behalf of Customer as controller (if, for example, the processing (x) is carried out in the context of the activities of an establishment of Customer in the European Economic Area ("EEA") or (y) the personal data relates to data subjects who are in the EEA and the processing relates to the offering to them of goods or services in the EEA or the monitoring of their behavior in the EEA), SADA will:

(A) only process personal data in relation to which Customer is the data controller in accordance with written instructions from or on behalf of Customer, unless EU or EU Member State law to which SADA is subject requires other processing of such personal data, in which case SADA will inform Customer (unless that law prohibits SADA from doing so on important grounds of public interest);

(B) not process such personal data for any purpose other than for the performance of SADA's obligations under this Agreement;

(C) ensure that appropriate technical and organizational measures are taken to avoid unauthorized or unlawful processing of that data and loss or destruction of, or damage to, such personal data;

(D) ensure that all of SADA's employees, agents and contractors who will have access to such personal data have committed themselves to confidentiality or are otherwise under an appropriate obligation of confidentiality;

(E) not, by any act or omission, place Customer in breach of the European Data Protection Legislation;

(F) inform Customer promptly and without undue delay of any data protection breaches or unauthorized or unlawful processing, loss, or destruction of, or damage to, such personal data;

(G) obtain prior consent to engage any third-party subcontractor to process such personal data on behalf of Customer, and ensure such third-party subcontractor only uses and accesses such personal data in accordance with the terms of this Agreement and is bound by written obligations requiring it to provide at least the level of data protection required under this Section 6.2;

(H) taking into account the nature of the processing, assist Customer by appropriate technical and organizational safeguards, insofar as this is possible, for the fulfillment of Customer's obligations under the European Data Protection Legislation to respond to requests for exercising the data subject's rights;

(I) assist Customer in ensuring compliance with any applicable obligations under the European Data Protection Legislation related to security; breach notification; data impact assessments and prior consultation with the supervisory authorities, taking into account the nature of processing and the information available to SADA;

(J) at the option of Customer (as evidenced in writing), delete or return all the personal data to Customer upon the expiration or termination of this Agreement, and delete existing copies unless prohibited from doing so by applicable EU or EU member state law;

(K) make available to Customer all information necessary to demonstrate SADA's compliance with the obligations imposed by this Agreement in respect of such personal data and allow for and cooperate with audits, including inspections, conducted by Customer or an auditor chosen by Customer; and

(L) not process, or cause to be processed, such personal data outside the EEA unless SADA adopts a compliance solution that achieves compliance with the terms of Article 25 of the Directive or Article 44 of the GDPR (as applicable).

6.3 Customer as Controller. Customer agrees that SADA and Google are processors, and Customer is the controller, of any personal data referenced in this Article.

6.4 Definitions. For purposes of this Agreement, "European Data Protection Legislation" means, as applicable: (A) any national provisions adopted pursuant to Directive 95/46/EC of the European Parliament and of the Council on the Protection of Individuals with Regard to the Processing of Personal Data and on the Free Movement of Such Data (the "Directive"); (B) the Federal Data Protection Act of 10 June 1992 (Switzerland); (C) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/E (the "GDPR"); and/or (D) any other data protection or privacy legislation in force in the EEA or Switzerland. The term "Non-European Data Protection Legislation" means any applicable data protection and privacy legislation, guidelines and industry standards, other than the European Data Protection Legislation. The terms "processing", "personal data", "processor", and "controller" as used in this Article have the meanings given such terms in the European Data Protection Legislation.

7. INTELLECTUAL PROPERTY RIGHTS. Except as expressly stated otherwise in this Agreement, neither party will acquire any rights, title or interest, in and to any of the Intellectual Property Rights belonging to the other party, or the other party's licensors. All ownership rights, title, and Intellectual Property Rights in and to the content accessed through any Services are the property of the applicable content owner and may be protected by copyright or other applicable laws. The parties acknowledge and agree that Google owns all Intellectual Property Rights in the Services.

8. DISCLAIMER. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN, NONE OF SADA, GOOGLE OR GOOGLE'S LICENSORS AND SUPPLIERS MAKES ANY WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE AND NON-INFRINGEMENT.

9. INDEMNIFICATION. The Google TOS includes certain indemnification obligations of Google to Customer. To the extent allowed by applicable laws, Customer agrees to indemnify SADA against third party claims to the same extent it indemnifies Google under the terms of the Google TOS.

10. LIMITATION OF LIABILITY. NEITHER PARTY WILL BE LIABLE UNDER THIS AGREEMENT FOR LOST REVENUES OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN THAT SUCH DAMAGES WERE POSSIBLE AND EVEN IF DIRECT DAMAGES DO NOT SATISFY A REMEDY. NEITHER PARTY MAY BE HELD LIABLE UNDER THIS AGREEMENT FOR MORE THAN THE AMOUNT PAID BY CUSTOMER TO SADA FOR THE SERVICES DURING THE 12 MONTHS PRIOR TO THE EVENT GIVING RISE TO LIABILITY. These limitations of liability apply to the fullest extent permitted by applicable law, but do not apply to breaches of confidentiality obligations, violations of a party's Intellectual Property Rights by the other party, or indemnification obligations.

11. GENERAL PROVISIONS

11.1 Notices. All notices, consents, approvals, acknowledgements and waivers under this Agreement must be in writing and delivered to the applicable party, sent to Customer's address set forth in the Ordering Document in the case of Customer, and in the case of SADA, sent to the attention of SADA's Chief Financial Officer at the address set forth in the preamble to this Agreement. SADA and Customer each agree that notices and other communications under this Agreement may be received by email, unless otherwise required by law. Notice will be deemed given: (A) when verified by written receipt if sent by personal courier, overnight courier, or when received if sent by mail without verification of receipt; or (B) when verified by automated receipt or electronic logs if sent by email. A party may change its address or designee for notification purposes by giving the other party written notice of the new address or designee and the date upon which it will become effective.

11.2 Intentionally Omitted.

11.3 Authorization; Binding Nature and Assignment. Each party represents and warrants to the other that: (A) it has the requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement; and (B) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by the requisite corporate action on the part of such party. This Agreement will be binding upon the parties and their respective successors and assigns. SADA may assign this Agreement in connection with a merger, change of control, consolidation, or sale or other disposition of all or substantially all of its assets. Customer may assign this Agreement to an Affiliate without SADA's written consent, but only if: (A) the assignee agrees in writing to be bound by the terms of this Agreement; (B) Customer remains liable for obligations incurred under this Agreement if the assignee defaults on them; and (C) Customer has notified SADA of the assignment. Any other assignment is void, except with the other party's prior written consent.

11.4 Publicity. Customer hereby consents to SADA's inclusion of Customer's name (together with any identifying Customer trade name, trademark and/or logo) in a customer list, but only if Customer is not the only customer appearing on the list. Other than this, neither party may make any public statement regarding the relationships contemplated by this Agreement without the consent of the applicable party.

11.5 Third Party Beneficiary. The parties agree that Google is a third-party beneficiary of this Agreement. There are no other third-party beneficiaries of this Agreement.

11.6 Independent Contractors; No Agency. SADA, Google and Customer are independent contractors with respect to SADA's resale of the Services, and this Agreement does not create an agency, partnership or joint venture. Customer acknowledges that SADA is not an agent of Google and has no authority to bind Google or to change any terms, conditions, warranties or covenants made by Google.

11.7 No Waiver. Failure to enforce any provision of this Agreement will not constitute a waiver.

11.8 Survival. The following provisions will survive any termination of this Agreement: Section 4.3 (Effects of Termination), Article 5 (Confidential Information; Passwords), Article 6 (Processing of Personal Data on Customer's Behalf); Article 7 (Intellectual Property Rights), Article 8 (Disclaimer), Article 9 (Indemnification), Article 10 (Limitation of Liability), and this Article.

11.9 Force Majeure. Neither party will be liable for inadequate performance to the extent caused by a condition (for example, natural disaster, act of war or terrorism, riot, labor condition, governmental action, and Internet disturbance) that was beyond the party's reasonable control. This Section will not, however, apply to Customer's payment obligations under this Agreement.

11.10 Severability. If any provision of this Agreement is found unenforceable, the balance of the Agreement will remain in full force and effect.

11.11 Entire Agreement. This Agreement and the Ordering Document(s) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede any prior or contemporaneous agreements on that subject. In entering into this Agreement, neither party has relied on, and neither party will have any right or remedy based on, any statement, representation or warranty (whether made negligently or innocently), except those expressly set out in this Agreement or the Google TOS.

11.12 Amendment and Waiver. Any amendment must be in writing and expressly state that it is amending this Agreement. If Customer requires a purchase order in connection with its invoice, Customer's purchase order terms and conditions will not apply to or modify this Agreement. No change, waiver or discharge of any term of this Agreement will be valid unless made in writing and signed by an authorized representative of the party against which such change, waiver or discharge is sought to be enforced.

11.13 Counterparts; Electronic Signature. The parties may enter into this Agreement in counterparts, including facsimile, PDF or other electronic format, which taken together will constitute one instrument.

11.14 In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

(A) This section only applies to a contract that: (a) is between a governmental entity and a company with 10 or more full-time employees, and (b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. Additionally, "company" does not include a sole proprietorship.

(B) If this section is applicable, the signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

CUSTOMER ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE LEGALLY BOUND BY IT.

G Suite (Online) Agreement

Go to the [Additional Terms](#) for services made available with the new accounts infrastructure.

This G Suite (Online) Agreement (the “Agreement”) is entered into between Google LLC, with offices at 1600 Amphitheatre Parkway Mountain View, California 94043 (“Google”) and the entity agreeing to these terms (“Customer”). This Agreement is effective as of the date you click the “I Accept” button below or, if applicable, the date the Agreement is countersigned (the “Effective Date”). If you are accepting on behalf of your employer or another entity, you represent and warrant that: (i) you have full legal authority to bind your employer or the applicable entity to these terms; (ii) you have read and understand this Agreement; and (iii) you agree on behalf of the party that you represent to this Agreement. If you don't have the legal authority to bind your employer or the applicable entity please do not click the “I Accept” button below (or, if applicable, do not sign this Agreement). This Agreement governs Customer's access to and use of the Services as ordered in the applicable Order Form.

- 1. Services. Google will provide the Services ordered in the applicable Order Form in accordance with the applicable SLA. Customer may use the Services ordered in the applicable Order Form in accordance with this Agreement.
 - 1.1 Facilities and Data Transfer. All facilities used to store and process Customer Data will adhere to reasonable security standards no less protective than the security standards at facilities where Google stores and processes its own information of a similar type. As part of providing the Services, Google may transfer, store and process Customer Data in the United States or any other country in which Google or its agents maintain facilities. By using the Services, Customer consents to this transfer, processing and storage of Customer Data.
 - 1.2 No Ads. Notwithstanding any other term of the Agreement, Google will not process Customer Data for Advertising purposes or serve Advertising in the Services.
 - 1.3 New Features or Services. Google may make new applications, features or functionality for the Services available from time to time, the use of which may be contingent upon Customer's agreement to additional terms.
 - 1.4 Verification to Use Services. Customer must verify a Domain Email Address or a Domain Name to use the Services. If Customer does not have valid permission to use the Domain Email Address or does not own or control the Domain Name, then Google will have no obligation to provide Customer with the Services and may delete the Account without notice.
 - 1.5 Service Specific Terms. The Service Specific Terms are incorporated by this reference into the Agreement.
- 2. Modifications.
 - 2.1 Modifications to Services.
 - (a) Deprecation Policy. Google will notify Customer at least 12 months before a Significant Deprecation unless Google reasonably determines that: (i) Google is not permitted to do so by law or by contract (including if there is a change in

applicable law or contract), or (ii) continuing to provide the Service that is subject to the Significant Deprecation could create a (A) security risk or (B) substantial economic or technical burden.

- (b) (Other Modifications). Subject to Section 2.1(a) (Deprecation Policy), Google may make changes to the Services, which may include adding, updating, or discontinuing any Services or portions of feature(s) of the Services. Google will notify Customer of any material change to the Core Services.

- **2.2 Modifications to URL Terms.**

- (a) Changes to URL Terms. Google may change the URL Terms, subject to Section 2.2(d) (Objection to Changes).
- (b) Notification of Material Changes. Google will notify Customer of any material change to the URL Terms.
- (c) When Changes take Effect. Material changes to the URL Terms will become effective 30 days after the notice is given, except that (i) materially adverse SLA changes will become effective 90 days after notice is given; and (ii) changes applicable to new Services or functionality will be effective immediately.
- (d) Objection to Changes. Unless Google's change to the URL Terms is required by a court, judicial or administrative order issued by the competent authority or by applicable law, or applies to new Services or Functionality, then the following will apply:
 - (i) If a change to the URL Terms has a material adverse impact on Customer, then Customer may object to the change by notifying Google within 30 days after Google provides notice.
 - (ii) If Customer so notifies Google, then Customer will remain governed by the URL Terms in effect immediately before the change until the earlier of: (A) the end of the then-current Order Term or (B) 12 months after the notice was given.

- **3. Customer Obligations.**

- **3.1 Compliance**. Customer will (a) ensure that Customer and its End Users' use of the Services, including all access to and use of Customer Data by it and its End Users, complies with this Agreement and with any of its applicable contract terms or policies, including any employment contracts or employer's policies regarding technology usage, security, or confidentiality; (b) use commercially reasonable efforts to prevent unauthorized access or use of the Services; and (c) promptly notify Google of any unauthorized use of, or access to, the Services of which Customer becomes aware.
- **3.2 Additional Products**. Google makes optional Additional Products available to Customer and its End Users. Use of Additional Products is subject to the Additional Product Terms.
- **3.3 Administration of Services**.
 - (a) Admin Console. Google will provide Customer access to the Admin Console for the Administrator to manage its use of the Services (and use of the Services by its End Users, if

applicable). Customer may use the Admin Console to specify one or more Administrators who will have the rights to access Admin Account(s). Customer is responsible for: (a) maintaining the confidentiality and security of the End User Accounts and associated passwords; and (b) any use of the End User Accounts. Customer agrees that Google's responsibilities do not extend to the internal management or administration of the Services for Customer or any End Users.

- (b) Administrator Access to End User Accounts. An Administrator will have the ability to access, monitor, use, modify, withhold, or disclose Customer Data associated with any End User Accounts and control End User's access to the Services. An Administrator may also have the ability to: (i) control account settings for End User Accounts (including changing End User Account passwords) and (ii) remove or disable any Services or Additional Products or other services/products enabled or installed using the End User Account. Use of Additional Products or other services/products with the End User Accounts is at Customer's own risk.
 - (c) Reseller as Administrator. If Customer orders Services via Reseller, at Customer's discretion, Reseller may have access to Customer's Account and Customer's End User Accounts. As between Google and Customer, Customer is solely responsible for: (i) any access by Reseller to Customer's Account or Customer's End User Accounts; and (ii) defining in the Reseller Agreement any rights or obligations as between Reseller and Customer with respect to the Services.
 - (d) Consents. Customer will obtain and maintain all required consents to permit: (i) Customer's, and its End Users' if applicable, use of the Services; and (ii) accessing, storing, and processing of Customer Data under this Agreement.
- 3.4 Use Restrictions. Customer will not, and will not allow End Users or third parties under its control to: (a) copy, modify, create a derivative work of, reverse engineer, decompile, translate, disassemble, or otherwise attempt to extract any of the source code of the Services (except to the extent such restriction is expressly prohibited by applicable law); (b) sublicense, transfer or distribute any of the Services; (c) sell, resell, or otherwise make the Services available to a third party as part of a commercial offering that does not have material value independent of the Services; or (d) access or use the Services: (i) for High Risk Activities; (ii) in a manner intended to avoid incurring Fees; (iii) for materials or activities that are subject to the International Traffic in Arms Regulations (ITAR) maintained by the United States Department of State; (iv) in a manner that breaches, or facilitates the breach of, Export Control Laws; or (v) to transmit, store, or process health information subject to United States HIPAA regulations except as permitted by an executed HIPAA BAA. Unless otherwise permitted in the Service Specific Terms, Customer will not use, and will not allow End Users to use, the Services to place or receive emergency service calls.
 - 3.5 Abuse Monitoring. Customer is solely responsible for monitoring, responding to and otherwise processing emails sent to the "abuse" and "postmaster" aliases for any Domain Name(s) verified for use with the

Services, but Google may monitor emails sent to these aliases for Domain Names to allow Google to identify Services abuse.

- 3.6 Requesting Additional End User Accounts During Order Term. Customer may purchase additional End User Accounts during an Order Term by: (a) executing an additional Order Form with Google or Reseller, as applicable, or (b) via the Admin Console. Such additional End User Accounts will have a pro-rated term ending on the last day of the applicable Order Term.
- 4. Payment.
 - 4.1 Orders via Reseller. If Customer orders the Services from Reseller, then: (a) fees for the Services will be set between Customer and Reseller, and any payments will be made directly to Reseller under the Reseller Agreement; (b) the remaining provisions in this Section 4 (Payment) will not apply to the Services; (c) Customer will receive applicable Service Credits (if any) from Reseller; (d) Customer may request additional End User Accounts during the Order Term by contacting Reseller; and (e) Google may share Customer Confidential Information with Reseller as a Delegate subject to Section 7.1 (Confidentiality Obligations) of this Agreement.
 - 4.2 Usage and Invoicing. Customer will pay all Fees for the Services. Google will invoice Customer all Fees for the Services. Google's measurement tools will be used to determine Customer's usage of the Services. Customer may elect one of the following billing options, or from among other options offered by Google, when placing its order for the Services. Google may change its offering of billing options, including by limiting or ceasing to offer any billing option, upon thirty days' written notice to Customer (which may be by email). Billing options may not be available to all customers. Customer may pay for the Services using the payment options listed in Section 4.3 (Payment) below.
 - (a) Monthly Plan. If Customer selects this option, Customer will not be committed to purchase the Services for a pre-defined term, but will pay for the Services on a monthly basis. Google will bill Customer: (i) Fees based upon Customer's daily usage of the Services during the preceding month; and (ii) monthly in arrears for its use of the Services. Google will provide Customer with the monthly rate for the Services when Customer orders the Services, and will use this rate to calculate the Fees, on a prorated basis, for Customer's daily usage during that month. Any partial day of Services usages will be rounded up to a full day of Services usage for the purposes of calculating Fees.
 - (b) Annual Plan. If Customer selects this option, Customer will be committed to purchasing the Services from Google for an annual term. Google will bill Customer according to the terms associated with Customer's elections on the Order Form.
 - 4.3 Payment. All payments due are in U.S. dollars unless otherwise indicated on the Order Form or invoice.
 - (a) Credit Card or Debit Card. Fees for orders where Customer is paying with a credit card, debit card or other non-invoice form of payment, are due at the end of the month during which Customer received the Services. For credit cards, or debit cards, as applicable: (i) Google will charge Customer for all applicable Fees when due and (ii) these Fees are considered

overdue thirty days after the end of the month during which Customer received the Services.

- (b) Invoices. Payments for invoices are due thirty days after the invoice date, unless otherwise specified on the Order Form, and are considered overdue after such date.
- (c) Other Forms of Payment. Customer may change its payment method to those available within the Admin Console. Google may enable other forms of payment by making them available in the Admin Console. These other forms of payment may be subject to additional terms which Customer may have to accept prior using the additional forms of payment.
- 4.4 Overdue Payments.
 - (a) Customer's payment of Fees is overdue if Google has not received it by the payment due date. If Customer's payment is overdue, Google may (i) charge interest on the overdue amount at 1.5% per month (or the highest rate permitted by law, if less) from the payment due date until paid in full, and (ii) Suspend or terminate the Services.
 - (b) Customer will reimburse Google for all reasonable expenses (including attorneys' fees) incurred by Google in collecting overdue payments, except where such payments are due to Google's billing inaccuracies.
- 4.5 Purchase Orders. If Customer requires a purchase order number on its invoice, Customer will provide a purchase order number in the Order Form. If Customer does not provide a purchase order number, then: (a) Google will invoice Customer without a purchase order number; and (b) Customer will pay invoices without a purchase order number. Any terms on a purchase order are void.
- 4.6 Taxes. Taxes are not included in the Fees. Customer will pay Taxes for the Services. If legally required, Customer will withhold Taxes from its payments to Google and provide a withholding Tax certificate. Unless Customer provides a timely and valid tax exemption certificate, Customer will pay any invoiced Taxes for the Services. Without limiting Customer's obligation to pay Fees, Customer will withhold Taxes if legally required.
- 4.7 Price Revisions. Google may modify its Prices at any time unless otherwise expressly agreed in an addendum or Order Form. Google will notify Customer at least 30 days in advance of any Price increases.
- 5. Technical Support Services. Google will provide TSS to Customer during the Order Term in accordance with the TSS Guidelines subject to payment of support Fees, if applicable. If Customer orders the Services from Reseller, then Customer acknowledges and agrees that Reseller may disclose Customer Data to Google as reasonably required in order for Reseller to handle any support issues that Customer escalates to or via Reseller.
- 6. Suspension.
 - 6.1 Limitations on Services Suspension. Google may Suspend Services as described in Sections 6.2 (AUP Breaches) and 6.3 (Emergency Suspension). Any Suspension under those Sections will be to the minimum extent and for the shortest duration required to: (a) prevent or terminate the offending use, (b) prevent or resolve the Emergency Security Issue, or (c) comply with applicable law.
 - 6.2 AUP Breaches. If Google becomes aware that Customer's or any End User's use of the Services breaches the AUP, Google will request that

Customer correct the breach. If Customer fails to correct such breach within 24 hours or such request, or if Google is otherwise required by law to take action, then Google may Suspend Services.

- 6.3 Emergency Suspension. Google may immediately Suspend Customer's or any End User's use of the Services or an End User Account if: (a) there is an Emergency Security Issue, or (b) Google is required to Suspend such use to comply with applicable law. At Customer's request, unless prohibited by law, Google will notify Customer of the basis for the Suspension as soon as is reasonably possible. For Suspensions of End User Accounts, Google will provide Customer's Administrator the ability to restore End User Accounts in certain circumstances.

- 7. Confidentiality.

- 7.1 Obligations. Subject to Section 7.2 (Disclosure of Confidential Information) the recipient will use the other party's Confidential Information only to exercise rights and fulfill obligations under this Agreement. The recipient will use reasonable care to protect against disclosure of the other party's Confidential Information to other parties other than the recipient's employees, Affiliates, agents, or professional advisors ("Delegates") who need to know it and who have a legal obligation to keep it confidential. The recipient will ensure that its Delegates are also subject to the same non-disclosure and use obligations.
- 7.2 Disclosure of Confidential Information.
 - (a) General. Regardless of any other provision in the Agreement, the recipient or its Affiliates may disclose the other party's Confidential Information (i) in accordance with a Legal Process, subject to Section 7.2(b) (Legal Process Notification) or (ii) with the other party's written consent.
 - (b) Legal Process Notification. The recipient will use commercially reasonable efforts to notify the other party before disclosing that party's Confidential Information in accordance with Legal Process. Notice is not required before disclosure if the recipient is informed that (i) it is legally prohibited from giving notice or (ii) the Legal Process relates to exceptional circumstances involving danger of death or serious physical injury.
 - (c) Opposition. The recipient and its Affiliates will comply with the other party's reasonable requests to oppose disclosure of its Confidential Information.

- 8. Intellectual Property.

- 8.1 Intellectual Property Rights. Except as expressly stated in the Agreement, the Agreement does not grant either party any rights, implied or otherwise, to the other's content or Intellectual Property. As between the parties, Customer retains all Intellectual Property Rights in Customer Data, and Google retains all Intellectual Property Rights in the Services.
- 8.2 Brand Features. Google will display only those Customer Brand Features that Customer authorizes Google to display by uploading them into the Services. Google will display those Customer Brand Features within designated areas of the web pages displaying the Services to Customer or its End Users. Google may also display Google Brand Features on such web pages to indicate that the Services are provided by Google.

- 8.3 Feedback. At its option, Customer may provide Feedback about the Services to Google. If Customer provides Feedback, then Customer assigns to Google all right, title, and interest in that Feedback.
- 9. Marketing and Publicity. Each party may use the other party's Brand Features in connection with this Agreement only as permitted in the Agreement. Customer may state publicly that it is a Google customer and display Google Brand Features in accordance with the Trademark Guidelines. Google may (a) orally state that Customer is a Google customer and (b) include Customer's name or Customer Brand Features in a list of Google customers in Google's promotional materials. Any use of a party's Brand Features will inure to the benefit of the party holding Intellectual Property Rights to those Brand Features. A party may revoke the other party's right to use its Brand Features with written notice to the other party and a reasonable period to stop the use.
- 10. Representations, Warranties and Disclaimers.
 - 10.1 Representations and Warranties. Each party represents that it: (a) has full power and authority to enter into the Agreement; and (b) will comply with all laws and regulations applicable to its provision, or use, of the Services, as applicable.
 - 10.2 Disclaimers. Except as expressly provided for in the Agreement, to the fullest extent permitted by applicable law, Google (a) does not make any other warranties of any kind, whether express, implied, statutory or otherwise, including warranties of merchantability, fitness for a particular use, noninfringement, or error-free or uninterrupted use of the Services; and (b) makes no representation about content or information made accessible through the Services. Unless otherwise stated in Agreement, Customer acknowledges the Services are not capable of placing or receiving emergency services calls.
- 11. Term and Termination.
 - 11.1 Agreement Term. This Agreement will remain in effect for the Term unless it expires or is terminated in accordance with the Agreement.
 - 11.2 Renewal.
 - (a) With a Monthly Plan. With a Monthly Plan Customer is not committed to purchase the Services for a pre-defined term. As a result, there is no renewal event for the Monthly Plan. Rather, Google will continue billing Customer fees consistent with Section 4.1(a) above.
 - (b) With an Annual Plan. At the end of each Order Term, the Services will renew consistent with Customer's elections on the Order Form or Admin Console.
 - (c) Generally. Customer may alter the number of End User Accounts to be renewed via the Admin Console. Customer will continue to pay Google the then-current Fees for each renewed End User Account unless Customer and Google mutually agree otherwise. If one party does not want the Services to renew, then it will provide the other party written notice to this effect at least fifteen days before the end of the then current Order Term. This notice of non renewal will be effective upon the conclusion of the then current Order Term.
 - 11.3 Termination for Breach. Either party may terminate the Agreement if the other party: (a) is in material breach of the Agreement and fails to cure that breach within thirty days after receipt of written notice; or (b) ceases its

business operations or becomes subject to insolvency proceedings and the proceedings are not dismissed within ninety days.

- 11.4 Termination for Inactivity. Google reserves the right to terminate the Agreement and the provision of the Services upon 30 days advance notice if, for a period of 60 consecutive days, Customer, including any End Users: (a) has not accessed the Admin Console or (b) has not used the Services.
- 11.5 Effects of Termination. If the Agreement terminates or expires, then all Order Forms also terminate or expire, as applicable. If the Agreement terminates or expires, then: (a) all rights and access to the Services under the Agreement will terminate (including access to Customer Data); and (b) Google will send Customer a final invoice.
- 11.6 Survival. The following Sections will survive expiration or termination of this Agreement: Section 4 (Payment), 7 (Confidentiality), 8 (Intellectual Property), 10.2 (Disclaimer), 11.5 (Effects of Termination), 12 (Indemnification), 13 (Liability), 15 (Miscellaneous) and 16 (Definitions).
- 12. Indemnification.
 - 12.1 Google Indemnification Obligations. Google will defend Customer and its Affiliates participating under this Agreement (“Customer Indemnified Parties”), and indemnify them against Indemnified Liabilities in any Third-Party Legal Proceeding to the extent arising from an allegation that Customer Indemnified Parties’ use in accordance with this Agreement of any of Google Indemnified Materials infringes the third party’s Intellectual Property Rights.
 - 12.2 Customer Indemnification Obligations. Unless prohibited by applicable law, Customer will defend Google and its Affiliates and indemnify them against Indemnified Liabilities in any Third-Party Legal Proceeding to the extent arising from: (a) any Customer Indemnified Materials; or (b) Customer’s or an End User’s use of the Services in violation of the Acceptable Use Policy or the Use Restrictions.
 - 12.3 Indemnification Exclusions. Sections 12.1 (Google Indemnification Obligations) and 12.2 (Customer Indemnification Obligations) will not apply to the extent the underlying allegation arises from: (a) the indemnified party’s breach of the Agreement; or (b) a combination of Google Indemnified Materials or Customer Indemnified Materials (as applicable) with materials not provided by the indemnifying party under the Agreement, unless the combination is required by the Agreement.
 - 12.4 Indemnification Conditions. Sections 12.1 (Google Indemnification Obligations) and 12.2 (Customer’s Indemnification Obligations) are conditioned on the following:
 - (a) The indemnified party must promptly notify the indemnifying party in writing of any allegation(s) that preceded the Third-Party Legal Proceeding and cooperate reasonably with the indemnifying party to resolve the allegation(s) and Third-Party Legal Proceeding. If breach of this Section 12.4(a) prejudices the defense of the Third-Party Legal Proceeding, the indemnifying party’s obligations under Sections 12.1 (Google Indemnification Obligations) or 12.2 (Customer Indemnification Obligations) (as applicable) will be reduced in proportion to the prejudice.
 - (b) The indemnified party must tender sole control of the indemnified portion of the Third-Party Legal Proceeding to the indemnifying party, subject to the following: (i) the indemnified

party may appoint its own non-controlling counsel, at its own expense; and (ii) any settlement requiring the indemnified party to admit liability, pay money, or take (or refrain from taking) any action, will require the indemnified party's prior written consent, not to be unreasonably withheld, conditioned, or delayed.

- 12.5 Remedies.
 - (a) If Google reasonably believes the Services might infringe a third party's Intellectual Property Rights, then Google may, at its sole option and expense: (i) procure the right for Customer to continue using the Services; (ii) modify the Services to make them non-infringing without materially reducing their functionality; or (iii) replace the Services with a non-infringing, functionally equivalent alternative.
 - (b) If Google does not believe the remedies in Section 12.5(a) are commercially reasonable, then Google may Suspend or terminate the impacted Services.
- 12.6 Sole Rights and Obligations. Without affecting either party's termination rights, this Section 12 (Indemnification) states the parties' sole and exclusive remedy under this Agreement for any third party allegations of Intellectual Property Rights Infringement covered by this Section 12 (Indemnification).
- 13. Liability.
 - 13.1 Limited Liabilities.
 - (a) To the extent permitted by applicable law and subject to Section 13.2 (Unlimited Liabilities), neither party will have any Liability arising out of or relating to the Agreement for any: (i) lost revenues, profits, savings or goodwill; or (ii) indirect, special, incidental, consequential, or punitive damages.
 - (b) Each party's total Liability for damages arising out of or relating to the Agreement is limited to the Fees paid by Customer under the Agreement during the 12 month period before the event giving rise to liability.
 - 13.2 Unlimited Liabilities. Nothing in the Agreement excludes or limits either party's Liability for: (a) death, personal injury or tangible personal property damage resulting from its negligence or the negligence of its employees or agents; (b) its fraud or fraudulent misrepresentation; (c) obligations under Section 12 (Indemnification); (d) its infringement of the other party's Intellectual Property Rights; (e) its payment obligations under the Agreement; or (f) matters for which liability cannot be excluded or limited under applicable law.
- 14. Miscellaneous.
 - 14.1 Notices. Google may provide any notice to Customer by: (a) sending an email to Notification Email Address or by (b) posting a notice in the Admin Console. Customer may provide notice to Google by sending an email to legal-notices@google.com. Notice will be treated as received when (x) the email is sent, whether or not the other party has received the email or (y) notice is posted in the Admin Console. Customer is responsible for keeping its Notification Email Address current throughout the Term.
 - 14.2 Emails. Under this Agreement, the parties may use emails to satisfy written approval and consent requirements.
 - 14.3 Assignment. Neither party may assign the Agreement without the written consent of the other party, except to an Affiliate where: (a) the assignee

- agrees in writing to be bound by the terms of the Agreement; (b) the assigning party remains liable for obligations incurred under the Agreement if the assignee defaults on them; and (c) the assigning party has notified the other party of the assignment. Any other attempt to assign is void.
- 14.4 Change of Control. If a party experiences a change of Control other than an internal restructuring or reorganization: (a) that party will give written notice to the other party within 30 days after the change of Control; and (b) the other party may immediately terminate the Agreement any time within 30 days after it receives that written notice.
 - 14.5 Force Majeure. Neither party will be liable for failure or delay in performance of its obligations to the extent caused by circumstances beyond its control, including acts of God, natural disaster, terrorism, riots, or war.
 - 14.6 Subcontracting. Google may subcontract obligations under the Agreement but will remain liable to Customer for any subcontracted obligations.
 - 14.7 No Waiver. Neither party will be treated as having waived any rights by not exercising (or delaying the exercise of) any rights under the Agreement.
 - 14.8 Severability. If any Section (or part of a Section) of the Agreement is invalid, illegal, or unenforceable, the rest of the Agreement will remain in effect.
 - 14.9 No Agency. The Agreement does not create any agency, partnership or joint venture between the parties.
 - 14.10 No Third-Party Beneficiaries. This Agreement does not confer any benefits on any third party unless it expressly states that it does.
 - 14.11 Equitable Relief. Nothing in this Agreement will limit either party's ability to seek equitable relief.
 - 14.12 Governing Law. All claims arising out of or relating to this Agreement or the Services will be governed by California law, excluding that state's conflict of laws rules, and will be litigated exclusively in the federal or state courts of Santa Clara County, California; the parties consent to personal jurisdiction in those courts.
 - 14.13 Amendments. Except as specifically stated otherwise in the Agreement, any amendment to the Agreement must be in writing, expressly state that it is amending the Agreement and signed by both parties.
 - 14.14 Independent Development. Nothing in this Agreement will be construed to limit or restrict either party from independently developing, providing, or acquiring any materials, services, products, programs, or technology that are similar to the subject of the Agreement; provided, that the party does not breach its obligations under the Agreement in doing so.
 - 14.15 Entire Agreement. The Agreement states all terms agreed between the parties and supersedes any prior or contemporaneous agreements between the parties relating to the subject matter of this Agreement. In entering into the Agreement, neither party has relied on, and neither party will have any right or remedy based on, any statement, representation, or warranty (whether made negligently or innocently), except those expressly stated in the Agreement. The Agreement includes URL links to other terms (including the URL Terms), which are incorporated by reference into the Agreement.
 - 14.16 Conflicting Terms. If there is a conflict between the documents that make up this Agreement, the documents will control in the following order: the Order Form, the Agreement, and the URL Terms.

- 14.17 Counterparts. The parties may execute this Agreement in counterparts, including facsimile, PDF or other electronic copies, which taken together will constitute one instrument.
- 14.18 Electronic Signatures. The parties consent to electronic signatures.
- 14.19 Headers. Headings and captions used in the Agreement are for reference purposes only and will not have any effect on the interpretation of the Agreement.
- 15. Definitions.
 - “Acceptable Use Policy” or “AUP” means the acceptable use policy for the Services available at https://gsuite.google.com/intl/en/terms/use_policy.html.
 - “Account” means Customer’s Google account credentials and correlating access to the Services under this Agreement.
 - “Additional Products” means products, services and applications that are not part of the Services but that may be accessible for use with the Services.
 - “Additional Product Terms” means the then-current terms at https://gsuite.google.com/intl/en/terms/additional_services.html.
 - “Admin Account” means a type of End User Account that Customer (or Reseller, if applicable) may use to administer the Services.
 - “Admin Console” means the online console(s) and tool(s) provided by Google to Customer for administering the Services.
 - “Administrators” mean the Customer-designated technical personnel who administer the Services on Customer’s behalf, and may have the ability to access Customer Data and End User Accounts.
 - “Advertising” means online advertisements displayed by Google to End Users, excluding any advertisements Customer expressly chooses to have Google or any of its Affiliates display in connection with the Services under a separate agreement (for example, Google AdSense advertisements implemented by Customer on a website created by Customer using the “Google Sites” functionality within the Services).
 - “Affiliate” means any entity that directly or indirectly Controls, is Controlled by, or is under common Control with a party.
 - “BAA” or “Business Associate Agreement” is an addendum to this Agreement covering the handling of Protected Health Information (as defined in HIPAA).
 - “Brand Features” means each party’s trade names, trademarks, logos, domain names, and other distinctive brand features.
 - “Confidential Information” means information that one party (or Affiliate) discloses to the other party under the Agreement, and that is marked as confidential or would normally be considered confidential information under the circumstances. Customer Data is Customer’s Confidential Information. Confidential Information does not include information that is independently developed by the recipient, is shared with the recipient by a third party without confidentiality obligations, or becomes public through no fault of the recipient.
 - “Control” means control of greater than 50% of the voting rights or equity interests of a party.
 - “Core Services” means the Core Services for G Suite as described in the Services Summary.
 - “Customer Data” means data submitted, stored, sent or received via the Services by Customer, its Affiliates or End Users.
 - “Customer Indemnified Materials” means the Customer Data and Customer Brand Features.

- “Domain Email Address” means the email address on the Domain Name for use in connection with the Services.
- “Domain Name” mean the domain name specified in the Order Form to be used in connection with the Services.
- “Emergency Security Issue” means either: (a) Customer’s or End Users’ use of the Services in violation of the Acceptable Use Policy, where such use could disrupt: (i) the Services; (ii) other customers’ use of the Services; or (iii) the Google network or servers used to provide the Services; or (b) unauthorized third party access to the Services.
- “End Users” means the individuals Customer permits to use the Services and who are managed by an Administrator.
- “End User Account” means a Google-hosted account established by Customer through its Administrator for an End User to use the Services.
- “Export Control Laws” means all applicable export and re-export control laws and regulations, including (a) the Export Administration Regulations (“EAR”) maintained by the U.S. Department of Commerce, (b) trade and economic sanctions maintained by the U.S. Treasury Department’s Office of Foreign Assets Control, and (c) the International Traffic in Arms Regulations (“ITAR”) maintained by the U.S. Department of State.
- “Feedback” means feedback or suggestions about the Services provided to Google by Customer.
- “Fees” means the product of the amount of the Services used or ordered by Customer multiplied by the Prices, plus any applicable Taxes.
- “Google Indemnified Materials” means Google’s technology used to provide the Services and Google’s Brand Features.
- “High Risk Activities” means activities where the use or failure of the Services could lead to death, personal injury, or environmental damage, including operation of nuclear facilities, air traffic control, life support systems, or weaponry.
- “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as may be amended from time to time, and any regulations issued thereunder.
- “including” means including but not limited to.
- “Indemnified Liabilities” means any (i) settlement amounts approved by the indemnifying party; and (ii) damages and costs finally awarded against the indemnified party and its Affiliates by a court of competent jurisdiction.
- “Intellectual Property” or “IP” means anything protectable by an Intellectual Property Right.
- “Intellectual Property Rights” means all patent rights, copyright, rights in trade secret (if any), trademark rights, design rights, database rights, domain name rights, moral rights, and any other intellectual property rights (registered or unregistered) throughout the world.
- “Legal Process” means an information disclosure request made under law, governmental regulation, court order, subpoena, warrant, governmental regulatory or agency request, or other valid legal authority, legal procedure, or similar process.
- “Liability” means any liability, whether under contract, tort (including negligence), or otherwise, regardless of whether foreseeable or contemplated by the parties.
- “Notification Email Address” means the email address(es) designated by Customer in the Admin Console.

- “Order Form” means the online order page or pages, or other ordering document acceptable to Google under this Agreement, issued by Google and accepted by Google specifying the Services Google will provide to Customer under the Agreement.
- “Order Term” means the period of time starting on the Services Start Date for the Services and continuing for the period indicated on the Order Form, subject to early termination in accordance with this Agreement.
- “Other Services” means the “Other Services for G Suite” as described in the Services Summary.
- “Prices” means the applicable prices stated at <https://gsuite.google.com/intl/en/pricing.html>, unless otherwise agreed to in an Order Form or amendment.
- “Reseller” means, if applicable, the authorized non-Affiliate third party reseller that sells the Services to Customer.
- “Reseller Agreement” means the separate agreement between Customer and Reseller regarding the Services. The Reseller Agreement is independent of and outside the scope of this Agreement.
- “Service Specific Terms” means the terms specific to one or more Services at: <https://gsuite.google.com/intl/en/terms/service-terms/>.
- “Services” means the applicable Core Services and Other Services that are ordered in the applicable Order Form.
- “Services Start Date” means the date stated in the Order Form or, if later, the date Google makes the Services available to Customer.
- “Services Summary” means the then-current description set out at https://gsuite.google.com/intl/en/terms/user_features.html.
- “Significant Deprecation” means a material discontinue of or backwards incompatible change to the Core Services that results in Services no longer enabling Customer or End Users to: (1) send and receive e-mail messages; (2) schedule and manage events; (3) create, share, store and synchronize files; (4) communicate with other End Users in real time; or (5) search, archive, and export email messages.
- “SLA” means the then-current service level agreements at: <https://gsuite.google.com/intl/en/terms/sla.html>.
- “Suspend” or “Suspension” means the disabling of access to or use of the Services, or components of the Services.
- “Taxes” means all government-imposed taxes, except for taxes based on Google’s or Customer’s net income, net worth, asset value, property value, or employment.
- “Term” means the period starting on the Effective Date and will remain in effect so long as there is an active Order Form.
- “Third-Party Legal Proceeding” means any formal legal proceeding filed by an unaffiliated third party before a court or government tribunal (including any appellate proceeding).
- “Trademark Guidelines” means Google’s Brand Terms and Conditions, located at <http://www.google.com/permissions/trademark/brand-terms.html>.
- “TSS” means the technical support services provided by Google to Customer under the TSS Guidelines.
- “TSS Guidelines” means the then-current support service guidelines at: <https://gsuite.google.com/intl/en/terms/tssg.html>.
- “URL Terms” means the Acceptable Use Policy, Service Specific Terms, the SLA, and the TSS Guidelines.

- “Use Restrictions” means the restrictions in Section 3.5 (Use Restrictions) of the Agreement and any additional restrictions on the use of Services in the Service Specific Terms.

Version: December 14, 2018

Additional Product Terms

Google may make available from time to time one or more Google product(s) and/or service(s) referred to as “Additional Products” or “Additional Services” in Customer’s G Suite Agreement, Cloud Identity Agreement or Hire Agreement (as applicable, the “Agreement”). For purposes of these Additional Product Terms, such product(s) and/or service(s) will be collectively referred to as “Additional Products”.

If Customer or any End User uses any Additional Products, Customer agrees to these Additional Product Terms, which will be incorporated into the applicable Agreement. If Customer or any End User uses any such Additional Products, Customer also agrees to any separate terms of service applicable to such products (each, the “Terms of Service”), as described below. For clarity, the Terms of Service will each form a separate agreement and are not governed by, or incorporated into, the applicable Agreement.

If Customer does not wish to enable any Additional Products, or if you are acting on behalf of Customer but do not have the requisite authority to bind Customer to these Additional Product Terms or any applicable Terms of Service, please disable such Additional Products via the functionality of the Services.

1. **Definitions.** All capitalised terms used in these Additional Product Terms have the meanings given to them in the applicable Agreement, unless otherwise defined or stated herein.
2. **Applicable Terms of Service.** The Additional Products will be governed by the Additional Product Terms and any applicable Terms of Service, and Customer is responsible for ensuring that its End Users comply with such Terms of Service. The Additional Products and all applicable Terms of Service are located at <http://www.google.com/support/a/bin/answer.py?hl=en&answer=181865> (or such other URL as Google may provide) and may be updated or modified by Google from time to time.
3. **Availability.** Additional Products may not be available in all countries.
4. **Technical Support.** Customer is responsible for responding to questions from End Users relating to Customer's or End Users' use of the Additional Products. Google only provides technical support services for the Additional Products to the extent described in the applicable Terms of Service, and will not provide other technical support for the Additional Products, unless Google agrees otherwise in writing.
5. **Compliance with Laws.** Customer agrees that it will provide Additional Products to its End Users in compliance with all applicable laws and regulations, including privacy and data protection laws, the U.S. Family Educational Rights and Privacy Act of 1974 (FERPA), Children's Internet Protection Act (CIPA), and the Children's Online Privacy Protection Act of 1998 (COPPA).
6. **Customer Access to End User Data.** Customer may be able to access, monitor, delete, rectify, export, use or disclose data provided by and related to End Users in the context of Additional Products or to disable End User Accounts for Additional Products. To the extent Customer has any such abilities, Customer will provide End Users with relevant information and facilitate the exercise of any related rights of End Users under privacy or data protection laws. If Google receives any request from an End User pertaining to Customer's processing of his/her personal data in relation to any Additional Products, Google will advise the End

User to submit his/her request to Customer, and Customer will be responsible for responding to the request.

7. **End User Consent**. Except in relation to End Users described in Section 8 (Parental Consent), Customer will, before it allows any End Users to access or use any Additional Products, obtain and maintain consents from those End Users to the collection and use of their personal information in connection with those Additional Products.
8. **Parental Consent**. Before Customer allows any End Users who are under the age of 16 (or such other minimum age as specified in the relevant European Union member state) and resident in the European Economic Area, or any other End Users under the age of 18, to access or use any Additional Products, Customer will obtain parental consent for the collection and use of personal data in connection with those Additional Products.
9. **Google Pay**. A Google Pay account opened by an End User is the End User's personal account and is subject to extensive regulatory requirements and prohibitions. While Customer may suspend an End User's access to his/her Google Pay account, Customer may not use an End User's Google Pay account or make any changes to the information in such Google Pay account. Customer may access information in an End User's Google Pay account only in accordance with Google Pay privacy policies and Customer's privacy policy.
10. **Refund for Paid Services**. If Customer disables an Additional Product for which Customer or an End User has provided payment, Google will not be obliged to refund any fees paid by Customer and/or the End User for unused paid services. Customer will indemnify Google from and against all liabilities, damages, losses, expenses and costs (including settlement costs and reasonable legal fees) arising out of End User claims concerning refunds for such paid services.
11. **Severability**. If any part of these Additional Product Terms is found to be unenforceable, the remainder of the Additional Product Terms will remain in full force and effect.
12. **Modifications**. Google may modify these Additional Product Terms from time to time.
13. **Interpretation of Conflicting Terms**. To the extent of any conflict or inconsistency between these Additional Product Terms and the remainder of the applicable Agreement, the Agreement will prevail. To the extent of any conflict or inconsistency between these Additional Product Terms and any applicable Terms of Service, the Terms of Service will prevail.

https://gsuite.google.com/intl/en/terms/additional_services.html

G-Suite Renewal

The City uses Google's G-suite services for email, calendars, documents, meetings, and many other products. The original contract was approved by the City Council on June 8, 2017 for G-Suite Business. This agreement is due for renewal. Since June 2017, the software services provided by Google have grown and improved dramatically along with the subscription licenses and costs.

After careful analysis of the Basic, Business, and Enterprise license options, staff recommends the Enterprise edition for this contract renewal because of the following products and features available in the Enterprise edition and not available in the other license options:

- Advanced Data Loss Prevention (DLP) (CYBERSECURITY)

- Security Center (CYBERSECURITY)

- Encryption (CYBERSECURITY)

- Hangout Meets up to 100 participants, record meetings, live streaming up to 100,000

- Advanced mobile management and protection capabilities

Staff recommends renewing the G-suite licenses and selecting the Enterprise edition through SADA Systems.





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Cande Flores, Fire Chief

SUBJECT: 10. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Donation of Surplus and Salvage Fire Equipment to the Helping Hands Program, an Extension of the Texas A&M Forest Service (Cande Flores)

GENERAL INFORMATION

In the summer of 2019, the Abilene Fire Department (AFD) and the Airport Fire Station completed purchases to replace existing MSA Firehawk SCBA equipment with Scott SCBA equipment. The MSA Firehawk model was discontinued and the existing inventory was outdated. The original MSA equipment is now over 15 years old.

Neither AFD, nor the Airport Fire Station have experienced issues with the new Scott equipment and have no need to maintain possession of the entire MSA inventory. AFD has received requests for this equipment from neighboring volunteer fire departments.

In total, there are over (103) MSA SCBA harnessess, along with numerous face pieces. The newest MSA equipment will be kept for the AFD Fire Academy and the AISD CTE Program. This equals approximately (35) units. The remaining units will be donated to the Helping Hands Fire Program, which is an extension of the Texas A&M Forest Service.

SPECIAL CONSIDERATIONS

AFD will not incur any costs associated with the disbursement of these items.

Donating organizations have the option to specify which area departments receive the donated items.

FUNDING/FISCAL IMPACT

There is no fiscal impact to the City.

STAFF RECOMMENDATION

Staff recommends approval of the Resolution to authorize the donation of surplus and salvage fire equipment.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution-Donation of Fire Equipment
2. Helping Hands Donor Form FY18 (new)(1)
3. HB-680
4. AFD Donation of Fire Equipment

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS
AUTHORIZING THE CITY MANAGER TO APPROVE THE DONATION OF SURPLUS AND
SALVAGE FIRE EQUIPMENT TO THE HELPING HANDS PROGRAM, AN EXTENSION OF
THE TEXAS A&M FOREST SERVICE.**

WHEREAS, in the summer of 2019, the Abilene Fire Department (AFD) completed a purchase to fully replace all of the existing MSA Firehawk SCBA equipment with Scott SCBA equipment. The MSA Firehawk model was discontinued and the existing inventory was outdated, with some units being over 15 years old.

WHEREAS, in 2019, the Airport Fire Station purchased new Scott SCBA equipment to replace a portion of their existing MSA Firehawk SCBA inventory.

WHEREAS, neither AFD nor Airport Fire personnel have experienced issues with the new Scott equipment and have no need to maintain possession of the entire MSA inventory, and there are several units in decent working condition.

WHEREAS, AFD, and the City of Abilene Airport Fire Station, periodically possess surplus and/or salvage fire equipment that could benefit area volunteer fire departments.

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

Part 1: The City Manager is hereby authorized to approve the donation of surplus and salvage fire equipment to the Helping Hands Program, an extension of the Texas A&M Forest Service.

Part 2: This Resolution shall take effect immediately from and after passage.

ADOPTED and approved by the City Council on the 7th of November, 2019.

ATTEST:

Shawna Atkinson
City Secretary

Anthony Williams
Mayor

APPROVED:

Stanley Smith
City Attorney

HELPING HANDS PROGRAM

DONATION FORM

Donor: _____ Manager/Chief: _____

Address: _____ Contact Person: _____

_____ Telephone: _____

_____ Email: _____

I do not wish to designate a recipient. ☐ I wish to designate a recipient.* ☐

Item/Description	Quantity	Estimated Value	Designated Recipient* (And Quantity to Receive)

** The specified recipient must claim their donation within three (3) calendar months of Helping Hands receiving the donation. If the designated recipient does not claim the donation within three (3) calendar months, the donation shall be forfeited and assigned to the first available recipient per the standard placement process.*

May we list you as one of our program donors? Yes ☐ No ☐

Donor Signature: _____ Date: _____

TFS Signature: _____ Date: _____

Submit via Mail or Fax:
 Texas A&M Forest Service
 Capacity Building Department
 481 Texas Forest Service Loop
 Building A456
 Lufkin, TX 75904
 Fax: (936) 639-8138
 Please attach more pages if needed.

For more information:
 Call: (936) 639-8100
 Email: helpinghands@tfs.tamu.edu

1-1 AN ACT

1-2 relating to used fire control or fire rescue equipment donated to
1-3 or made available by the Texas Forest Service.

1-4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-5 SECTION 1. Section 88.106, Education Code, is amended to
1-6 read as follows:

1-7 Sec. 88.106. COOPERATION WITH FEDERAL AGENCIES; RURAL FIRE
1-8 PROTECTION PLANS; FIRE TRAINING; DISPOSITION OF USED OR OBSOLETE
1-9 EQUIPMENT. (a) The director, under the supervision of the board,
1-10 may cooperate on forestry projects with the National Forest
1-11 Service and other federal agencies; and, subject to the
1-12 authorization of the board, he may execute agreements relating to
1-13 forest protection projects in cooperation with federal agencies and
1-14 timberland owners and may also execute agreements with timberland
1-15 owners involving supervision of forest protection and forest
1-16 development projects when the projects are developed with the aid
1-17 of loans from a federal agency and when the supervision by the
1-18 state is required by federal statute or is deemed necessary by the
1-19 federal agency.

1-20 (b) Under the supervision of the board, the director may:

1-21 (1) [is further authorized to] cooperate in the
1-22 development of rural fire protection plans;

1-23 (2) [, to] provide training in suppression of fires;
1-24 [,] and

2-1 (3) [to] sell, lend, or otherwise make available to
2-2 volunteer fire departments used or [organized fire fighting groups]
2-3 obsolete fire control or fire rescue equipment available to the
2-4 Texas Forest Service, including federal excess or surplus property.

2-5 (c) A person may donate used or obsolete fire control or
2-6 fire rescue equipment to the Texas Forest Service for the service's
2-7 use or the service's distribution to other volunteer fire
2-8 departments.

2-9 (d) A person is not liable in civil damages for personal
2-10 injury, property damage, or death resulting from a defect in
2-11 equipment donated in good faith by the person under this section
2-12 unless the person's act or omission proximately causing the claim,
2-13 damage, or loss constitutes malice, gross negligence, recklessness,
2-14 or intentional misconduct. The Texas Forest Service and its
2-15 director and other officers and employees are not liable in civil
2-16 damages for personal injury, property damage, or death resulting
2-17 from a defect in equipment sold, loaned, or otherwise made
2-18 available in good faith by the director under this section unless

2-19 the act or omission of the service or its director, officer, or
2-20 employee proximately causing the claim, damage, or loss constitutes
2-21 malice, gross negligence, recklessness, or intentional misconduct.

2-22 (e) In this section, "fire control or fire rescue equipment"
2-23 includes a vehicle, fire fighting tool, protective gear, breathing
2-24 apparatus, and other supplies and tools used in fire fighting or
2-25 fire rescue. A breathing apparatus that is donated to the Texas
2-26 Forest Service will be recertified to manufacturer's specifications
2-27 before it is made available to an authorized group by a technician
3-1 certified by the manufacturer.

3-2 SECTION 2. This Act takes effect September 1, 1997, and
3-3 applies only to a cause of action that accrues on or after that
3-4 date. An action that accrued before the effective date of this Act
3-5 is governed by the law in effect at the time the action accrued,
3-6 and that law is continued in effect for that purpose.

3-7 SECTION 3. The importance of this legislation and the
3-8 crowded condition of the calendars in both houses create an
3-9 emergency and an imperative public necessity that the
3-10 constitutional rule requiring bills to be read on three several
3-11 days in each house be suspended, and this rule is hereby suspended.

President of the Senate

Speaker of the House

I certify that H.B. No. 680 was passed by the House on March
18, 1997, by a non-record vote; and that the House concurred in
Senate amendments to H.B. No. 680 on April 17, 1997, by a
non-record vote.

Chief Clerk of the House

I certify that H.B. No. 680 was passed by the Senate, with
amendments, on April 8, 1997, by a viva-voce vote.

Secretary of the Senate

APPROVED: _____

Date

Governor

Abilene Fire Department Donation of Surplus/Salvage Fire Equipment



SURPLUS EQUIPMENT

MSA Firehawk SCBA

- Utilized by both AFD and Airport Fire Station
- Replaced in Summer 2019
- 103+ SCBA Harnesses – Oldest Unit is 15 Years Old
- Approximately 200 SCBA Face Pieces
- Firehawk M7 Model
 - Discontinued
 - Outdated Inventory
 - Mixed Variety of Unit Capacities
 - 2200 psi – 86 units
 - 4500 psi – 17 units



NEW SCOTT SCBA EQUIPMENT

Scott Air-Pak X3 Pro

- Quantity
 - 110 - Self Contained Breathing Apparatus
 - 220 – 4500 psi Composite Cylinders
 - 168 – Facepieces
 - 36 – Facepieces with Scott Sight (Integrated Thermal Imager)
 - 1 – Pak Tracker Assembly (Accountability System)
 - 4 – RIT-Pak III Assemblies (Search/Rescue Equipment)
 - Additional hoses and equipment



CURRENT STATUS

- No Issues with Scott Equipment
- No Need to Keep Entire MSA Inventory
- MSA SCBA Inventory is Still Functional
 - AFD has received several requests from Volunteer Fire Departments (VFD)
 - AFD Fire Academy could utilize for training.
 - AISD CTE Program could utilize for training.
 - Helping Hands Fire Program is always accepting equipment donations to assist VFD needs.



HELPING HANDS PROGRAM

- Managed by Texas A&M Forest Service
- Program has been in place since 1997
- There is an option to designate which Volunteer Fire Department will receive our donated items
- Donated items stay in Texas
- Donating organizations receive liability relief through HB680
 - HB680 specifically references fire equipment donated to the Texas Forest Service
 - Passed in April, 1997



RECOMMENDATION

- Authorize the donation of surplus and salvage fire equipment to the Helping Hands Program



Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Cande Flores, Fire Chief

SUBJECT: **11. Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a Resolution of the City Council of the City of Abilene, Texas Authorizing the City Manager to Execute a Contract with Galls for \$68,827.50 for the Purchase of Workrite Nomex IIIA Uniform Pants (Cande Flores).

GENERAL INFORMATION

The Abilene Fire Department (AFD) daily work uniform is currently comprised of a cotton/polyester blend. Although this uniform has served our needs in the past, it does not meet the safety requirements set forth in NFPA Standards 1975; Standard on Emergency Services Work Apparel, 2019 Edition.

Chapter 7

7.1.1.1 Textile fabrics, excluding interlinings, shall be tested individually for heat resistance as specified in Section 8.2, and shall not melt, drip, separate, or ignite, and shall not shrink more than 10 percent in any direction.

7.1.2.2 All thread utilized in work apparel shall be tested for heat resistance as specified in Section 8.7, and shall not melt at or below 500 F.

The Workrite Nomex IIIA uniform shirt is comprised of a Nomex blend that is flame resistance and UL Certified to NFPA 1975.

This purchase will consist of three uniform pants for all AFD personnel.

SPECIAL CONSIDERATIONS

Galls is an approved vendor for the City of Abilene and was approved for cumulative purchases exceeding \$50,000 earlier for 2019. This purchase request is being brought before Council because it is a single purchase that will exceed the \$50,000 purchase price.

Matching Workrite Nomex IIIA uniform shirts have been ordered and were purchased in FY19.

FUNDING/FISCAL IMPACT

Funding for this purchase will come from the AFD Uniform/Clothing Allowance fund.

STAFF RECOMMENDATION

Staff recommends City Manager to execute a contract with Galls for the purchase of Workrite Nomex IIIA uniform pants.

BOARD OR COMMISSION RECOMMENDATION

NA

ATTACHMENTS:

1. Resolution - Galls Contract Workrite Nomex Uniform Pants
2. Nomex Pants Quote
3. Uniform Pant Purchase

RESOLUTION _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH GALLS FOR \$68,827.50 FOR THE PURCHASE OF WORKRITE NOMEX IIIA UNIFORM PANTS.

WHEREAS, the Abilene Fire Department (AFD) daily work uniform is currently comprised of a cotton/polyester blend. Although the uniform has served AFD needs in the past, it does not meet the safety requirements set forth in NFPA Standard 1975: Standard on Emergency Services Work Apparel, 2019 Edition.

WHEREAS, Galls is an approved vendor for the City of Abilene and was approved for cumulative purchases exceeding \$50,000 earlier for 2019. This purchase request is being brought before Council because it is a single purchase that will exceed the \$50,000 purchase price.

WHEREAS, this purchase will consist of three uniform pants for all AFD personnel.

WHEREAS, \$68,827.50 will be funded through the AFD Uniform/Clothing Allowance fund.

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

Part 1: The City Manager is hereby authorized to execute a contract with Galls in the amount of \$68,827.50 for the purchase of Workrite Nomex IIIA uniform pants.

Part 2: This Resolution shall take effect immediately from and after passage.

ADOPTED and approved by the City Council on the 7th of November, 2019.

ATTEST:

Shawna Atkinson
City Secretary

Anthony Williams
Mayor

APPROVED:

Stanley Smith
City Attorney



Quote

Customer: (3909594) CITY OF ABILENE FIRE DEPT
Date: 10/24/2019
Sales Rep: KEVIN GLOVER

Page 1 of 1
Quote Number: 14362276
Quote Expiration: 01/22/2020

Sold To:
CITY OF ABILENE - AP
PO BOX 60
ABILENE, TX 79604
JERRY MEDLEY

Ship To:
ABILENE FIRE DEPT
250 GRAPE ST
ABILENE, TX 79601
JERRY MEDLEY

Line	Item	Description	Qty	Retail	Your Price	Ext Total
1	ZS796 MDNV 34 0B	WORKRITE NOMEX IIIA INDUSTRIAL PANT FULLER CUT 402 Buy board 587-19	570		120.75	68,827.50

Quote is valid for 90 days

Galls is required to collect sales tax on shipments to certain states. Sales tax will be added where applicable. For tax exempt customers, state laws require us to have signed tax exemption or resale certificates on file at our office. If you are tax exempt, please email or fax this information, (including your Galls account number) to Tax@galls.com or fax 859-268-5946.

SUBTOTAL: 68,827.50
SHIPPING:
TAX.....
TOTAL.... 68,827.50

Export Restrictions - This may contain commodities restricted in the United States International Trade Regulations.

1340 Russell Cave Rd
Lexington, KY 40505
Tel: 800-876-4242 Fax:877-914-2557

Galls, LLC Invoice Credit Terms and Conditions of Sale

Payment - Invoices for items delivered pursuant to any sales order are payable only in United States currency. You, your business, and/or your agency (the "Buyer") understand that Galls, LLC (the "Seller") may impose and charge a finance charge that is the greater of 1.5% per month or the highest rate allowed by law on any amount which becomes past due and delinquent. Returned checks may be assessed a \$25.00 service fee. Additionally, Buyer shall be responsible for all collection costs, court costs, and reasonable attorney's fees in connection with the recovery of delinquent amounts.

All sales are made pursuant to these Credit Terms and Conditions of Sale, and Seller objects to any different or additional terms or conditions contained in Buyer's purchase order or any other document submitted by Seller. Payments may be applied against open balances at the sole discretion of Seller and may be applied across accounts if Buyer has more than one account with Seller. Credit memos are non-refundable and may be applied to open invoices at Seller's sole discretion.

Credit Terms - Any extension of credit is based upon all amounts payable on or before the due date on any written, quoted, or agreed terms, and shall be paid in accordance with such terms. If not paid on or before such date, accounts shall be considered delinquent and subject to the additional finance charges as set forth herein.

Buyer agrees to provide Seller, upon request, with an updated credit application as a condition to the continued extension of credit. Buyer acknowledges and agrees that Seller may utilize outside credit reporting services and financial institutions to obtain information on the Buyer as a condition precedent to or for continued extension of credit. Seller may terminate any credit availability within its sole discretion and without prior notice. Buyer's continued solvency is a precondition to any sale made by Seller.

Delays - Where a specific shipping date is not designated on the face hereof or in a subsequent writing signed by the Seller, the Seller shall not be responsible for any delays, nor shall Seller be liable for any loss or damages resulting from such delays. Seller shall not be liable for any delays in filling this order caused by accidents to machinery, differences with employees, strikes, labor shortage, fire, floods, priorities requested or required by an instrumentality of the United States Government or the government of any state, delays in transportation, restrictions imposed by any federal, state or municipal law or regulation, whether valid or invalid, or causes beyond the control of the Seller.

Warranty - Seller shall pass through to Buyer all manufacturer warranties and return policies applicable to Buyer's order. Seller shall take all reasonable actions to ensure that Buyer receives the benefit of such pass through warranties and return policies. Buyer's sole remedies for any goods sold hereunder shall be as provided in such warranties and return policies and shall be solely against the applicable manufacturer. SELLER, ON BEHALF OF ITSELF, DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, RELATING TO SUCH GOODS.

Restocking - If a cancellation of an order or a return by Buyer is accepted or initiated by Seller and/or the manufacturer, it may be subject to a restocking charge at the discretion of Seller.

Delivery and Transportation - Products sold herein are sold FOB at the place indicated on the face of this sales order unless otherwise agreed to in writing by Seller and Buyer. The method and agency of transportation and the routing will be designated by the Seller. In the event the Buyer requests alternative shipment or routing, all extra packing, shipping and transportation charges thereby resulting will be for the Buyer's account.

Waiver - No provision herein shall be deemed a waiver by reason of any previous waiver, and no breach of any provision shall be deemed a waiver by reason of any previous breach.

Governing Law - The sole jurisdiction and venue shall be the courts of the Commonwealth of Kentucky.

Export Restrictions - This transaction may contain commodities restricted in the United States International Trade Regulations. If at a later date the Buyer decides these commodities will be exported from the United States please reference the United States Department of Commerce Bureau of Industry and Security Export Administration Regulations (15 CFR 730-774), the United States Department of State International Traffic in Arms Regulations (22 CFR 120-130) as well as any other applicable laws. These laws apply to private, commercial, and government agency export transactions. As an exporter, the Buyer will be responsible for compliance with all U.S. laws relating to the export of these items.

*Designates this item is on the Galls GSA Contract (GS-07F-0157M) all other items are OPEN MARKET.

ABILENE FIRE DEPARTMENT

Galls Uniform Pant

Purchase



National Fire Protection Association (NFPA)

- Global organization that establishes codes and standards related to fire and life safety
- Texas Commission on Fire Protection (TCFP) bases requirements on NFPA Standards
- Abilene Fire Department (AFD) must meet the requirements of the TCFP



NFPA 1975 Emergency Services Work Apparel

Chapter 7

7.1.1.1 Textile fabrics shall be tested individually for heat resistance as specified in Section 8.2 (Heat and Thermal Shrinkage Resistance Test) and shall not melt, drip, separate, or ignite and shall not shrink more than 10 percent in any direction.

7.1.2.2 All thread utilized in work apparel shall be tested for heat resistance as specified in Section 8.7 (Thread Heat Resistance Test), and shall not melt at or below 500 degrees Fahrenheit.



Current AFD Uniforms

- Cotton/Polyester Blend – Pants and Shirts
 - 65% Cotton
 - 35% Polyester
- Not NFPA 1975 Compliant
- Not Fire Resistant
- Also tend to fade and wear quickly



New Uniforms – Workrite Nomex IIIA

- Nomex Blend
 - 93% Nomex
 - 5% Kevlar
 - 2% Antistatic Fiber
- NFPA 1975 Compliant
- Higher costs but proven to last longer and retain crispness and color
- Shirts were purchased in FY19
- Pants will be purchased in FY20



Vendor and Costs

- Galls
 - Galls portal system will not be used in this purchase
 - Buyboard pricing
- Total purchase price for 190 firefighters
 - \$68,827.50
- Funding will come from AFD Uniform/Apparel Allowance Fund



QUESTIONS?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Mike Warrix, Director

SUBJECT: 12. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on resolution authorizing a single-family rehabilitation/reconstruction project with FY 2019/2020 HOME Funds (Mike Warrix)

GENERAL INFORMATION

As an entitlement city receiving funds from the U.S. Department of Housing and Urban Development (HUD), the City of Abilene receives Community Development Block Grant Funds (CDBG) and HOME Investment Partnership Funds (HOME). The Single-Family Rehabilitation/ Reconstruction Program is an eligible program under the HOME Program which requires the entire home meet local building codes. The Single-Family Rehabilitation/ Reconstruction Program is discussed in both the FY 2015-2019 Consolidated Plan and the FY 2019/2020 Action Plan that strategically addresses the City's goals and objectives for housing and community development over the course of a five-year period.

The Office of Neighborhood Services Advisory Council (ONSAC) was instrumental in the development of the goals, objectives and budget of the FY 2015-2019 Consolidated Plan and provided input into the FY 2019/2020 Action Plan. The summaries are attached. The full documents have been made available to Council through the City Secretary's Office and are available on the City website.

SPECIAL CONSIDERATIONS

Of particular importance to the health of the City have been programs that address the condition of the housing stock. There is an extensive need for rehabilitation programs in Abilene targeting

the improvement of the City's oldest housing stock. The Office of Neighborhood Services has successfully funded housing rehabilitation activities throughout the City of Abilene. The Single-Family Rehabilitation/Reconstruction Program provides assistance to owner-occupied, single-family housing to facilitate needed repairs which have not been affected by current or previous owners. HOME funds continue to be used to help meet the demand for decent, safe and affordable housing, homelessness, and other special needs.

FUNDING/FISCAL IMPACT

There will be no impact on local taxes. The project cost of \$137,966 is to be funded using FY **2019/2020** HOME Entitlement of \$426,372.

STAFF RECOMMENDATION

Staff recommends approval of the attached resolution approving the Single-Family Rehabilitation/Reconstruction Program Project budgeted with FY **2019/2020** HOME funds.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. 3102 Orange Resolution 11-7-19 Reconstruction Project
2. 3102 Orange - Cost Estimate
3. Bid Tabulation
4. Bid - Rick's Construction
5. Plans Cover Sheet
6. Contractor Signed Agreement
7. 3102 Orange Reconstruction Project Presentation

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,
AUTHORIZING A SINGLE-FAMILY REHABILITATION/ RECONSTRUCTION
PROJECT LOCATED AT 3102 ORANGE STREET WITH FY 2019-2020 HOME FUNDS**

WHEREAS, As an entitlement city receiving funds from the U.S. Department of Housing and Urban Development (HUD), the City of Abilene receives Community Development Block Grant Funds (CDBG) and HOME Investment Partnership Funds (HOME); and

WHEREAS, the primary objective of the HOME Program is to expand the supply of decent, safe, sanitary, and affordable housing for very low income and low income Americans. Consistent with that primary objective, the Federal assistance provided in the Community Development Program is for the support of the community development goals, objectives, and strategies which are eligible under applicable regulations; and

WHEREAS, of particular importance to the health of the City have been programs that address the condition of the housing stock; and

WHEREAS, there is an extensive need for rehabilitation programs in Abilene targeting the improvement of the City's oldest housing stock. City has successfully funded housing rehabilitation activities targeting lower income and elderly households unable to properly maintain their homes. The Single-Family Rehabilitation/Reconstruction Program provides assistance to owner-occupied, single-family households to facilitate needed repairs which have not been affected by current or previous owners. Homes that meet the eligibility factors for a Reconstruction Project have been declared substandard by both HUD and the City of Abilene Building Standards. HOME funds continue to be used to help meet the demand for decent, safe and affordable housing, homelessness, and other special needs; and

WHEREAS, the City received bids on October 15, 2019 for the Single-Family Rehabilitation/Reconstruction Project located at 3102 Orange Street with the lowest bid being received from Rick's Construction in the amount of \$137,966.00.

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

PART 1: That the FY 2019-2020 Single-Family Rehabilitation/Reconstruction Program project funded by the HOME Program for 3102 Orange Street is hereby approved.

PART 2: That the financial assistance authorized by the Community Development Block Grant and HOME Programs referred to above is required to enable the City of Abilene to carry on appropriate community development activities directed toward meeting the objectives above.

PART 3: That the City Manager, or his designee, of the City of Abilene, Texas is hereby authorized to sign said application and any and all appurtenant documents on behalf of the City.

PART 4: That this resolution shall take effect immediately from and after its passage.

ADOPTED this 7th day of November, 2019

ATTEST:

Shawna Atkinson
City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

WorkWrite-Up and Cost Estimate/By Trade

ROSALIE O'CON

3102 ORANGE ST. ABILENE, TX 7-9601

PROJECT TYPE: Reconstruction

Trade	Work Description / Comments	Difficulty/Gen.Spec	Qty Unit	Unit Cost	Cost Estimate
<u>Appliances</u>					
	<i>Area:</i> KITCHEN	Average	<i>Div.#</i> 10.D. 3.D	1 Ea	\$227.06
1	Microwave/Install. Install permanent mounted microwave. <i>White Appliances</i>				
	<i>Area:</i> KITCHEN	Average	<i>Div.#</i> 10.F	1 Ea	\$571.16
2	Oven/Range/Electric/30"/Free Standing. Install new 30" free standing electric range/oven with clock, oven window and one-year manufacturer's warranty. <i>White Appliances</i>				
	<i>Area:</i> KITCHEN	Average	<i>Div.#</i> 10.F	1 Ea	\$666.33
3	Refrigerator/Top Freezer/Energy Star/18.2 C.F. Mimium Size/Install new. Install new 18.2 C.F. (minimum size) refrigerator with top freezer. Must be Energy Star compliant. <i>White Appliances</i>				
	<i>Area:</i> KITCHEN	Average	<i>Div.#</i> 10.D. 3.D	1 Ea	\$213.45
4	Vent-A-Hood/30"/Ext. Vented/Install new kitchen vent-a-hood (ext.vent)/30" <i>White Appliances</i>				

Print Date: Thursday, August 29, 2019

3102 ORANGE ST. ABILENE, TX 7-9601

Page 1 of 8

Trade	Work Description / Comments	Difficulty/Gen.Spec	Qty	Unit	Unit Cost	Cost Estimate
<u>Appliances</u>						
					<u>Appliances Sub Total:</u>	<u>\$1,678.00</u>
<u>Carpentry</u>						
	<i>Area:</i> KITCHEN	Average	<i>Div.#</i> 6.O.2	18 LF	\$122.21	\$2,199.76
5	Base Cabinets/Install. Install new base cabinets/pre-finished. Customer to choose color.					
	<i>Area:</i> KITCHEN	Average	<i>Div.#</i> 6.O.4.	18 LF	\$31.97	\$575.51
6	Countertop/New. Install new countertop and backsplash. Formica countertop. Customer to choose color.					
	<i>Area:</i> BATHROOM #1	Average	<i>Div.#</i> 11.A. 3	4 Ea	\$73.73	\$294.91
7	Grab Bar/Stainless Steel. Install new stainless steel grab bar. Owner shall determine location.					
	<i>Area:</i> BATHROOM #1	Average	<i>Div.#</i> 11.2.Z	1 Ea	\$192.07	\$192.07
8	Medicine Cabinet/Prefinished. Customer to choose color.					
	<i>Area:</i> BATHROOM #2	Average	<i>Div.#</i> 11.2.Z	1 Ea	\$192.07	\$192.07
9	Medicine Cabinet/Prefinished. Customer to choose color.					

Trade	Work Description /	Comments	Difficulty/Gen.Spec	Qty Unit	Unit Cost	Cost Estimate
Carpentry						
	Area: ENTIRE STRUCTURE	Average	Div.# 17.A.	1500 SF	\$68.81	\$103,213.35
10	Residential Structure/1,500 SF/2 BR & 2 Bath. Build new residential structure finished inside & out. Contractor is responsible for all permits and inspections (see Div. 17). SEE PLANS. Customer to choose Brick, Shingle, Interior, and Exterior paint colors. Windows will be white. Add 1 more exterior light near garage door.					
	Area: BATHROOM #1	Average	Div.# 10.E. 2.	1 Ea	\$50.63	\$50.63
11	Towel Bar/Install.					
	Area: BATHROOM #2	Average	Div.# 10.E. 2.	1 Ea	\$50.63	\$50.63
12	Towel Bar/Install.					
	Area: KITCHEN	Average	Div.# 6.O.2	18 LF	\$109.04	\$1,962.69
13	Wall Hung Cabinets/Pre-Finished. Install new wall hung cabinets (pre-finished). Customer to choose color.					
Carpentry Sub Total:					\$108,731.60	
Concrete						
	Area: ENTIRE STRUCTURE	Average	Div.# 3.K	160 SF	\$4.26	\$681.57
14	Driveway Approach/Concrete/Install. Install concrete approach.					

Trade	Work Description / Comments	Difficulty/Gen.Spec	Qty Unit	Unit Cost	Cost Estimate	
Concrete						
	Area: ENTIRE STRUCTURE	Average	Div.# 3.O	36 SF	\$3.78	\$135.99
15	Patio/Concrete/Install. Install new concrete patio. Install 6' X 6' patio slab (Rear Door)					
	Area: ENTIRE STRUCTURE	Average	Div.# 3.C.	600 SF	\$3.92	\$2,354.22
16	Sidewalk/Concrete/Install. Install concrete sidewalk. Install 4' sidewalk that leads to mailbox. And along street.					
				Concrete Sub Total:	\$3,171.77	
Flooring						
	Area: BATHROOM #1	Average	Div.# 9.E	80 SF	\$18.37	\$1,469.81
17	Ceramic Floor Tile/Install ceramic floor tile. Tile surround. Same color as floor.					
	Area: BATHROOM #1	Average	Div.# 9.E	80 SF	\$18.37	\$1,469.81
18	Ceramic Floor Tile/Install ceramic floor tile. Customer to pick color.					
	Area: BATHROOM #2	Average	Div.# 9.E	80 SF	\$18.37	\$1,469.81
19	Ceramic Floor Tile/Install ceramic floor tile. Customer to pick color.					
	Area: BATHROOM #2	Average	Div.# 9.E	80 SF	\$18.37	\$1,469.81
20	Ceramic Floor Tile/Install ceramic floor tile. Tile surround. Same color as floor.					

Trade	Work Description / Comments	Difficulty/Gen.Spec	Qty Unit	Unit Cost	Cost Estimate	
Flooring						
	Area: KITCHEN	Average	Div.# 9.E	240 SF	\$18.37	\$4,409.42
21	Ceramic Floor Tile/Install ceramic floor tile. Customer to pick color.					
	Area: INTERIOR	Average	Div.# 9.E.	730 SF	\$3.01	\$2,200.07
22	Laminate Tile/Install. Install laminate flooring. Laminate flooring throughout, except for bathrooms and kitchen. Customer to choose color.					
				Flooring Sub Total:	\$12,488.73	
Masonry & Plaster						
	Area: EXTERIOR	Average	Div.# 4.N	9 SF	\$22.65	\$203.86
23	Brick Mailbox/Install brick mailbox.					
				Masonry & Plaster Sub Total:	\$203.86	
Plumbing						
	Area: BATHROOM #2	Average	Div.# 11.A	1 Ea	\$1,038.27	\$1,038.27
24	Bathtub-Shower Combination/Acrylic fiberglass/Pre-Fab. Bathtub					
	Area: BATHROOM #1	Average	Div.# 11.A	1 Ea	\$340.94	\$340.94
25	Commode & Seat/Install new ADA commode, seat, supply line, shutoff and wax seal. Use American Standard Cadet or written approved equal.					

Trade	Work Description /	Comments	Difficulty/Gen.Spec	Qty	Unit	Unit Cost	Cost Estimate
Plumbing							
	Area: BATHROOM #2	Average	Div.# 11.A	1	Ea	\$340.94	\$340.94
26	Commode & Seat/Install new ADA commode, seat, supply line, shutoff and wax seal. Use American Standard Cadet or written approved equal.						
	Area: KITCHEN	Average	Div.# 11.A	1	Ea	\$343.34	\$343.34
27	Faucet/Kitchen/Single Handle/Goose Neck. Install kitchen faucet with new single handle goose neck faucet, supply lines & shutoffs.						
	Area: BATHROOM #1	Average	Div.# 11.A	1	Ea	\$196.93	\$196.93
28	Faucet/Vanity/Install new vanity faucet, supply lines & shutoffs. Vanity with sink and faucet. Customer to choose color.						
	Area: BATHROOM #2	Average	Div.# 11.A	1	Ea	\$196.93	\$196.93
29	Faucet/Vanity/Install new vanity faucet, supply lines & shutoffs. Vanity with sink and faucet. Customer to choose color.						
	Area: BATHROOM #1	Average	Div.# 11.A	1	Ea	\$249.63	\$249.63
30	Shower Faucet/Install new bath/shower faucet. Install detachable head shower faucet.						
	Area: BATHROOM #2	Average	Div.# 11.A	1	Ea	\$249.63	\$249.63
31	Shower Faucet/Install new bath/shower faucet. Install detachable head shower faucet.						
	Area: BATHROOM #1	Average	Div.# 11.A	1	Ea	\$759.92	\$759.92
32	Shower Pan/60". Install new 60" shower pan and drain. Step in shower.						

Trade	Work Description / Comments	Difficulty/Gen.Spec	Qty Unit	Unit Cost	Cost Estimate
Plumbing					
	Area: KITCHEN	Average	Div.# 11.A	1 Ea	\$465.91
33	Sink/Kitchen. Install new kitchen sink. Work shall include new drain lines and trap. Stainless double sink.				
	Area: GARAGE	Average	Div.# 11.A	1 Ea	\$832.36
34	Water Heater/Electric/40 Gallon/Install. Install new 40 gal. electric water heater to code. Work shall include all electrical hook-ups.				
				Plumbing Sub Total:	\$5,014.81
Site Work					
	Area: EXTERIOR	Average	Div.# 2	25 LF	\$1.44
35	Fence/Remove/Chain Link. Remove chain link fence. Going to remove section of front chainlink fence, to accommodate new drive way.				
	Area: EXTERIOR	Average	Div.# 2.L	200 LF	\$42.16
36	Fence/Wood/Cedar Board/6' High. Replace wooden fence with new fence/No. 2 cedar/6' high with new posts.				\$8,431.72
	Area: EXTERIOR	Average	Div.# 2.L	2 Ea	\$269.97
37	Gate/Wood/Cedar/6' High. .Install new Gate/Wooden/No. 2 cedar/6' high.				\$539.95
	Area: EXTERIOR	Average	Div.# 2.G	1445 SY	\$0.21
38	Grass Seed. Add grass seed to lot.				\$303.02

<i>Trade</i>	<i>Work Description /</i>	<i>Comments</i>	<i>Difficulty/Gen.Spec</i>	<i>Qty Unit</i>	<i>Unit Cost</i>	<i>Cost Estimate</i>
Site Work						
	<i>Area:</i> EXTERIOR	Average	<i>Div.#</i> 2.A.	1200 SF	\$2.76	\$3,308.40
39	Residential Structure/First Story/Pier & Beam Foundation/Demolish & Remove. Demolish and remove first story of structure to code legal dump. Second story bid seperately.					
	<i>Area:</i> EXTERIOR	Average	<i>Div.#</i> 2.F.3.	1445 SY	\$3.71	\$5,356.04
40	Yard/Grade for Water Drainage. Grade yard/foundation for water drainage.					
Site Work Sub Total:						\$17,975.15
Grand Total:						\$149,263.94

**CITY OF ABILENE
PURCHASING DIVISION
TABULATION OF BIDS**

PAGE
1 OF 1

DEPARTMENT: OFFICE OF NEIGHBORHOOD SERVICES
BID NO.: CB-2003
TIME OF OPENING: 11:00A.M.
DATE OF OPENING: OCTOBER 15, 2019

RICK'S CONSTRUCTION
ABILENE, TX

C.E. VANN CONSTRUCTION
OF ABILENE LLC
ABILENE, TX

MACKIE CONSTRUCTION
ABILENE, TX

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION
1.	SINGLE FAMILY RECONSTRUCTION PROJECT	1	EA		137,966.00		141,400.00		183,380.00						
BASE BID															
DISCOUNT															
TOTAL BID															

*NOTES: INDICATES RECOMMENDED AWARD

Work Write-Up and Bid Document/By Trade

ROSALIE O'CON

Contractor Name: *Rick's Construction*

3102 ORANGE ST. ABILENE, TX 7-9601

Contractor Signature:

Rick O'Con

This document must be signed to be a valid bid.

PROJECT TYPE: Reconstruction

Bid Due Date:

Trade	Work Description / Comments	Gen. Spec.	Qty Unit	Item Bid
Appliances				
1	Area: KITCHEN	Div.# 10.D. 3.D	1 Ea	250
Microwave/Install. Install permanent mounted microwave.				
White Appliances				
2	Area: KITCHEN	Div.# 10.F	1 Ea	650
Oven/Range/Electric/30"/Free Standing. Install new 30" free standing electric range/oven with clock, oven window and one-year manufacturer's warranty.				
White Appliances				
3	Area: KITCHEN	Div.# 10.F	1 Ea	125
Refrigerator/Top Freezer/Energy Star/18.2 C.F. Minimum Size/Install new. Install new 18.2 C.F. (minimum size) refrigerator with top freezer. Must be Energy Star compliant.				
White Appliances				
4	Area: KITCHEN	Div.# 10.D. 3.D	1 Ea	225
Vent-A-Hood/30"/Ext. Vented/Install new kitchen vent-a-hood (ext. vent)/30"				
White Appliances				

Print Date: Thursday, August 29, 2019

3102 ORANGE ST. ABILENE, TX 7-9601

Page 1 of 7

<i>Trade</i>	<i>Work Description / Comments</i>	<i>Gen. Spec.</i>	<i>Qty Unit</i>	<i>Item Bid</i>
Carpentry				
5 Area: KITCHEN	Base Cabinets/Install. Install new base cabinets/pre-finished. Customer to choose color.	Div.# 6.O.2	18 LF	2160
6 Area: KITCHEN	Countertop/New. Install new countertop and backsplash. Formica countertop. Customer to choose color.	Div.# 6.O.4.	18 LF	600
7 Area: BATHROOM #1	Grab Bar/Stainless Steel. Install new stainless steel grab bar. Owner shall determine location.	Div.# 11.A. 3	4 Ea	300
8 Area: BATHROOM #1	Medicine Cabine/Prefinished. Customer to choose color.	Div.# 11.2.Z	1 Ea	175
9 Area: BATHROOM #2	Medicine Cabine/Prefinished. Customer to choose color.	Div.# 11.2.Z	1 Ea	175
10 Area: ENTIRE STRUCTURE	Residential Structure/1,500 SF/2 BR & 2 Bath. Build new residential structure finished inside & out. Contractor is responsible for all permits and inspections (see Div. 17). SEE PLANS. Customer to choose Brick, Shingle, Interior, and Exterior paint colors. Windows will be white. Add 1 more exterior light near garage door.	Div.# 17.A.	1500 SF	94,650

Trade	Work Description / Comments	Gen. Spec.	Qty Unit	Item Bid
Carpentry				
11	Area: BATHROOM #1	Div.# 10.E. 2.	1 Ea	50
Towel Bar/Install.				
12	Area: BATHROOM #2	Div.# 10.E. 2.	1 Ea	50
Towel Bar/Install.				
13	Area: KITCHEN	Div.# 6.O.2	18 LF	1620
Wall Hung Cabinets/Pre-Finished. Install new wall hung cabinets (pre-finished). Customer to choose color.				
Concrete				
14	Area: ENTIRE STRUCTURE	Div.# 3.K	160 SF	960
Driveway Approach/Concrete/Install. Install concrete approach.				
15	Area: ENTIRE STRUCTURE	Div.# 3.O	36 SF	216
Patio/Concrete/Install. Install new concrete patio. Install 6' X 6' patio slab (Rear Door)				
16	Area: ENTIRE STRUCTURE	Div.# 3.C.	600 SF	500
Sidewalk/Concrete/Install. Install concrete sidewalk. Install 4' sidewalk that leads to mailbox. And along street.				
Flooring				
17	Area: BATHROOM #1	Div.# 9.E	80 SF	1440
Ceramic Floor Tile/Install ceramic floor tile. Tile surround. Same color as floor.				

<i>Trade</i>	<i>Work Description / Comments</i>	<i>Gen. Spec.</i>	<i>Qty Unit</i>	<i>Item Bid</i>
Flooring				
18 Area: BATHROOM #1		<i>Div.# 9.E</i>	80 SF	
	Ceramic Floor Tile/Install ceramic floor tile.			
	Customer to pick color.			
19 Area: BATHROOM #2		<i>Div.# 9.E</i>	80 SF	
	Ceramic Floor Tile/Install ceramic floor tile.			
	Customer to pick color.			
20 Area: BATHROOM #2		<i>Div.# 9.E</i>	80 SF	
	Ceramic Floor Tile/Install ceramic floor tile.			
	Tile surround. Same color as floor.			
21 Area: KITCHEN		<i>Div.# 9.E</i>	240 SF	
	Ceramic Floor Tile/Install ceramic floor tile.			
	Customer to pick color.			
22 Area: INTERIOR		<i>Div.# 9.E.</i>	730 SF	
	Laminate Tile/Install. Install laminate flooring.			
	Laminate flooring throughout, except for bathrooms and kitchen. Customer to choose color.			
Masonry & Plaster				
23 Area: EXTERIOR		<i>Div.# 4.N</i>	9 SF	
	Brick Mailbox/Install brick mailbox.			
Plumbing				

<i>Trade</i>	<i>Work Description / Comments</i>	<i>Gen. Spec.</i>	<i>Qty Unit</i>	<i>Item Bid</i>
Plumbing				
24 Area: BATHROOM #2	Bathub-Shower Combination/Acrylic fiberglass/Pre-Fab. Bathub	Div.# 11.A	1 Ea	250
25 Area: BATHROOM #1	Commode & Seat/Install new ADA commode, seat, supply line, shutoff and wax seal. Use American Standard Cadet or written approved equal.	Div.# 11.A	1 Ea	350
26 Area: BATHROOM #2	Commode & Seat/Install new ADA commode, seat, supply line, shutoff and wax seal. Use American Standard Cadet or written approved equal.	Div.# 11.A	1 Ea	350
27 Area: KITCHEN	Faucet/Kitchen/Single Handle/Goose Neck. Install kitchen faucet with new single handle goose neck faucet, supply lines & shutoffs.	Div.# 11.A	1 Ea	380
28 Area: BATHROOM #1	Faucet/Vanity/Install new vanity faucet, supply lines & shutoffs. Vanity with sink and faucet. Customer to choose color.	Div.# 11.A	1 Ea	275
29 Area: BATHROOM #2	Faucet/Vanity/Install new vanity faucet, supply lines & shutoffs. Vanity with sink and faucet. Customer to choose color.	Div.# 11.A	1 Ea	275
30 Area: BATHROOM #1	Shower Faucet/Install new bath/shower faucet. Install detachable head shower faucet.	Div.# 11.A	1 Ea	275
31 Area: BATHROOM #2	Shower Faucet/Install new bath/shower faucet. Install detachable head shower faucet.	Div.# 11.A	1 Ea	275

Trade	Work Description / Comments	Gen. Spec.	Qty Unit	Item Bid
Plumbing				
32	Area: BATHROOM #1 Shower Pan/60". Install new 60" shower pan and drain. Step in shower.	Div.# 11.A	1 Ea	350
33	Area: KITCHEN Sink/Kitchen. Install new kitchen sink. Work shall include new drain lines and trap. Stainless double sink.	Div.# 11.A	1 Ea	450
34	Area: GARAGE Water Heater/Electric/40 Gallon/Install. Install new 40 gal. electric water heater to code. Work shall include all electrical hook-ups.	Div.# 11.A	1 Ea	800
Site Work				
35	Area: EXTERIOR Fence/Remove/Chain Link. Remove chain link fence. Going to remove section of front chainlink fence, to accommodate new drive way.	Div.# 2	25 LF	350
36	Area: EXTERIOR Fence/Wood/Cedar Board/6' High. Replace wooden fence with new fence/No. 2 cedar/6' high with new posts.	Div.# 2.L	200 LF	8000
37	Area: EXTERIOR Gate/Wood/Cedar/6' High. Install new Gate/Wooden/No. 2 cedar/6' high.	Div.# 2.L	2 Ea	600
38	Area: EXTERIOR Grass Seed. Add grass seed to lot.	Div.# 2.G	1445 SY	200

Trade	Work Description / Comments	Gen. Spec.	Qty Unit	Item Bid
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Site Work

39 Area: EXTERIOR

Div.# 2.A.

1200 SF

Residential Structure/First Story/Pier & Beam Foundation/Demolish & Remove. Demolish and remove first story of structure to code legal dump. Second story bid separately.

40 Area: EXTERIOR

Div.# 2.F.3.

1445 SY

Yard/Grade for Water Drainage. Grade yard/foundation for water drainage.

All construction shall be in accordance with local codes, manufacturers' recommended installation procedures, good quality workmanship practices, General Specifications and Lead-Based Paint requirements when applicable. Conflicts between requirements will be resolved by compliance with the more stringent requirement.

137,966

Total:

137,966

1060

7300

NEIGHBORHOOD SERVICES

3102 ORANGE STREET, ABILENE, TEXAS

for THE

CITY of ABILENE

HOUSE 1

MEERS
ENGINEERING INC.

3444 N. 1st STREET
SUITE 200
ABILENE, TEXAS
(325) 691-1200
Texas Registered Engineering Firm F-3300

6801 SANGER AVE
SUITE 202
WACO, TEXAS
(254) 340-2727

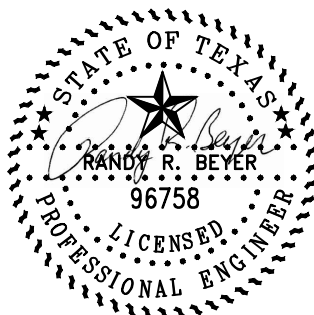


CITY OF ABILENE

September 2019



SEPT. 09, 2019



SEPT. 09, 2019

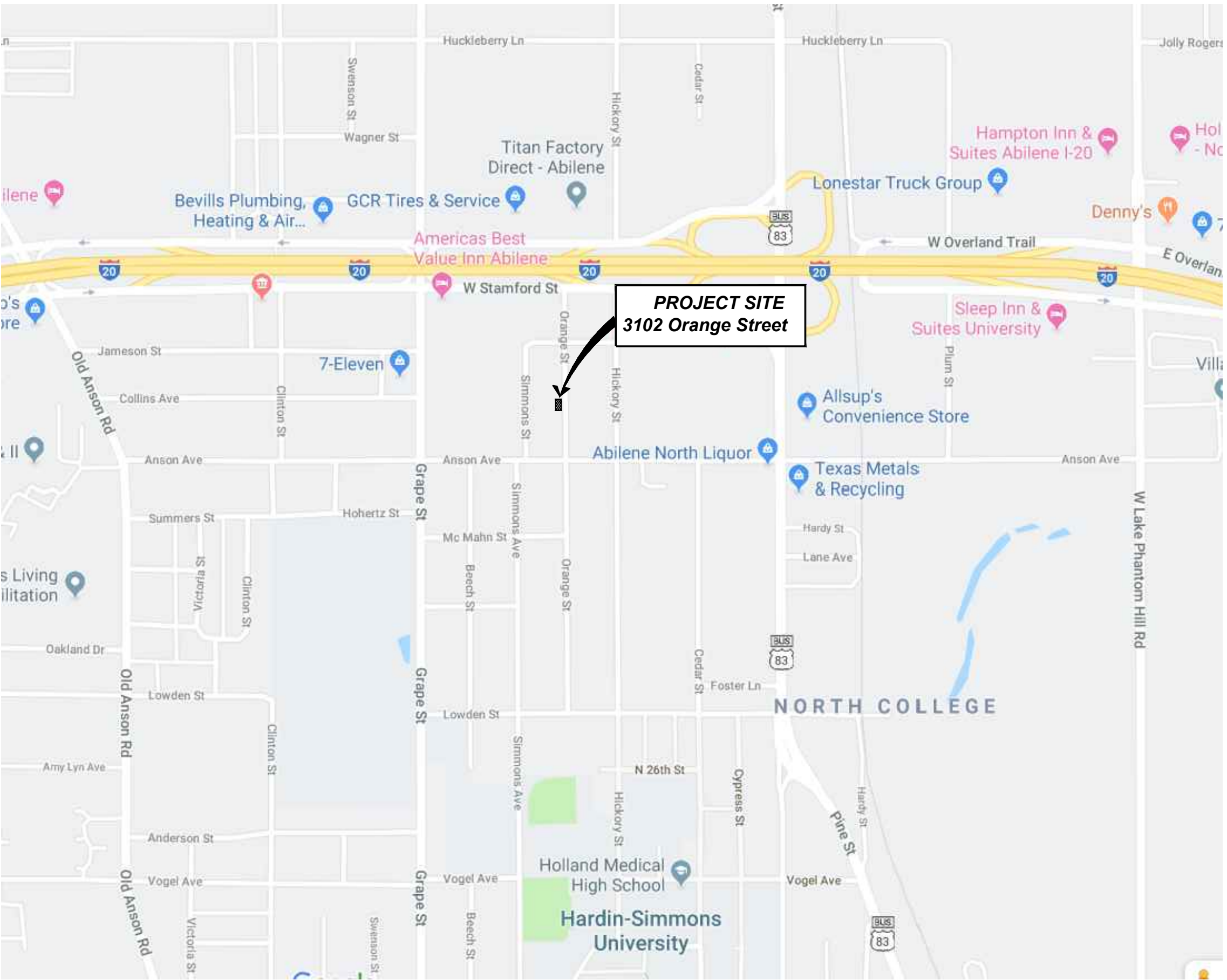
DRAWING LIST

ARCHITECTURAL

- A1.0 - FLOOR & FOUNDATION PLANS
- A2.0 - SITE, EXTERIOR ELVATIONS
SCHEDULES & ROOF PLAN
- A3.0 - STRUCTURAL DETAILS AND
FOUNDATION INDICES

MPE

- M1.0 - HVAC PLAN
- M2.0 - HVAC SCHEDULES AND DETAILS
- P1.0 - PLUMBING PLAN
- P2.0 - PIPING PLAN
- P3.0 - SCHEDULES & DETAILS
- E1.0 - LIGHTING PLAN
- E2.0 - SCHEDULES, ONE-LINE, NOTES & LEGENDS



VICINITY MAP

AGREEMENT BETWEEN CITY OF ABILENE, APPLICANT FOR SINGLE-FAMILY REHABILITATION/RECONSTRUCTION PROGRAM AND CONTRACTOR

This Agreement is between the City of Abilene ("City"), and applicant for the Single-Family Rehabilitation/reconstruction Program, Rosalie O'Con (hereinafter "Homeowner" whether one or more persons), and Rick Martinez dba Rick's Construction. ("Contractor"). This Agreement applies only to the dwelling unit located at 3102 Orange Street, Abilene, Texas ("Property").

I. Purpose

The Homeowner desires the Office of Neighborhood Services to bid out the demolition and reconstruction of the real property located at 3102 Orange Street, Abilene, Texas. The work to be done includes general rehabilitation/reconstruction and/or lead abatement if, applicable. The Contractor has agreed to perform the improvements and/or repairs according to the project specifications.

II. Term

In consideration of the assistance described herein, Homeowner agrees to comply with each of the responsibilities detailed below. The duration of this Agreement is twenty (20) years from the date of completion of rehabilitation/reconstruction work and runs concurrently with the affordability period and deed of trust.

III. The Contract Documents

The Contract Documents consist of this Agreement, Contractor's Bid and Proposal, Conditions of Bid, Specifications, Schedules, and all Addenda issued prior to execution of this Agreement, and all authorized modifications issued following such execution. These documents constitute the Agreement between Homeowner, Contractor, and the City, and said documents are hereby incorporated by reference and are fully a part of the Contract as if attached to this Agreement or repeated herein.

IV. References to Parties

Contractor and Contractor's employees are not the agents, servants, or employees of the City. All rights conferred upon the respective parties and all agreements herein undertaken to be performed by them respectively shall inure to the benefit of and be binding upon said parties and their heirs, executors, administrators, grantees, successors, and assigns.

V. Use of HOME Program Funding

- A. The HOME Program funding provided by the City is in the amount of \$ **137,966.00**
- B. At the time Homeowner is approved for HOME Program assistance, Homeowner shall have an ownership interest in and occupy the Property to be reconstructed as the Homeowner's principal residence. Homeowner agrees to continue to occupy the Property as his/her principal residence for twenty (20) years period from the date of this agreement, the period of affordability.
- C. The balance due on the forgiven deferred loan will decrease 1/120 monthly for twenty (20) year period beginning October 15th, 2019 and ending October 15th, 2039. This is the period of affordability.
- D. Homeowner shall qualify as a low-income household with a gross household income that does not exceed 80% of the area median income as established by the U.S. Department of Housing and Urban Development for the Abilene area, adjusted for household size, and as updated annually.
- E. The HOME Program assistance provided by the City shall be secured by a promissory note and recorded subordinate deed of trust (no lower than second position).
- F. If, during the affordability period, the Homeowner sells or transfers title to the Property, rents or leases the Property, refinances the Property with cash-out, or if Homeowner no longer lives in the Property as his/her principal residence, all or part of the deferred payment loan will be due in an amount that shall be reduced pro-rata based upon the time (in full months) that the Homeowner has utilized the Property as his/her principal residence. However, in the event Homeowner sells the Property, if the net proceeds from the sale are less than the amount of HOME assistance due, the amount due shall be reduced in accordance with 24 CFR 92.254(a)(5)(ii)(A)(2). The amortized rehabilitation/reconstruction loan shall be due in full.
- G. An exception to the loans becoming due as stated in paragraph F., above, may be made in the event the person having interest in the property is able to qualify under the requirements of the HOME Program and enters into an agreement with the City.
- H. Housing reconstruction work will provide construction necessary to bring the Property into compliance with the City of Abilene's applicable building codes; the City's housing rehabilitation/reconstruction program standards; and applicable lead-based paint regulations (24 CFR 92.251 & 92.355). Reconstruction work to be performed will be completed in accordance with the written work specification for the Property and fully executed. All codes, standards, and regulations noted are incorporated by reference.

I. The HOME statute and the HOME regulation at 24 CFR 92.250(a) limit the amount of HOME funds that a PJ may invest in a HOME-assisted unit. The maximum rehab for the single-family house located at 3102 Orange Street, Abilene, TX is classified as modest housing and according to 24 CFR 92.250 HOME assistance in the amount of \$137,966.00 does not exceed the per unit maximum subsidy limit of \$227,000.

Estimated Start Date: November 15, 2019 Estimated Completion May 15, 2020.

VI. Duties of Homeowner

A. Neither Homeowner nor any household member of Homeowner may engage in drug-related criminal activity, violent criminal activity, or felonious criminal activity. Any violation of this program obligation is grounds for default of this Agreement and will result in the repayment of the entire loan.

B. Homeowner has a right of rescission period that is described in the Notice of Right of Rescission, which is attached and incorporated for all purposes as part of this agreement.

C. Homeowner shall vacate the property of all belongings and personal effects as soon as possible, but before the expiration of 30-days from the date of execution of this agreement.

D. The duties of the Homeowner shall include, but are not limited to: review Specifications and execute this Agreement with Contractor, and associated documents; and accommodate schedules of Contractor and City to facilitate timely completion of rehabilitation/reconstruction work, inspections and contractor reimbursement.

E. Homeowner agrees to cooperate with the Contractor in making available utility services such as electricity, water, and gas, as may be reasonably necessary for the performance of the work as specified in the Contract Documents.

F. Homeowner must provide proof of Homeowner's Insurance Replacement Coverage and Flood Insurance Coverage (when applicable) for a period not less than twenty (20) years from work completion date with amounts sufficient to cover all the debt secured by property and amount spent on the project.

G. Upon the completion of the project, if contractor repairs are necessary, Homeowner is responsible for contacting Contractor in accordance with the following procedures:

H. Homeowner must contact Contractor in writing, by certified mail return receipt requested, listing all repair problems.

I. Homeowner must send a copy of the letter to the City of Abilene Office of Neighborhood Services, (hereinafter ONS), P.O. Box 60, Abilene, Texas 79604 or bring it to the ONS office at 555 Walnut.

J. Homeowner must notify ONS in writing when Contractor has completed repairs.

VII. Duties of Contractor

A. The Contractor shall perform all work required by the Contract Documents for the commencement and completion of the following: The construction of certain repairs and/or improvement to the residence located at 3102 Orange Street, ABILENE, TEXAS TAYLOR, COUNTY, TEXAS 79603-3633; said improvements consisting of all "required items" listed on the Specifications and Contractor's Bid and Proposal, including all necessary and required work in connection therewith. Work is to be commenced and completed under the terms of this Agreement. The Contractor agrees to furnish, at his own cost and expense, all of the materials, supplies, machinery, equipment, tools, insurance, supervision, labor, and other accessories and services which are necessary to complete the construction project in accordance with the conditions, plans, specifications, and prices stated in the respective Contract Documents referred to in this Agreement.

B. Duties of the Contractor also include, but are not limited to: communicating with the Homeowner and the City regarding status of the work during the construction period; notifying the City in writing with justification delineating and supporting the need for any change order (including itemized cost information); completing any items identified on the final building inspection and ONS inspection; and adhering to warranties as specified under item VII. D. (4) of this Contract.

C. Contractor hereby agrees to complete this Project in a good and workmanlike manner, according to the Plans and Specifications agreed upon by the Parties, and according to all other Contract Documents mentioned in Article III of this Agreement. Contractor further agrees to employ only those reliable, workers and subcontractors who, to the best of his or her knowledge, are competent and skillful in the performance of the types of work required under this Contract. In compliance with 24 CFR 570.609, Contractor represents that at the time of execution hereof, Contractor and subcontractors (if any) are not listed on the HUD Disbarred Contractor's List or removed from the ONS Pre-Approved Contractors List. Contractor further agrees to discharge from the Project any workers, who are, in the Homeowner's opinion, incompetent, unreliable, or disorderly, when Homeowner provides Contractor with written notice of same. Such workers so discharged shall not be re-employed on the Project without Homeowner's written consent.

D. Warranties

For good and valuable consideration Contractor provides the following warranties: (1)
Contractor is skilled and experienced in the type of work described herein;

(2) Contractor possesses any and all permits or licenses required to do the work of the nature described herein, and that said permits or licenses are valid and current for a one (1) year period from the date of final acceptance of all work required by this contract;

(3) That the material and workmanship conform to all documents described in Article III of this Agreement, at the time of final inspection; and,

(4) Contractor will, at his own expense, correct any non-conformance with the Plans and Specifications and any defects in material or workmanship, for a period of one (1) year from the date of Homeowner's acceptance of the work. Contractor will complete said corrections within thirty (30) calendar days or reasonable amount of time as determined by the parties thereof after receipt from the Homeowner of written notice of such nonconformities or defects, and will do so in such a manner as to meet the conditions specified in the Contract Documents. This warranty shall extend to subsequent homeowners, if any, during the warranty period. The warranty shall provide that improvements, hardware and fixtures of whatever kind or nature are installed or constructed on the property by the Contractor are new and free from defects in material or workmanship. Contractor and Homeowner agree, however, that the warranty set forth in this paragraph shall apply only to such deficiencies and defects as to which Homeowner or subsequent Homeowners shall have given written notice to the Contractor, at Contractor's principal place of business, within one (1) year from the date of Homeowner's acceptance of the work.

RM

Contractor's Initials

E. Defects in workmanship or material shall include, but shall not be limited to, the following:

(1) all or part of the work which is unsuitable or not in conformity with the requirements of any applicable Building, Plumbing, Electrical, or other such code;

(2) all or part of the work which does not conform to the Specifications or the intent thereof;

(3) any material or materials brought onto the work site whether or not actually used in the work, which are unsuitable or not in conformity with the requirements of any City building code; and

(4) any material or materials brought onto the work site, whether or not actually used in the work, which do not conform to the Specifications or the intent thereof.

The City building official or designee, or appropriate governmental authority shall have the power to determine whether any defects exist in material or workmanship of said project.

F. Breach of Warranty: Remedies

Should Contractor fail to fulfill or comply with any of the above warranties, such failure may be treated as a breach of warranty, and shall give rise to the following remedies on behalf of Homeowner;

- (1) recession of the Agreement and obtaining substitute performance, at Contractor's expense, or,
- (2) delay or withholding by Homeowner or Homeowner's agent of part or all of the Final Payment; or
- (3) any other remedy provided by law for breach of any applicable implied or expressed warranty or warranties.

G. Final Clean-Up

The Contractor shall remove from the work site any and all surplus or discarded materials, temporary structures, and debris of every kind; said Contractor shall leave the work site in a neat, orderly condition comparable to that which originally existed. Final clean-up shall be made upon completion of the work. Failure to finish final clean-up may, at the option of Homeowner, or Homeowner's agent, result in delay or withholding of final payment.

H. Risk of Loss

Contractor shall, at his own expense, bear the risk of loss arising from or related to any of the following:

- (1) failure of the work to be performed;
- (2) any additional costs associated with inclement weather conditions,
- (3) any unforeseen circumstances occurring during the work progress;
- (4) any unusual obstructions or difficulties which may be encountered in the process of the work; or,
- (5) labor and/or material price increases.

I. In the event Contractor fails to comply with this contract, ONS will take the necessary action to place Contractor on the HUD Disbarred Contractors list and remove Contractor from the ONS Pre-Approved Contractors List.

J. Contractor has notice of and agrees to the requirements of the "Section 3 Clause Notice", which is attached to this Agreement and incorporated for purposes.

K. Lead Based Paint Products

Lead based paint removal is a dangerous task and safety precautions shall be strictly enforced when workers are engaged in hazardous abatement.

L. Permits and Codes

Contractor agrees to acquire and pay for all necessary permits, licenses, bonds and registration required for Contractor's performance.

M. Contractor to Furnish Names and Addresses

As soon as practicable or before starting the project, the Contractor shall furnish to ONS the names and addresses of suppliers of materials, subcontractors and employees who will furnish labor and/or materials in value of excess of five hundred (\$500.00) dollars for purposes of performance under this Agreement. Contractor's failure to submit names and addresses of those parties who furnish materials and/or labor in excess of five hundred (\$500.00) dollars may result in withholding of any payment to Contractor under this Agreement.

Contractor must submit proof of payment affidavit and lien waiver from each person/entity so named before final payment will be made.

N. Licensing/Bonding

Contractor shall provide copies of licenses and bonds as required by state law or City ordinance.

VIII. Insurance

A. General Requirements

Contractor and Homeowner must maintain the type and amounts of insurance required in this contract throughout the term of the agreement. Contractor and Homeowner must provide a Certificate of Insurance evidencing the required coverage types and amounts before the Contract is signed. All policies are subject to examination and approval by the Homeowner and the City for their adequacy. This contract may be terminated if the Contractor fails to comply with all insurance requirements.

Insurance naming Homeowner and City as additional insured must be primary insurance and not contributing with any other insurance available to the Homeowner and/or City, under any third party liability policy.

B. Additional Requirements

The required liability insurances and their certificates must:

1. Name the Homeowner and City as an additional insured for operations under this contract.
2. Provide for 30 days advance written notice of cancellation or material change.

C. Types and Amounts of Insurance

The following insurance is required under this contract:

- | | |
|--|---|
| 1. Commercial (Public) Liability
Including, but not limited to:
Premises/Operations
. Independent Contractors
. Products/Completed Operations
. Contractual Liability
(Insuring above indemnity)
And where the exposures exist
. Explosion Collapse and Underground | \$500,000 combined single
limit for bodily injury
and property damage
(per occurrence) |
|--|---|

- | | |
|--|--|
| <p>2. Business Automobile Liability
 To include coverage for:</p> <ul style="list-style-type: none"> . Owned/Leased Auto . Non-Owned Autos . Hired Cars | <p>\$500,000 combined single
 limit for bodily injury
 and property damage
 (per occurrence)</p> |
| <p>3. Professional Liability</p> | <p>\$500,000 combined single limit
 (per occurrence)</p> |
| <p>4. See Addendum for Special
 Coverages and/or revisions</p> | |
| <p>5. No insurance Required
 Explosion Collapse and Underground</p> | |

IX. Disbursement of Funds

A. Funds will be disbursed on a reimbursement basis per payment schedule or percent completed of contracted amount, plus any change orders, less 10% retainage, according to the schedule found in Article X of this Agreement.

B. During the course of work, partial or in-progress payments may be made. Upon a completion of an in progress rehabilitation/reconstruction/reconstruction, inspections by ONS and City building officials (if required), the Contractor may submit a Contractor Request for Payment, signed by the Homeowner and the ONS Inspector. Contractor must furnish fully executed and dated "Agreement to Indemnify, Certification of Payment, Release of Lien, Warranty" (hereinafter "Release of Lien") s for the specified amount(s) paid to him/her AND from all subcontractors receiving such partial or in- progress payments. ONS Inspector, Homeowner and Contractor will execute the Certification of Inspection.

C. Upon completion of the rehabilitation/reconstruction work, retainage funds will be held for thirty (30) days. The Contractor will submit a final Contractor Request for Payment, signed by the Homeowner and the ONS Inspector in the amount of the 10% retainage. The ONS Inspector, Homeowner and Contractor will execute the final Certification of Inspection.

X. Contract Sum and Payment Schedule

The first payment shall not exceed 50% of the total rehabilitation/reconstruction cost or the amount of deferred payment loan funds, whichever is less. Upon completion of lead based paint abatement Contractor will be reimbursed for 100% of the costs in accordance with the requirements of Article IX. Rehabilitation/reconstruction payments will be scheduled as follows:

Reconstruction Program: 40% -Demolition & Foundation; 20%-Framing; 15%-Dry-in & Decking; 15%-Roofing and Sheetrock; 10%-30 Day Final Payment

Rehabilitation Program: 50%-Removal of substandard; 40%- Reconstructing of all systems; 10%-30 Day Final Payment

TOTAL \$137,966.00

XI. Financing Arrangements--Security

Contractor and Homeowner understand and agree that City will require a security for interim financing of the loan, and that furnishing of security will entail the execution and assignment by Homeowner, Contractor or both of a Security Interest Agreement and Deed of Trust. Each party therefore agrees to execute without unreasonable delay any and all instruments, documents or assignments thereof, which may be necessary to secure interim or permanent financing of the project.

XII. Liability Assumption of Risk and Indemnity

The Contractor must indemnify, hold harmless, and defend the City and Homeowner from and against liability for any claims arising out of the Contractor's work and activities conducted in connection with this Contract.

The Contractor is an independent contractor and is not, with respect to its acts or omissions, an agent or employee of the City or Homeowner.

Contractor must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Contractor's employees while in the vicinity where the work is being done. The City or Homeowner is not liable or responsible for the negligence or intentional acts or omissions of the Contractor or Contractor's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Contractor.

The City, Contractor and Homeowner must provide the other prompt and timely notice of any covered event which in any way affects or might affect any party. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND CONTRACTOR EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE CONTRACTOR TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.

XIII. Lien

- A. In the event liens are filed against this property, Contractor agrees that Homeowner or the City has the option to withhold payment until any and all liens are released or satisfied. Final payment shall not be due until Contractor has delivered to Homeowner and the City release of all liens, if any, filed on this property arising out of performance by any Contractor, subcontractor, agent, employee, or supplier. Contractor shall provide a receipt in full covering all labor and materials for which a lien could be filed, or a satisfactory bond indemnifying Homeowner and the City against any lien.
- B. If a suit is brought upon any lien filed on the property, then Homeowner or City, may recover the amount of judgment and costs, including reasonable attorney's fees, from Contractor.
- C. If any costs or liens against this property arise after Contractor has been paid, then Homeowner may recover from Contractor the amounts for which Contractor is liable.

XIV. Property Standards

- A. All rehabilitation/reconstruction work will be completed in compliance with the City's adopted property standards and all applicable written local building and property codes and standards.
- B. Housing rehabilitation/reconstruction assistance will only be provided to cover the cost of reconstruction necessary to bring the property in compliance with locally adopted, written building and property standards, rehabilitation/reconstruction program standards and applicable Federal and State building and property standards.

XV. Duties of City

- A. Roles and responsibilities of the City include, but are not limited to: ensuring payment to Contractor as set forth in the rehabilitation/reconstruction contract, communication with the Homeowner and Contractor regarding all administrative procedures that affect completion of reconstruction work; advising the Homeowner regarding City property standards, building code requirements, local property standards and housing rehabilitation/reconstruction standards which may affect the prioritization of work items; and documenting project files in compliance with all applicable HUD regulations.

B. Roles and responsibilities of the City, the Homeowner, and the Contractor are more specifically outlined in the ONS Single-Family Rehabilitation/ Reconstruction Program Guidelines, incorporated herein by reference.

C. Boycott of Israel. In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

XVI. Written Agreement Provisions

A. Modification

Homeowner and Contractor expressly agree that no material changes or alterations in the description of work or price provided in this Agreement shall be made unless in writing and mutually agreed to by Contractor, Homeowner, and ONS.

B. Change orders may be authorized for necessary work items that were initially overlooked which could not be determined until the course of the reconstruction work had already begun. Change orders must be approved in writing by Homeowner, City ONS manager and department director prior to the commencement of the proposed changed work, in order for such costs to be reimbursable.

C. Change order risk shall be carried by Contractor.

D. Homeowners or Contractors with concerns about the administration or operation of the Reconstruction Program should communicate these concerns to the Housing Counselor in writing. If concerns cannot be negotiated or resolved successfully between the parties, a party may request a decision from the Neighborhood Initiatives Manager. The program procedures may be found in the ONS Single-Family Rehabilitation/reconstruction/reconstruction/Reconstruction Program Guidelines.

E. Homeowner agrees to abide by the HOME regulations as set forth in 24 CFR Part 92, which is incorporated as part of this agreement by reference. A copy of the regulation can be accessed at: <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/finalrule.pdf>.

F. Equal Opportunities

Contractor and Homeowner agree to provide equal opportunity to all persons without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability.

G. Interpretation of Contract

In the event of any dispute, this Agreement shall be interpreted in accordance with Texas law.

H. Boycott of Israel

In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

XVII. Completion and Liquidated Damages

A. The commencement and completion dates are essential conditions of this Agreement. The work must begin as stated in the Notice to Proceed. The Contractor must proceed with the work at a rate of progress to ensure full completion within the contract time. The Contractor and the Homeowner expressly agree that the contract time for completing the work is a reasonable time as determined by the parties considering the average climactic and economic conditions and other factors prevailing in the locale. Because time is of the essence in this contract liquidated damages apply to its performance. For each working day that any work remains uncompleted after the final completion time as stated in the notice to proceed, the City may deduct the amount stated below from money due the Contractor:

1. If \$1.00 to \$25,000.00 is due to Contractor, the deduction amount will be \$10.00 per working day.
2. If \$25,001 or more is due to Contractor, the deduction amount will be \$15.00 per working day.
3. The sums of money deducted for failure to complete any portion of the work on time are not a penalty, but are reasonable liquidated damages, per working day, for defaulting on the contracted final completion date. The Homeowner and Contractor agree to fixed amounts because it is impractical and extremely difficult to ascertain actual damages that would be sustained. The Contractor or Contractor's surety must promptly pay any additional amounts if the amount the City withholds from money due the Contractor does not cover the amount of liquidated damages.
4. The City will not charge Contractor liquidated damages or any excess cost when Contractor has given prompt written notice to Homeowner and ONS prior to completion date, and ONS confirms the delay in completion of the work is due to:
5. any preference, priority or allocation order issued by ONS; 2. unforeseeable causes beyond the control and without the fault or negligence of Contractor, including acts of God, of the public enemy, of ONS or another contractor in the

performance of a contract with ONS, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and abnormal and unforeseeable weather; or any delays of subcontractors caused by the same occurrences listed in 2. above.

Executed this _____ day of _____, 2019.

Homeowner

Printed Name

This instrument was acknowledged before me on the _____ day of _____, 2019 by _____.

Notary Public, State of Texas

Rick Martinez

Contractor

#75-2633686

Federal Tax ID #

OWNER

Title

This instrument was acknowledged before me on the 15th day of October, 2019 by Rick Martinez.



Leticia Lozano
Notary Public, State of Texas

CITY OF ABILENE

City Manager

ATTEST:

City Secretary

APPROVED:

City Attorney

OFFICE OF NEIGHBORHOOD SERVICES

SINGLE-FAMILY REHABILITATION/RECONSTRUCTION PROJECT

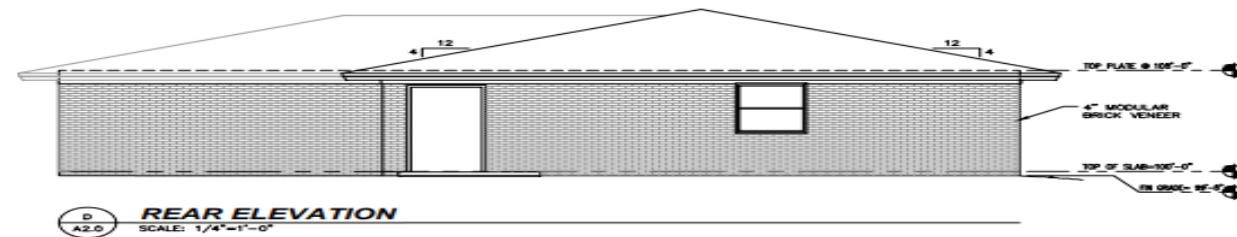
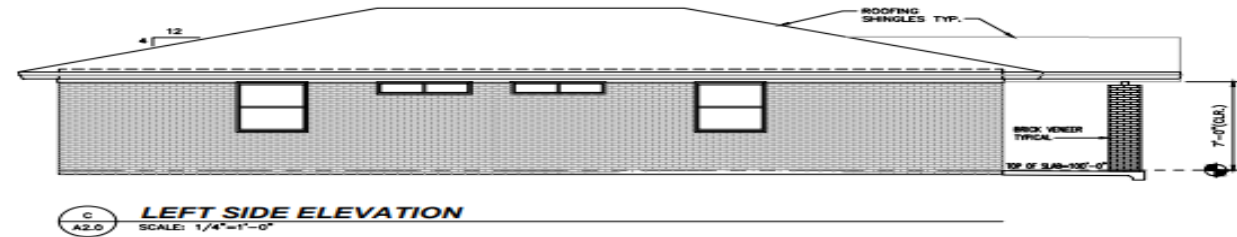
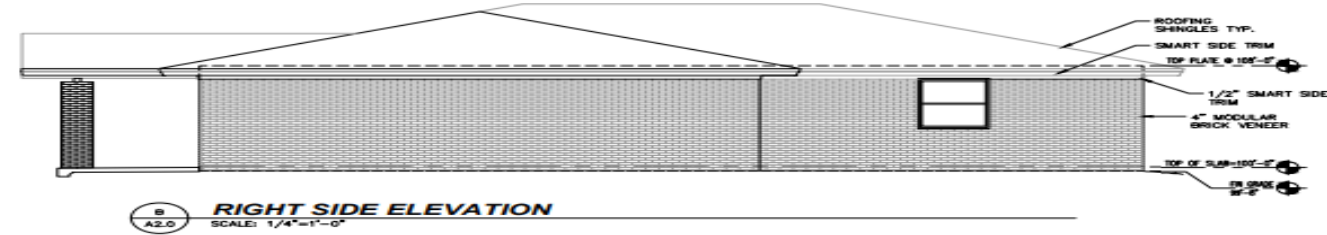
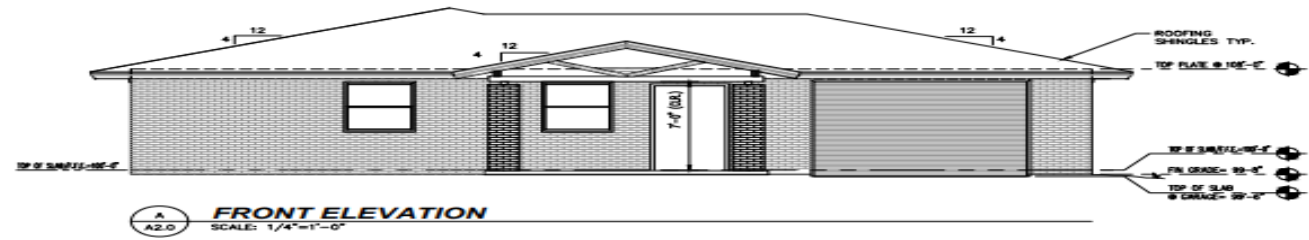
3102 Orange Street



Single-Family Rehabilitation/Reconstruction Program Project

- The Agreement for this owner-occupied project involves the Demolition and Reconstruction on an existing property. This project will provide the family a safe and secure home.
- Project Advertised September 29th & October 6th, Bids Opened October 15th.
- Three bids were received.
- Staff recommends award of contract to Rick's Construction in the amount of \$137,966.





Questions?



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Lesli Andrews, Director

SUBJECT: 13. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on authorizing the City Manager to approve the Abilene Public Library purchases from Baker & Taylor (*Lesli Andrews*)

GENERAL INFORMATION

Baker & Taylor offers an extensive selection of products and services for public libraries and is one of three vendors that can offer one-stop shopping for all formats, including print, movies, music on DVD, Blu-ray, CD, and now digital downloadable eBooks and eAudio content. The Abilene Public Library has used Baker & Taylor as its primary jobber for library material purchases for many years. We have records dating back to 1996.

In FY2019 the Abilene Public Library circulated 832,966 items to card holders.

SPECIAL CONSIDERATIONS

Competitive bidding is not required for the purchase of books, papers, and other materials for a public library if those books, papers, and materials are available only from the persons holding exclusive distribution rights to the materials. Additionally, competitive bidding requirements do not apply to the purchase of rare books, papers, and other rare library materials for a public library.

For those materials that are not exclusive, the library follows the State of Texas CO-OP program as outlined by the State Comptroller of Public Accounts. Using the CO-OP meets our competitive bidding requirements according to the Texas Comptroller of Public Accounts. The City of Abilene is a participant in the CO-OP program and utilizes vendors that are listed in the CMBL/HUB vendor list. The book jobbers the Abilene Public Library uses that are members of this program are: Baker & Taylor, Ingram Library Services, Brodart, Midwest Tape (including Hoopla) and ProQuest LLC.

While this agreement has been in place for many years, due to policy set forth by the City Manager we are bringing this item to City Council and will continue to do so annually moving forward.

FUNDING/FISCAL IMPACT

The total Abilene Public Library budget for all forms of materials approved by the City Council in September of 2019 for the 2019-2020 fiscal year is \$534,990. The material purchased from Baker & Taylor for the 2019-2020 fiscal year is expected to be \$175,000.

The budget for the 2020-2021 fiscal year will be submitted through the normal budget processes.

STAFF RECOMMENDATION

Staff recommends the City Council authorize the City Manager to continue the library purchases from Baker & Taylor.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution Baker & Taylor Nov 2019
2. Baker & Taylor Nov 2019

3. Council Presentation Baker & Taylor fy2020

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS AUTHORIZING THE CITY MANAGER TO CONTINUE THE PURCHASE OF LIBRARY MATERIALS FROM BAKER & TAYLOR THROUGH THE CITY'S PARTICIPATION IN THE STATE CO-OP PROGRAM CMBL/HUB FOR LIBRARY MATERIALS.

WHEREAS, The City of Abilene is a participate in the State of Texas CO-OP program as outlined by the State Comptroller of Public Accounts; and

WHEREAS, Baker & Taylor is on the CMBL/HUM vendor list; and

WHEREAS, The Abilene Public Library purchases many formats of materials including print, movies, music on DVD, Blu-ray, CD and digital downloadable eBooks, and audiobooks; and

WHEREAS, The State of Texas Comptroller of Public Accounts CO-OP meets our competitive bidding requirements; and

WHEREAS, The Abilene Public Library budgets for all forms of materials approved by City Council each year.

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

Part 1: The City Manager is hereby authorized to continue the purchases of library materials from Baker & Taylor.

Part 2: That this resolution shall take effect immediately from and after passage.

ADOPTED this 7th day of November 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

Baker & Taylor

Baker & Taylor offers the most extensive selection of products and services for public libraries, and is the only vendor that can truly offer a one-stop shopping experience for all formats, including print, movies and music on DVD, Blu-ray and CD, and now digital downloadable eBooks and eAudio content.

The Library has used Baker & Taylor as its primary jobber for library materials purchases for many years (at least as far back as 1996).

Competitive bidding is not required for the purchase of books, papers and other materials for a public library if those books, papers or materials are available only from the persons holding exclusive distribution rights to the materials. Additionally, competitive bidding requirements do not apply to the purchase of rare books, papers and other rare library materials for a public library.

For those materials that are not exclusive (most of the items fall here), the library follows the State of Texas CO-OP program as outlined by the Texas Comptroller of Public Accounts. Using the CO-OP meets our competitive bidding requirements according to the Texas Comptroller of Public Accounts. The city of Abilene is a participant in the CO-OP program and utilizes vendors that are listed in the CMBL/HUB vendor list. The book jobbers we deal with that are members of this program are:

Baker & Taylor - 1473179974900/492772

Ingram Library Services - 1621746696600/44085

Brodart - 1232248758300/13060

Midwest Tape (Including Hoopla - one of their subsidiaries) 1371499686800/47964

ProQuest LLC - 1392053855300/51124

The library purchases materials from all of these vendors. Baker & Taylor receives the majority of our purchase orders because of their scale, ability to deliver in a timely fashion, (almost any title we request,) and provide a significant discount from the list price. In addition, we use Baker & Taylor to pre-process much of our material, which reduces the personnel costs in technical services for barcoding, covering, applying RFID tags and spine labels to the material. While we still do many of these tasks, for a nominal fee Baker & Taylor can deliver many of the items in a shelf-ready state. In those cases, we add them to the electronic inventory once they are received here and then proceed to place them on the shelf.

This year our budget for materials from all vendors is \$534,990. This number may change as demand for particular materials fluctuates and as digital material is being used at a higher rate than anticipated by the public, but the overall materials budget will remain as originally budgeted for this year.

Resolution: Abilene Public Library Purchases from Baker & Taylor



General Information:

- Baker & Taylor provides extensive one stop shopping for all formats of media, including print, movies, music, Blu-ray, CD and digital eBooks and eAudio content.
- Baker & Taylor has been primary jobber (vendor) for many years for Abilene Public Library (APL).
- Baker & Taylor hold exclusive distribution rights for books, papers and related materials, including rare materials.
- For non-exclusive materials APL purchases through the State CO-OP program of which Baker & Taylor is a vendor member.



2020 Fiscal Impact:

- Abilene Public Library budget for all forms of materials - \$534,990
- Expected material purchase from Baker & Taylor projected - \$ 175,000

Staff Recommendation:

- Staff recommends the City Council authorize the City Manager to continue the library purchases from Baker & Taylor.



Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Lesli Andrews, Director

SUBJECT: 14. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on authorizing the City Manager to approve the Abilene Public Library purchases from Midwest Tape for Hoopla (Lesli Andrews)

GENERAL INFORMATION

Hoopla is a product of Midwest Tape. The materials are very popular and usage has risen steadily. Hoopla was initially funded by the Friends of the Library.

Our total Hoopla cost for FY2019 has been \$122,621. The value of those same titles in print or traditional format was \$765,000. This savings (\$642,379) is greater than our entire materials budget. In FY2019 53,899 items from this platform were circulated by 12,052 users. Our average circulation cost is \$2.18 per item which is much lower than our average cost for circulating a print item. With the popularity of digital, some individuals may feel that traditional library materials are no longer necessary or that their popularity is dwindling. The opposite is true. Our circulation has increased overall, with FY2019 circulation reaching 833,548 a 3.5% increase over the previous year.

There is no signed agreement with Hoopla. The service is done on a Purchase Order basis with funds on deposit and the City may withdraw or change its service thresholds at any time.

SPECIAL CONSIDERATIONS

Competitive bidding is not required for the purchase of books, papers, and other materials for a public library if those books, papers, and materials are available only from the persons holding exclusive distribution rights to the materials.

Additionally, competitive bidding requirements do not apply to the purchase of rare books, papers, and other rare library materials for a public library.

For those materials that are not exclusive, the library follows the State of Texas CO-OP program as outlined by the State Comptroller of Public Accounts. Using the CO-OP meets our competitive bidding requirements according to the Texas Comptroller of Public Accounts. The City of Abilene is a participant in the CO-OP program and utilizes vendors that are listed in the CMBL/HUB vendor list. The book jobbers the Abilene Public Library uses that are members of this program are: Baker & Taylor, Ingram Library Services, Brodart, Midwest Tape (including Hoopla) and ProQuest LLC.

FUNDING/FISCAL IMPACT

The total Abilene Public Library budget for all forms of materials approved by the City Council in September of 2019 for the 2019-2020 fiscal year is \$534,990. The material purchased from Midwest Tape for Hoopla for the 2019-2020 fiscal year is expected to be \$190,000.

The budget for the 2020-2021 fiscal year will be submitted through the normal budget processes.

STAFF RECOMMENDATION

Staff recommends the City Council authorize the City Manager to continue the library purchases from Midwest Tape for Hoopla.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution Midwest Tape Hoopla Nov 2019docx
2. Hoopla Nov 2019
3. Council Presentation Midwest Tape for Hoopla FY2020

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS AUTHORIZING THE CITY MANAGER TO CONTINUE THE PURCHASE OF LIBRARY MATERIALS FROM MIDWEST TAPE FOR HOOPLA THROUGH THE CITY'S PARTICIPATION IN THE STATE CO-OP PROGRAM CMBL/HUB FOR LIBRARY MATERIALS.

WHEREAS, The City of Abilene is a participant in the State of Texas CO-OP program as outlined by the State Comptroller of Public Accounts; and

WHEREAS, Midwest Tape is on the CMBL/HUM vendor list; and

WHEREAS, The Abilene Public Library purchases many formats of materials including print, movies, music on DVD, Blu-ray, CD and digital downloadable eBooks, and audiobooks; and

WHEREAS, The State of Texas CO-OP meets our competitive bidding requirements according to the Texas Comptroller of Public Accounts; and

WHEREAS, The Abilene Public Library budgets for all forms of materials approved by City Council each year.

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

Part 1: The City Manager is hereby authorized to continue the agreement for library materials from Midwest Tape for Hoopla.

Part 2: That this Resolution shall take effect immediately from and after passage.

ADOPTED this 7th day of November 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

Hoopla

Hoopla is a product of Midwest Tape. Their materials are very popular and our use, since allowing eight checkouts per month, has risen on a steady track. Hoopla was initially funded by the Friends of the Library. Midwest Tape is on the State Contract.

From a recent report of our circulations, our total Hoopla cost for 2019 has been \$122,621. The value of those same titles in print or traditional format was \$765,000. Using the Hoopla service saved the city \$647,000 for that fiscal year. In addition, that savings is greater than our entire materials budget.

The city began using the Hoopla service in 2014. Initially checkouts were restricted to a small number per person. Due to patron requests in 2015 we opened up the number of borrows to eight per person per month. In FY 2019, 53,899 items circulated.

In 2019, 12,052 people used Hoopla. Audiobooks account for 54% of the activity on Hoopla, followed by eBooks at 26%. Our highest circulation cost per item is \$3.99, and our average circulation cost is \$2.18 per item. This is much lower than our average cost for circulating a traditional print book for example where the cost of the book can fluctuate anywhere between \$6 for a paperback and upwards of \$50 for some print titles.

With the popularity of digital, some individuals may feel that traditional library materials are no longer necessary - or that their popularity is dwindling. The opposite is true. Our circulation has increased overall, with FY2019 circulation reaching 833,548 a 3.5% increase over the previous year.

There is no signed agreement with Hoopla. The service is done on a Purchase Order with funds on deposit and we may withdraw or change our service thresholds at any time.

Resolution: Abilene Public Library Purchases from Midwest Tape for Hoopla



General Information:

- Hoopla is a product of Midwest Tape and provides access to materials including books, papers, eBooks and eAudio content.
- Midwest Tape hold exclusive distribution rights for books, papers and related materials, including rare materials.
- For non-exclusive, materials APL purchases through the State CO-OP program of which Midwest Tape (Hoopla) is a vendor member.



2020 Fiscal Impact:

- Abilene Public Library budget for all forms of materials - \$534,990
- Expected material purchase from Midwest Tape projected - \$190,000

Staff Recommendation:

- Staff recommends the City Council authorize the City Manager to continue the library purchases from Midwest Tape for Hoopla.



Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Lesli Andrews, Director

SUBJECT: 15. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on authorizing the City Manager to continue the Agreement between the Abilene Public Library and Overdrive, Inc. (Lesli Andrews)

GENERAL INFORMATION

The electronic book in public libraries debut in 2000 began with Stephen King's novel Bag of Bones which was published exclusively on the Internet, for use with the Glassbook eBook reader. Users could download the book for \$2.50 to read on a computer or personal organizer. The eBook sold 500,000 copies in 48 hours.

In 2000, Overdrive, Inc. launched their digital marketplace, which now contains millions of titles from more than 5,000 publishers. In 2003, Overdrive, Inc. launched a download service for libraries, which provides ebook, audiobook, and other digital content to millions of library users.

SPECIAL CONSIDERATIONS

The initial funding for Overdrive was provided by the Friends of the Library. The Abilene Public Library (APL) was approached in 2006 by Tom Green County to participate in a joint venture to supply electronic eBooks and audiobooks to their combined patron base. Per an interlocal agreement, APL and Tom Green County now share 50/50 the annual cost of

Overdrive.

Our present holdings in Overdrive is 22,956 titles with 26,464 items (individual copies). There has been a shift of approximately 5% annually since 2013 from print materials to electronic material.

The electronic circulation for the APL has increased to the point that it is considered a fourth branch of the library.

While the Overdrive agreement has been in place for many years, due to the policy set forth by the City Manager we are bringing this item to City Council and will continue to do so annually moving forward.

FUNDING/FISCAL IMPACT

The total Abilene Public Library budget for all forms of materials approved by the City Council in September of 2019 for the 2019-2020 fiscal year is \$534,990. The material purchased from Overdrive for the 2019-2020 fiscal year is expected to be \$60,000.

The budget for the 2020-2021 fiscal year will be submitted through the normal budget processes.

STAFF RECOMMENDATION

Staff recommends the City Council authorize the City Manager to continue the library purchases from Overdrive, Inc.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution Overdrive Nov 2019

2. OverDrive Sole Source Letter- Abilene Public Library (2019)
3. Overdrive Digital Library Reserve Consortium Access Agreement Nov 2019
4. Overdrive (Rakuten) Nov 2019
5. Council Presentation Overdrive AgreementFY2020

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS
AUTHORIZING THE CITY MANAGER TO CONTINUE THE AGREEMENT BETWEEN THE
ABILENE PUBLIC LIBRARY AND OVERDRIVE.**

WHEREAS, The City of Abilene entered into an agreement with Overdrive on October 24, 2006; and

WHEREAS, The City of Abilene entered into an agreement with Tom Green County Library to share the collection; and

WHEREAS, The Abilene Public Library purchases many formats of materials including print, movies, music on DVD, Blu-ray, CD and digital downloadable eBooks, and audiobooks; and

WHEREAS, Overdrive is sole source thereby meeting our competitive bidding requirements; and

WHEREAS, The Abilene Public Library budgets for all forms of materials approved by City Council each year.

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

Part 1: The City Manager is hereby authorized to continue the agreement for library materials from Overdrive.

Part 2: That this Resolution shall take effect immediately from and after passage.

ADOPTED this 7th day of November 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor
APPROVED:

Stanley Smith, City Attorney



October 23, 2019

Lori Grumet
Abilene Public Library
202 Cedar St.
Abilene, TX 79601

RE: OverDrive as a sole source provider

Dear Ms. Grumet:

OverDrive uniquely provides a series of services and digital content materials that enable public libraries to lend popular audiobooks, eBooks, streaming video, magazines and other digital content via the library's website on a single platform.

Uniquely available only from OverDrive as a sole source provider, we offer a system that combines:

- A customized website service for accessing and downloading digital materials integrated with the library's ILS system for real-time patron authentication
- OverDrive is the only digital library vendor selling high quality fixed format and read-along ePUB3 content from top trade houses
- OverDrive is the only digital library lending provider that offers downloads in the Kindle format and compatibility with all generations of the Amazon Kindle, the most popular and widely used eReading device on the market
- OverDrive's proprietary browser-based formats (OverDrive Read and OverDrive Listen) are the industry's only browser-based formats that can cache the content for offline usage and does not require active internet connection to read/listen to the digital content
- OverDrive *uniquely* offers a Local Content feature for libraries, providing the ability to upload locally-produced and self-published digital content into the platform for lending to their patrons, with lending policies set by the library
- Download eBooks capable of operating on portable devices such as iPads, Chromebooks, Nooks, Windows Mobile, as well as all generations of Amazon Kindle (*exclusive to OverDrive*)
- OverDrive's proprietary browser-based formats (OverDrive Read and OverDrive Listen) are the industry's only browser-based formats that are able to cache the content for offline usage and does not require active internet connection to read/listen to the digital content
- OverDrive uniquely offers a multi-lingual user interfaces option for the patron to choose from directly on the patron-facing website, with over a 15 different language options available
- OverDrive APIs, available via the OverDrive Developer Portal, allow for deep integration of digital content with library discovery tools
- Control for the library to set digital book lending policies and manage access and usage of materials, as well as a "Recommend to Library" feature for patrons to submit purchase suggestions
- OverDrive apps for Windows and MACs, a single integrated desktop client software application for use of download audiobooks, music and video
- Download audiobooks with accessibility features for the blind and visually impaired
- OverDrive MP3 Audiobooks compatible with MAC/OS, iPods and other Apple devices

As a result of the combination of the above referenced items, as well as OverDrive, Inc.'s continued innovation, library market leadership, proven success and secret processes, OverDrive, Inc. is the sole vendor to offer these unique services and sought after materials. Please do not hesitate to contact me for further information.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Steve Potash", with a long horizontal flourish extending to the right.

Steve Potash, CEO
OverDrive, Inc.
spotash@overdrive.com

OverDrive Digital Library Reserve Consortium Access Agreement

1. Digital Library Reserve Application Services

1.1 OverDrive will create and host a Consortium Website for the Participating Libraries use of the Application Services. OverDrive shall provide the Application Services to the Consortium and Participating Library under the terms of the Consortium Agreement Form, Participating Library Form and this Access Agreement (collectively referred to as the "Agreement").

1.2 OverDrive shall create an account in OverDrive's content selection platform, OverDrive Marketplace, for each Participating Library to select Digital Content to make available at the Consortium Website to Authorized Patrons and to access reports. Individual Participating Libraries may enroll in the OverDrive Advantage program to allow Digital Content access to Authorized Patrons of its' library only. OverDrive Advantage is subject to the terms and conditions of the OverDrive Advantage Order Form.

1.3 OverDrive will use commercially reasonable efforts to make the Application Services perform substantially in accordance with the terms herein. From time to time, OverDrive may make modifications or updates to the operation, performance, or functionality of the Application Services as it sees fit or as required by OverDrive's suppliers. Consortium may be required to complete additional forms, documents or other associated materials provided by OverDrive and shall use commercially reasonable efforts to complete the documents in a timely manner.

1.4 OverDrive will use commercially reasonable efforts to provide Secondary Support to Consortium.

1.5 Any current OverDrive standalone system customer shall not be eligible to join the Consortium. Notwithstanding the foregoing, OverDrive shall have sole discretion to approve any and all new libraries that seek to join Consortium. OverDrive shall have sole discretion to honor any prior version of an order form, participation form or related material completed by a Participating Library. OverDrive may require a Participating Library to complete an updated version of the same.

1.6 If Consortium seeks a modification of the Application Services or integration of the Application Services beyond those offered on the Order Form, the Parties shall cooperate to agree on the specifications for the additional services and any associated terms and conditions.

1.7 Nothing under the Agreement grants any right to Consortium to the use of, or access to, any Application Services source code. Consortium does not have the right to reproduce the Application Services, to distribute copies or versions of any modules of the Application Services to any third parties including its Authorized Patrons, or to make and/or sell variations or derivative works of the Application Services. Sole ownership of copyrights and other intellectual proprietary rights shall remain solely with OverDrive or its suppliers. OverDrive reserves the right, at its sole discretion, to display its branding, trademarks, logos, and/or third party marketing or promotional materials on the Consortium Website.

2. Consortium Website

2.1 Consortium shall use commercially reasonable efforts to ensure that use of the Applications Services, the Consortium Website and the Digital Content are in compliance with this Agreement and with permitted uses as communicated by OverDrive to Consortium. Consortium shall use commercially reasonable efforts to prevent unauthorized use of the Digital Content from OverDrive by their users and Authorized Patrons.

2.2 OverDrive grants the Consortium, Participating Library and/or Authorized Patrons a non-assignable, non-transferable, limited license to use the Digital Content provided by OverDrive's suppliers for personal, non-commercial use. All Digital Content available at the Consortium Website shall have at least a seven (7) day lending period, or other minimum lending period as otherwise required by suppliers or publishers of Digital Content.

Consortium, Participating Library and/or Authorized Patrons may access and/or download, the Digital Content:

- (a) On Participating Library-issued devices or computers with exclusive and individual unique user accounts;
- (b) On Authorized Patrons personal devices directly;
- (c) On shared Participating Library computers which employ an application that restores the computer to its original configuration after use by an individual Authorized Patron (e.g. Deep Freeze, Windows SteadyState, or other similar application); and
- (d) For any use consistent with the relevant fair use doctrine or similar law in your jurisdiction.

2.3 Consortium and Participating Library shall reasonably cooperate with OverDrive to limit access to the DLR Service to end users who are Authorized Patrons. In the event a Participating Library or Consortium desires to provide access to the DLR Service to users other than Authorized Patrons, OverDrive reserves the right to limit availability of certain Digital Content, as may be required by supplying publishers. Online library card applications, with or without fees, which provide access, temporary or permanent, to the DLR Service to users who do not otherwise qualify as Authorized Patrons shall not be permitted.

2.4 OverDrive will create and implement a Consortium Website for Consortium and Participating Library's use of the Application Services that will include search function (by title category, author, keyword), multiple categories with multiple listing option, auditing and reporting functions and access to a protected web portal to manage the Consortium's catalog of Digital Product. Subject to OverDrive's approval, which shall not be unreasonably withheld, OverDrive will incorporate the Consortium's name and logos in accordance with design suggestions as provided by Consortium. Consortium will have the ability to manage and promote Digital Products from a password protected Digital Library Reserve administrative web portal.

2.5 Consortium represents and warrants that it will not make any representations or create any warranties, expressed or implied, concerning the Application Services and Digital Content, and will take reasonable steps to ensure that its employees, agents, and others under its direction abide by the Agreement.

2.6 Each Participating Library shall include a direct hyperlink and/or logo linked to the Consortium Website its' home page and other appropriate sub-pages. Such link or logo shall be featured no less prominently than other electronic resources or services including but not limited to EBSCOhost, Recorded Books, Ingram and 3M.

2.7 Participating Library agrees to perform Primary Support for its Authorized Patrons, unless Participating Library has completed the Front Line Tech Support Order Form and paid for Front Line Tech Support services. OverDrive will provide Participating Library with training and documentation for Participating Library's provision of Primary Support. Participating Library will cooperate with OverDrive to implement customer support practices recommended by OverDrive, including but not limited to directing Authorized Patrons to OverDrive-supplied FAQs and support pages on its Consortium Website.

2.8 During the Agreement and any renewal periods, Consortium will reasonably cooperate with OverDrive to achieve OverDrive's and its publishers' and suppliers' objectives of protecting certain intellectual property interests relating to OverDrive supplied Digital Products. Each Participating Library shall establish policies and procedures to abide by the Digital Content usage guidelines as described in Section 2.2. Participating Library shall provide OverDrive access to a test Patron account for purposes of validating the systems' performance relating to the Application Services. Participating Library will reasonably cooperate with OverDrive to correct or adjust systems as may be required to compensate for any errors or omissions disclosed by such test. Any such test will be conducted by OverDrive at its own expense and during regular business hours and in such a manner as not to interfere with Participating Library's normal activities. Nothing in this Section shall entitle OverDrive to any patron data or information relating to the identity of Patrons accessing any components of the Application Services.

2.9 Consortium shall not access the Application Services in a manner not explicitly permitted by the Agreement, including but not limited to scraping the Consortium Website and/or web traffic or data to and from the Consortium Website, intercepting, redirecting, capturing or holding OverDrive-initiated email or other electronic communications, nor shall it allow any third party to access the Application Services in a manner as described in this paragraph.

2.10 OverDrive may employ commercially reasonable efforts to monitor and maintain the availability of its Application Services, including review of traffic for request volume levels, unusual behaviors or patterns, attempts to create a denial of service response, and/or excessive or abusive usage as determined by OverDrive, in its sole discretion.

3. Payments

3.1 Participating Library and/or Consortium shall make payment to OverDrive for all Annual Participation Fees, Content Service fees and Digital Product costs according to OverDrive within thirty (30) days from Library's receipt of valid invoice. During the term of this Agreement, Participating Libraries may select Digital Content subject to standard terms and pricing. In the event of Consortium and/or Participating Library's late or non-payment of any and all amounts due to OverDrive for Application Services fees and cost of Digital Content, OverDrive may suspend access to the Application Services until such time as Consortium and/or Participating Library's account becomes current.

3.2 Consortium and the Participating Libraries assume the responsibility for providing a suitable network and Internet system for integration of Application Services into the Consortium Website or other systems. All parties acknowledge that any expenditures or commitments are made at the risk of the party making such expenditures or commitments. Participating Library agrees that it shall be responsible for its own expenses and costs under this Agreement, including MARC records, SIP or similar protocol, or any other costs, and that OverDrive shall have no obligation to reimburse Participating Library for any expenses or costs incurred by Participating Library in the preparation, systems integration, use of the Application Services, or for any performance of Participating Library's duties hereunder.

3.3 Each Participation Form is a commitment of the current revenues only of the named Participating Library. Such Participating Library represents and warrants that it has appropriated and budgeted the necessary funds to make all payments required pursuant to its' Participation Form for the remainder of the fiscal year in which the payment term commences; and that it currently intends to make payments for the full contract term as scheduled in the Consortium Participation Form if funds are appropriated for the payment in each succeeding fiscal year by its governing body. The Participating Library reasonably believes that monies in an amount sufficient to make all payments can and will lawfully be appropriated. If the Participating Library's governing body fails to appropriate sufficient funds in any fiscal year for payments due and if other funds are not legally appropriated for such payment, then a non-appropriation event shall be deemed to have occurred. If a non-appropriation event occurs, (1) Participating Library shall give OverDrive immediate notice of such non-appropriation event and provide written evidence of such failure by Participating Library's governing body; and (2) this Participation Form shall terminate on the first day of the fiscal year in which funds are not appropriated.

4. Term and Termination

4.1 The Term of the Agreement shall be governed by the OverDrive Digital Library Reserve Consortium Agreement between OverDrive and Consortium.

4.2 Either party shall have the right to terminate this Agreement as a result of a material breach of the Agreement by the other party that is not cured within thirty (30) days after written notice of such breach.

4.3 Upon termination of this Agreement, the access granted to Consortium by this Agreement shall be terminated immediately and Consortium shall make no further use of all or any part of the Application Services, or any confidential information received from OverDrive.

4.4 If a Participating Library withdraws from Consortium prior to the expiration of Agreement with OverDrive, all Digital Content, products, and services that have been purchased with the Participating Library's monetary and in-kind contributions to Consortium's shared digital collection shall remain with Consortium. If a Participating Library withdraws from Consortium and has previously purchased Digital Content in an Advantage and/or Advantage Plus account, all such Digital Content that has not been allocated to the Consortium shared collection shall remain with the Participating Library, subject to any publisher licensing restrictions in place at the time of purchase.

5. Warranties and Indemnification

5.1 The parties represents and warrants to that each has the necessary permissions, ownership and intellectual property rights and licenses related to performance under this Agreement.

5.2 THE WARRANTIES SET FORTH UNDER THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL OVERDRIVE BE LIABLE TO LIBRARY OR ITS AUTHORIZED PATRONS AND OR END USERS FOR ANY DAMAGES ARISING FROM OR RELATED TO FAILURE OR INTERRUPTION OF THE APPLICATION SERVICES, OR FOR INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, OR FOR LOSS OF PROFIT OR OPPORTUNITY, LOSS OF USE OR OTHER FINANCIAL LOSS ARISING OUT OF OR IN CONNECTION WITH THE LICENSE OR USE OF THE APPLICATION SERVICES. IN NO EVENT SHALL OVERDRIVE'S LIABILITY HEREUNDER EXCEED THE TOTAL AMOUNT RECEIVED BY OVERDRIVE UNDER THIS AGREEMENT.

5.3 OverDrive agrees to indemnify Consortium against liability and expense, including reasonable attorney fees, arising from any breach of OverDrive's warranty that it has the required rights to the Application Services and that the Application Services does not infringe any ownership or intellectual property right of a third party, provided that OverDrive: (1) is notified immediately after a Participating Library receives notice of such claim (ii) is solely in charge of the defense of and any settlement negotiations with respect to such claim; (iii) received Consortium and/or Participating Library's cooperation in the defense or settlement of such claim; (iv) has the right, upon either the occurrence of or the likelihood (in the opinion of OverDrive) of the occurrence of a finding of infringement, either to procure for Participating Libraries the right to continue use of the Application Services, or to replace the relevant portions of the Application Services with other equivalent, non-infringing portions. If OverDrive is unable to accomplish either of the options set forth in (iv) above, at OverDrive's option OverDrive shall either remove the portion of the Application Services in issue and refund to each Participating Library the value of such portion, or remove the entire Application Services and refund to each Participating Library the entire amount paid pro-rata under this Agreement as it relates to the incident that gave rise to the claim.

5.4 OverDrive shall have no obligation to Consortium to defend or satisfy any claims made against a Participating Library that arise from use, marketing, licensing, or disposition of the Application Services by the Participating Library other than as permitted by this Agreement. OverDrive shall not be responsible to indemnify Consortium for claims arising from the use or license of third party software including DRM where OverDrive is not afforded such corresponding indemnification from said third party vendor. In the event a claim arises from use of non- OverDrive technology, where the vendor of such product or technology does not indemnify OverDrive, then OverDrive is not liable to extend indemnification under this section to Consortium for any such claims.

6. General Terms

6.1 Confidential Information. The parties acknowledge that each will receive confidential information from the other relating to the Application Services, technical and operational affairs of the other. Subject to any state and/or federal laws and regulations permitting public access to documents and information that are considered public, each party agrees that all confidential information of the other party shall be held in confidence and shall not be disclosed to any third party. Consortium and the Participating Libraries shall not share its passwords and login credentials of its' account in OverDrive's content selection portal with anyone, including any third party. Consortium and Participating Libraries shall take reasonable steps to prevent unwarranted intrusion into such information.

6.2 Taxes. Consortium and each Participating Library shall at its own expense comply with all applicable laws in connection with the use of the Application Services. The payment obligations under this Agreement are exclusive of any federal, state, municipal or other governmental taxes, sales taxes, excise taxes or tariffs now or hereafter imposed on the production, storage, sale, transportation, import, export, licensing or use of the Application Services.

6.3 No Waiver. The failure of either party to exercise any right or the waiver of either party of any breach, shall not prevent a subsequent exercise of such right or be deemed a waiver of any subsequent breach of the same of any other term of the Agreement.

6.4 Notice. All notices required to be given pursuant to the Agreement shall be in writing and shall be deemed to have been given, if sent by registered or certified mail, return receipt requested, postage prepaid, addressed to OverDrive at its' current address, Attention: General Counsel or addressed to Consortium at the address provided on the Consortium Agreement, Attention: Consortium Primary Contact (as designated on the Consortium Agreement), or as otherwise agreed by the parties.

6.5 Assignment. OverDrive may assign this Agreement. This Agreement may not be assigned by Consortium, nor any duty hereunder delegated by Consortium without the prior written consent of OverDrive, which shall not be unreasonably withheld. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, legal representatives, successors and permitted assigns.

6.6 Entire Agreement. The Consortium Agreement Form, Participation Form and this Access Agreement constitutes the entire Agreement and understanding of the parties and supersedes all prior and contemporaneous Agreements, understandings, negotiations and proposals, oral or written. Section headings are provided for convenience purposes only and do not provide any modifications or substantive meaning to the terms and conditions of this Agreement. OverDrive may modify the Consortium Agreement Form, Participation Form and/or Access Agreement from time to time.

6.7 All Disputes Arising From the Agreement. This Agreement shall be governed by the laws of the State of Ohio, United States of America without regard to any conflict of laws principles. Any dispute regarding this Agreement or the relationship that has been established by this Agreement shall be brought in the state or federal courts residing in the State of Ohio, USA, and the local laws of Ohio will apply to any such action related to the above. Both parties submit to venue and jurisdiction in these courts.

7. Definitions

As used throughout the Agreement, the following definitions shall apply:

7.1 "Application Services" or "DLR Service" shall mean the Consortium Website and digital content distribution service provided to Consortium and Participating Libraries, which utilize OverDrive® and other third party technologies and services.

7.2 "Authorized Patron(s)" shall mean those individuals who provide proof of residency, ownership of property, employment, or enrollment in school or similar institution in a Participating Library's service area and which the Participating Library authorizes to download and/or access Digital Content from the Library Website or otherwise utilize the Application Services.

7.3 "Consortium" or "Library" shall mean all of the Participating Libraries, collectively.

7.4 "Consortium Website" shall mean the Internet-based application that provides Authorized Patrons access to Digital Products operated in association with Digital Library Reserve and as a component of the Consortium's website address (URL).

7.5 "Digital Content" shall mean the digital titles (e.g. eBooks, audiobooks, music and video) made available from OverDrive at the Library Website.

7.6 "Effective Date" shall mean the date upon which the Consortium Website is made available for public access.

7.7 "Participating Library" shall mean the organization or entity identified in the Participating Library Information section of the Participation Form.

7.8 "Participation Form" shall mean the OverDrive Digital Library Reserve Consortium Participation Form completed by the Library.

7.9 "OverDrive" shall mean: OverDrive, Inc., a Delaware Corporation, and its subsidiaries and affiliates.

7.10 “Primary Support” shall mean the services provided by Participating Library to its Authorized Patrons for its day-to-day help, support, technical aid and other assistance for their use of the Consortium Website and Digital Content.

7.11 “Secondary Support” shall mean the technical support services provided by OverDrive to Participating Library including reasonable efforts to assist Participating Library in providing Primary Support.

Overdrive (Rakuten) at APL

The electronic book in public libraries debut in 2000 began with Stephen King's novel Bag of Bones which was published exclusively on the Internet, for use with the Glassbook eBook reader. Users could download the book for \$2.50 to read on a computer or personal organizer. The eBook sold 500,000 copies in 48 hours.

In 2000, Overdrive launched their digital marketplace, Content Reserve (now OverDrive Marketplace), which now contains millions of titles from more than 5,000 publishers. In 2003, they launched a download service for libraries, which provides eBook, audiobook, and other digital content to millions of library users.

The Friends of the Library provided the initial funding for APL. By 2006, APL was approached by Tom Green County to participate in a joint venture to supply electronic eBooks and audiobooks to their combined patron base. The initial budget is believed to have been \$10,000 for APL - (\$6,000 platform fee and \$4,000 for materials). Most circulation was for audiobooks. In 2011, the eBook was added and they immediately became popular with the public.

The term of the initial agreement was four years with automatic renewal every two years after that on a continuous basis unless formally terminated. It has been automatically renewed since.

As more people obtained devices, the field of electronic publishing exploded and the offerings of the library grew with demand. Our present holdings in overdrive is 22,956 titles with 26,464 items (individual copies). This year we are budgeted at \$60,000.

We see a shift from print to digital items at about 5%/year since 2013 and are internally adjusting our acquisition funds accordingly. We are mandated to maintain a level of funding for library materials based on a formula set by the Texas State Library and Archives Commission. This formula requires, among other things, that 1% of our collection be published in the latest five years. We anticipate that we will see an increase in the Overdrive service going forward. Overdrive is designated as a sole source provider for procurement purposes, and is the leading provider of digital format materials in the United States.

[TITLE 13](#)

CULTURAL RESOURCES

[PART 1](#)

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

[CHAPTER 1](#)

LIBRARY DEVELOPMENT

[SUBCHAPTER C](#)

MINIMUM STANDARDS FOR ACCREDITATION OF LIBRARIES IN THE STATE LIBRARY SYSTEM

(3) A library serving a population of 100,001 - 200,000 persons must:

(A) have local expenditures amounting to at least \$9.60 per capita in local fiscal years 2013, 2014, 2015; \$9.79 per capita in local fiscal years 2016, 2017, 2018; \$9.98 per capita in local fiscal years 2019, 2020, 2021; \$10.18 per capita in local fiscal years 2022, 2023, 2024;

(B) have at least one item of library materials per capita or expend at least 15% of the local expenditures on the purchase of library materials;

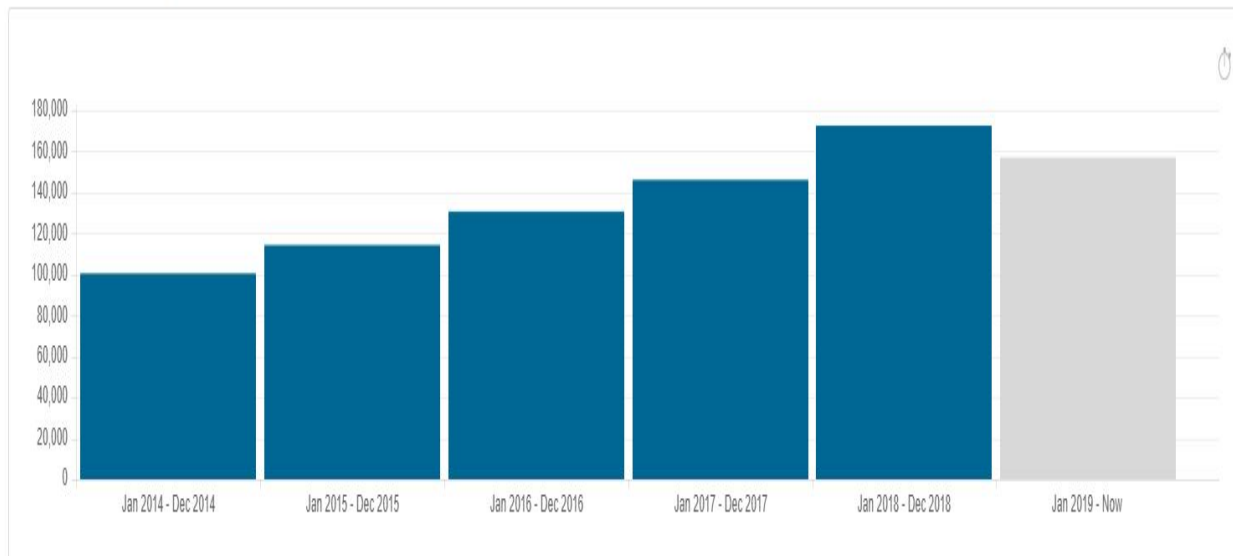
(C) have at least 1% of total items in collection published in the last five years;

(D) be open for service not less than 54 hours per week;

(E) employ a library director for at least 40 hours per week in library duties; and

(F) employ four full-time equivalent professional librarians, with one additional full-time equivalent professional librarian for each 50,000 persons above 100,000.

Checkouts: Year over year



At APL the popularity of Overdrive continues to trend upward as a 5%/year shift from print resources.

Resolution: Agreement Between Abilene Public Library and Overdrive



General Information:

- Overdrive provides service for patrons to download digital content, such as eBooks and audiobooks.
- Partnership with Tom Green Library since 2006 to provide service for combined patron base.
- Term of initial agreement was four years with automatic renewal every two years.
- Growth rate of approximately 5% annually since 2013.
- Current holdings in Overdrive is 22,956 titles with 26,464 individual copies.



2020 Fiscal Impact:

- Abilene Public Library budget for all forms of materials - \$534,990
- Expected material purchase from Overdrive projected - \$60,000

Staff Recommendation:

- Staff recommends the City Council authorize the City Manager to continue the library purchases from Overdrive.



Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Lesli Andrews, Director

SUBJECT: 16. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on authorizing the City Manager to continue the Agreement between the Abilene Public Library and Abilene Library Consortium (Lesli Andrews)

GENERAL INFORMATION

March 1, 1999 the City of Abilene contracted with the Abilene Library Consortium (ALC) for automated library services. The agreement was executed by Roy McDaniel, the City Manager in 1999. The term of the agreement is automatic renewal from year to year. The agreement has been in continuous effect since the inception of the agreement.

SPECIAL CONSIDERATIONS

In partnership with Abilene Christian University, Hardin-Simmons University, McMurry University, and Howard Payne University, the Abilene Public Library has a direct involvement with the governance and operations of the ALC. The Community Services Director sits on the Governing Board and the Abilene City Librarian sits on the Administrative Council.

Membership in the ALC is based on service population and any additional services that an ALC member engages.

While this agreement has been in place for many years, due to policy set forth by the City Manager we are bringing this item to City Council and will continue to do so annually moving forward.

FUNDING/FISCAL IMPACT

The 2019-2020 cost for the Abilene Public Library's agreement is \$82,996 paid for through the Library General Fund budget which was approved by City Council in September 2019.

The Abilene Public Library's agreement for the 2020-2021 fiscal year will be approximately \$86,000 which will be submitted through the normal budget process.

STAFF RECOMMENDATION

Staff recommends continuing the agreement with the ALC in the amount of \$82,996 for the 2019-2020 fiscal year.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution ALC Nov 7 2019
2. Agreement_Abilene_Library_Consortium_and_Abilene_Library (1)
3. Abilene Library Consortium Nov 2019
4. Council Presentation Abilene Library Consortium fy2020

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS
AUTHORIZING THE CONTINUATION OF THE AGREEMENT WITH THE ABILENE
LIBRARY CONSORTIUM.**

WHEREAS, On March 1, 1999 the City of Abilene contracted with the Abilene Library Consortium for automated library services; and

WHEREAS, This agreement automatically renews from year to year; and

WHEREAS, Cost of membership in the Abilene Library Consortium is based on service population and any additional services that a member engages; and

WHEREAS, The 2019-2020 budget has an approved membership amount of \$82,996; and

WHEREAS, The Abilene Public Library will be requesting a similar amount for the 2020-2021 fiscal year through the normal budget process.

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

Part 1: The City Manager is hereby authorized to continue the agreement with the Abilene Library Consortium.

Part 2: That this Resolution shall take effect immediately from and after passage

ADOPTED this 7th day of November 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

**AGREEMENT FOR PROVISION OF AUTOMATED SERVICES
BY THE ABILENE LIBRARY CONSORTIUM
TO ABILENE PUBLIC LIBRARY**

I

PREAMBLE

- 1.0 This Agreement made and executed this 1st day of September, 1998, by and between the Abilene Library Consortium, a non-profit corporation chartered and existing under the laws of the State of Texas, hereinafter referred to as "ALC," and Abilene Public Library (for its Brown Library), Abilene, Texas, acting by and through its authorized agent, hereinafter referred to as "MEMBER." This agreement replaces the Agreement for Provision of Automated Services by the Abilene Library Consortium to Abilene Public Library dated 13 December 1990.
- 1.1 This agreement does not cover library automation service to any library other than Abilene Public Library, Abilene, Texas.

II

INTENT

- 2.0 ALC has purchased certain computer and telecommunications equipment from Digital Equipment Corporation (DEC) and other vendors, and has obtained from Data Research Associates (DRA) a license for the use of computer software and related documentation, such equipment and software, hereinafter collectively referred to as "the System."
- 2.1 ALC intends to enter into this agreement with one or more libraries, hereinafter "ALC Members," to provide to such libraries Automated Services based on use of the System, including but not limited to the following subsystems and functions:
- Database Management System (including Authority Control)
 - Online Public Access Catalog
 - Circulation System
 - OCLC real time interface
 - Circulation Backup System
 - Acquisitions System
- 2.2 It is intended by the parties hereto that, upon the terms and conditions stated herein, MEMBER agrees to contract from ALC and ALC agrees to contract with MEMBER for the Automated Services based on use of the System.
- 2.3 Under the provisions of this agreement, ALC shall provide to MEMBER:
- Access to the ALC System and Database, via telecommunications circuits; and
 - Training and on-going staff assistance in use of the System during the term of this Agreement; and
 - Periodic reports as supplied to member libraries; and
 - Access to produce additional reports as may be required.
- 2.4 Services not included in this Agreement may be made available to MEMBER according to terms and conditions as mutually agreed upon by the parties, as documented by amendments to this Agreement.

III DEFINITIONS

- 3.0 "Agency-Specific Rules" denotes the rules for use of the System that may vary among ALC Members.
- 3.1 "ALC" is Abilene Library Consortium.
- 3.2 "ALC Administrative Council" shall mean the committee consisting of the Directors of the four founding ALC Libraries.
- 3.3 "ALC Members" are organizations that have each entered into an agreement with ALC for ALC's provision of Automated Services to them based on use of the System and Database.
- 3.4 "ALC Libraries" are the founding member institutions of the Abilene Library Consortium: Abilene Christian University, Abilene Public Library, Hardin-Simmons University and McMurry University.
- 3.5 "ALC Organization and Governance" is defined by Appendix A of this Agreement.
- 3.6 "Annual Member User Fee" shall be the annual fee charged by ALC to each MEMBER for each User allocated to MEMBER. The amount of this fee is established by ALC based on the capacity of the System to support simultaneous Users, and the cost of maintaining and operating the System.
- 3.7 "Automated Services" are those automated library services which MEMBERS shall be entitled to utilize in accordance with the provisions of this Agreement, the DRA Purchase Agreement, and the DRA Maintenance Agreement, and the policies, procedures, protocols, and regulations for use of the System as may be determined by ALC; which may now or in the future be provided by ALC, including but not limited to the following subsystems and functions: Online Public Access Catalog, Cataloging Database Management System (including Authority Control), Circulation System, Acquisitions System, and MARC edit capabilities.

- 3.8 "Central Site" is one or more locations where hardware, software, and telecommunications equipment of the System, including Central Site Components, are installed and operated.
- 3.9 "Central Site Components" are components of the System that are located in the Central Site.
- 3.10 "Communications Components" shall mean those hardware and software components, which connect a Terminal to a session on a communications channel.
- 3.11 "Database" or "System Database" includes the files of records contained by the System, including but not limited to data entered into the System by ALC or ALC Members.
- 3.12 "DEC" is Digital Equipment Corporation.
- 3.13 "DEC Purchase Agreement" is the agreement between ALC and Digital Equipment Corporation (DEC) for ALC's purchase of Central Site Components.
- 3.14 "DEC System Components" are the hardware, software, and other components of the System or services originally sold by DEC and provided to ALC by DRA or DEC.
- 3.15 "DRA" is Data Research Associates, Inc., of St. Louis, Missouri, the vendor of the DRA Software.
- 3.16 "DRA Maintenance Agreement" is one or more agreements or purchase orders between ALC and DRA for provision by DRA of maintenance of DRA Software.
- 3.17 "DRA Purchase Agreement" is the agreement between ALC and DRA for purchase of a license for ALC's use of the DRA Software.
- 3.18 "DRA Software" is the proprietary computer software product, including documentation, that supports performance of library functions by the software provided by DRA for use with the System.
- 3.19 "Equipment" shall mean any type of equipment or hardware component.

- 3.20 "Fiscal Management Services Agreement" is the agreement between ALC and ACU for provision by ACU for fiscal services to ALC.
- 3.21 "Force Majeure" as used in this Agreement shall mean an event outside of ALC's direct control which results in failure or delay of performance, including but not limited to, labor disputes, strikes, lockouts, shortages of or inability to obtain labor, telecommunications failure, failure of vendors or service providers to rectify hardware and/or software systems to recognize year 2000 data, energy shortages, war, riot, act of God or governmental action.
- 3.22 "Functions and Capabilities" include the functions and capabilities of the DRA Software and its various subsystems and functions.
- 3.23 "Library System Liaison" is an individual to be designated by MEMBER to represent MEMBER in communications with ALC on matters of System operation.
- 3.24 "Local Site Equipment" shall refer to equipment located at a MEMBER's site and connected to the System, and which has been purchased and is owned by MEMBER. Such equipment shall include, but is not limited to, workstations, terminals, printers, and barcode readers, and shall include local library telecommunications equipment.
- 3.25 "Member" – Abilene Public Library, Abilene, Texas an "ALC Member".
- 3.26 "Members" are the libraries of Abilene Christian University, Hardin-Simmons University, McMurry University and the Abilene Public Library
- 3.27 "One-time Member User Fee" shall be the one-time fee charged by ALC to each ALC Member for each User allocated to Member. The amount of this fee is established by ALC based on the capacity of System to support simultaneous Users, and the costs of replacing and expanding Central Site Components.
- 3.28 "Port" shall mean a point of physical connection to the System of a communications channel for use by a terminal device (or "Terminal") to interactively operate with the System.

- 3.29 "Pricing of Member Services" is the pricing for the Member's use of ALC System and Database as outlined and described in section 7.1 of this agreement.
- 3.30 "Session" shall mean within the context of the ALC System the connection of a User to a computer process (a program, or sub-program, or routine, or sub-routine). For purposes of measuring System capacity, or allocation, a "Session" shall be the equivalent of a "User," as defined above.
- 3.31 "System" is the combination of Central Site Components, remote-site hardware and software, Workstations, and telecommunications equipment, including the aggregate of all components.
- 3.32 "System-Wide Rules" denote the rules and procedures for use of the System which apply to all ALC Members alike.
- 3.33 "Telecommunications Equipment" shall mean the electronic equipment necessary to connect the library with the system office and shall include but is not necessarily limited to CSU/DSU (TSU), routers, terminal servers and hubs, both in the member library and the system office.
- 3.33 "User" shall mean the capacity of the System to support interactive use of the System by an individual. Allocation of the capacity of the System to ALC Members shall be measured in terms of simultaneous users.
- 3.34 "Workstations" shall mean the portion of the System at which a user transacts the basic System functions, and is comprised of a keyboard/display device, or a personal computer, or a workstation, or a laser or lightpen device, or a printer, or a combination of such devices. Different types of printers, barcode scanners, and telecommunications equipment may be used in varying combinations with keyboard/display devices to provide different types of Terminals. The numbers and types of Terminals that may be used are limited by the data processing capacity of the System as determined primarily by CPU power, data storage capacity, and telecommunications capacity. ALC will maintain technical standards for Local Site Equipment that are required for successful System operations.

IV
TERM

- 4.0 **Term of Agreement.** This agreement will automatically renew from year to year unless written notice of termination is given as herein provided.
- 4.1 This Agreement may be terminated by either party hereto at the end of any renewal term by providing a minimum of twelve (12) months written notice to the other party in advance of the proposed termination date. Such notice shall be sent by certified mail, and shall be effective upon receipt by the other party. Only the Governing Boards of ALC and the MEMBER have the authority to terminate this Agreement. During such one-year notice period, all terms of this Agreement shall continue to be binding upon the parties hereto.
- 4.2 Notwithstanding any other provision of this Agreement to the contrary, in the event that the MEMBER defaults under the terms of this Agreement, and after being notified of such default by ALC without cure for a period of 3 months, then ALC may immediately terminate this Agreement and MEMBER shall be liable for and shall pay to ALC on the effective termination date hereof and in addition to all other sums owed hereunder by MEMBER to ALC, a termination fee equal to one year's full annual Member User Fee. In no instance shall a default be considered cured until all past due monies have been paid to ALC.
- 4.3 If this Agreement is terminated for any reason, the MEMBER will be liable for any costs incurred by ALC to remove the MEMBER's data from the System Database.

V

MODIFICATION AND AMENDMENT

- 5.0 This Agreement may be modified or amended at any time but only in writing and only in the following manner
- 5.1 No amendment or modification to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of ALC and Member.
- 5.2 Any such amendment or modification which has been approved by either party shall be recorded in the minutes of the meeting at which such approval was given. Said modifications shall be reduced to a writing mutually acceptable to each party, and said writing shall be signed by a representative of each party, dated, and attached to this Agreement.
- 5.3 In no event may any attempt at the termination, or such amendment or modification which purports to have the effect of a termination of this Agreement, be binding unless there is strict compliance with the procedure set forth in Section IV of this Agreement. In no event may Section IV of this Agreement be modified or amended in any manner at any time.

VI

GENERAL CONDITIONS

- 6.0 ALC agrees to make its best efforts to provide the following services:
- (a) To maintain and operate the System in good working order and with adequate data processing capacity and reasonable response times.
 - (b) To provide the services of trained personnel to maintain and operate the Central Site Components.
 - (c) To insure that the System shall be available to the MEMBER during hours mutually agreed to by the parties.
- 6.1 MEMBER shall be entitled to utilize, in accordance with the existing and future policies, procedures, and regulations as may be determined by ALC, those Automated Services which are presently, or may in the future be, provided by ALC, including, but not limited to the following subsystems and functions: circulation control system, an online public access catalog system, and other software modules listed in Section 2.1 of this Agreement.
- 6.2 ALC, in its role as provider of Automated Services, is not nor shall it be responsible for any interruption of service of the System or loss of information by the System which is caused by force majeure. (See definition 3.21)
- 6.3 Access to certain data and subsystems may be restricted to individuals at MEMBER who have been authorized by ALC for that access. This restriction is necessary to assist in maintaining privacy of information relating to individuals and to assist in maintaining the security of the System and to assure the quality and consistency in the Database.
- 6.4 ALC may contract with MEMBER for cooperative procurement of equipment, supplies, and services.
- 6.5 The MEMBER may offer to ALC for re-assignment to another ALC library one or more of MEMBER's sessions. In the event that ALC accepts such offer, MEMBER will be relieved of its obligation to continue its payment of the Annual Member User Fee associated with the reassigned session as of a date mutually agreed upon by ALC and MEMBER. MEMBER may keep or offer for purchase any of its Terminals or other peripherals.

- 6.6 MEMBER may request of ALC the allocation of additional sessions. Because the numbers and types of sessions that can be supported by the System are limited, the numbers and types of sessions provided to the MEMBER and to other ALC Members must be approved by ALC. ALC reserves the right to deny any and all requests.
- 6.7 MEMBER agrees to meet the following obligations:
- (a) Upon execution of this Agreement, agrees to make payment to ALC bi-annually.
 - (b) Purchase, installation and maintenance of all telecommunications equipment at its site.
 - (c) Purchase, installation and maintenance of all workstation components at its site.
 - (d) MEMBER will not connect to the System any equipment not obtained from or through ALC or without ALC's permission according to the provisions of this Agreement; MEMBER will not remove any of its Local Site Equipment without the express written consent of ALC.
 - (e) Input, maintain and share bibliographic records according to the standards developed by ALC.
 - (f) Complete the entry of its retrospective bibliographic holdings in a timely manner and input newly acquired titles and holdings on a current basis, according to the standards developed by ALC.
 - (g) Conform to written policies, procedures, protocols, and regulations established by ALC and provided by ALC to MEMBER.
 - (h) Restrict the creation of data records and the operations of the System to authorized, trained staff.
 - (i) Cooperate in developing, implementing and maintaining a cost-effective delivery system for ALC implementation.
 - (j) Cooperate in maintaining accurate monthly records of all System-related and ALC-related transactions and statistics.
 - (k) Refrain from effecting internal library policy changes, which would affect ALC Libraries and ALC Members with regard to System and ALC operations, without notifying the ALC.
 - (l) Obtain the approval of ALC prior to entering into any binding agreement with a third party which will directly affect the operations of the System or ALC.
 - (m) Make prompt payments to ALC in accordance with the annual schedule established by ALC.
 - (n) Designate a representative to serve as MEMBER's Library System Liaison. Day-to-day communications between the MEMBER and ALC on matters of System operation will be conducted with the Library System Liaison.

- (o) Regularly attend and participate with ALC Committees as mutually agreed upon by ALC and ALC Member.
- (p) Designate the library director to serve on the Administrative Council.

6.8 Appendix A defines ALC's organization for implementation and operation of the System.

6.10 Upon written request from the MEMBER, ALC shall make available, within a six-month period, a suitable machine-readable copy of all data relating to MEMBER's operation, including, but not limited to, bibliographic records, holdings, and patron records. Such data shall be in the industry-standard formats such as provided by the Functions and Capabilities of the DRA Software, unless prohibited by law or contract. To the extent that the data have been entered into the System in standard format, they shall be reproduced in said standard formats, as provided for by the DRA Software. ALC shall inform the MEMBER in writing of the costs associated with recovering and copying said records, which shall be limited to actual and reasonable costs for such recovering and copying, and the MEMBER may be asked to pay these costs prior to delivery.

6.11 ALC shall have the right to:

- (a) Add to the number of sessions and the number of other ALC Members participating in use of the System at any time it deems appropriate to do so;
- (b) Limit the structure and amount of the data the MEMBER is entitled to enter into the System under the Agreement;
- (c) Inspect or cause to be inspected, and repair or cause to be repaired, any of MEMBER's Local Site Equipment causing or suspected of causing System downtime, at costs to be paid for by MEMBER.
- (d) Exercise all functions consistent with management of the System and ALC's duties and obligations under this Agreement.
- (e) Prohibit the MEMBER from connecting any equipment to the System not obtained from or through ALC or with ALC's permission according to the provisions of this Agreement.
- (f) Refuse a request by the MEMBER for addition of one or more sessions, for example, in the event that the capacity of the System does not allow for such an addition or that there are insufficient funds to provide the needed additional capacity.

- 6.12 ALC makes no representations or warranties, either express or implied, including, without limitation, any warranties of merchantability or fitness for a particular purpose, except as herein expressly stated. ALC does, however, recognize the importance to MEMBER of maintaining an effective and consistently operating System, and pledges its intent to fulfill this goal. It is agreed that the ALC shall in no event be liable for special, incidental or consequential damages in connection with or arising out of this Agreement.
- 6.13 ALC's total cumulative liability to member, from all causes of action and all theories of liability, will be limited to and will not exceed the amounts paid to ALC by member for use of the system during the term of this agreement.

VII
PAYMENTS

- 7.0 MEMBER shall timely pay ALC those fees and costs specified herein.
- 7.1 ALC may, by written notice given on or before December 15th, adjust the costs of MEMBER'S Annual User Fees, to be effective June 1 of the following fiscal year in a manner sufficient to cover the costs, both direct and indirect, of operating and maintaining the System, providing and maintaining Automated Services and other ALC services provided in its accordance with this Agreement, and/or to reflect changes in the extent of MEMBER'S participation in the System. ALC shall give the MEMBER full accounting for any cost adjustments.
- The Annual User Fee shall be calculated by apportioning the costs described above among ALC MEMBER Libraries according to the number of sessions utilized by each.
- 7.2 ALC shall be solely responsible for any charges incurred relative to the installation and operation of Central Site Components.
- 7.3 ALC shall invoice the MEMBER in advance for Annual Member User Fees according to Section 7.1 of this Agreement. Payments are due October 1 and April 1 of each year.
- 7.4 All annual calculations required pursuant to the terms of this Agreement shall be based upon a fiscal year commencing on the first day of June and ending on the last day of May.
- 7.5 ALC shall make available to the MEMBER all financial and other records affecting the operation of the System upon request.
- 7.6 ALC shall make available to the MEMBER an annual audit of the ALC financial condition.

VIII
PROPRIETARY RIGHTS

- 8.0 MEMBER shall have no right, title, or interest in components of the System that have been purchased and paid for by ALC. ALC shall have no right, title, or interest in Local Site Equipment of the System which MEMBER has obtained.
- 8.1 ALC shall retain full ownership rights to and interest in all files created or purchased by ALC. ALC shall retain full ownership rights and interests assigned to it under this Agreement and agreements with DRA, and other System vendors.
- 8.2 MEMBER shall retain full ownership rights to and interest in its Local Site Equipment purchased from ALC, subject to the applicable terms and conditions of ALC's contracts with its System vendors and/or agreements with funding sources.
- 8.3 All records entered into the System by MEMBER or exclusively supplied by or for the MEMBER are and shall remain the property of the MEMBER. MEMBER agrees to share its bibliographic, authority, item, holdings, patron, loan, and other records with ALC, ALC Libraries, and ALC Members in accordance with policies, procedures, protocols, and regulations established by ALC.
- 8.4 In no event shall MEMBER have the right to withdraw or remove ALC's or ALC Member's data from the System without written permission as specified in ALC policies.
- 8.5 Upon termination of this agreement MEMBER agrees to return to ALC all hardware and software in which ALC maintains an ownership interest.

IX
MISCELLANEOUS

- 9.0 During the effective term of the Agreement, and with respect to the operation of the System, MEMBER and ALC shall be and are intended to be, independent contractors each with respect to the other.
- 9.1 Any agreements between ALC and other libraries and library agencies shall in no manner act as a modification or amendment of this Agreement nor shall the terms and conditions of such other agreements give MEMBER or ALC any right or claim to such different terms and conditions between MEMBER and ALC.
- 9.2 To the fullest extent permitted by law, MEMBER agrees to and shall defend, protect, indemnify and hold harmless ALC, its agents, officers, directors and employees, from and against any and all claims, losses, damages, demands, causes of action, suits, and liability in tort, contract or any other basis and of every kind and character, including all expenses of litigation, court costs, and attorney's fees, which ALC may at anytime suffer or sustain or become liable for on account of property damage or personal injury (including death resulting therefrom) sustained or alleged to have been sustained by any person or persons, which is in any way connected with this Agreement, the work and/or services performed, whether the same is caused or contributed to by the sole or concurrent negligence, strict liability or other fault of any nature of ALC, its agents, officers, directors or employees.

X

DECISIONS AND DISPUTES

- 10.0** Should a dispute arise out of the Agreement between member and ALC, the duly appointed representative of Member and ALC shall attempt to negotiate a mutually acceptable solution.
- 10.1** In the event the representatives are unable to negotiate a mutually acceptable solution, the ALC Board of Trustees and MEMBER, or their designees, shall attempt to negotiate a resolution. In the event that the representatives are still unable to negotiate a mutually acceptable solution, the matter shall be submitted for alternate dispute resolution (i.e. arbitration and mediation) by a disinterested third party, mutually agreed upon by the President of each party's Board.

XI

AGREEMENTS WITH VENDORS

- 11.0 ALC has entered into agreements with DRA to purchase a license for use of DRA Software, the proprietary computer software product, and for maintenance of the DRA Software by DRA.
- 11.1 ALC has entered into Agreements with DEC for purchase and maintenance of DEC System Components.
- 11.2 ALC has entered or may enter into agreement(s) or arrangement(s) with one or more parties for maintenance of System Components such as workstations, lightpens, and printers on behalf of the member and/or member libraries.
- 11.3 ALC has entered into arrangements for provision of materials and services that are required to maintain telecommunications circuits and related materials and services between the ALC System and Member.

XII
CONFIDENTIALITY

- 12.0 ALC has entered into an agreement with DRA in which ALC, and ALC Members are required to maintain the integrity and confidentiality of the DRA Software.
- 12.1 MEMBER understands that the DRA Software is licensed to ALC by DRA, under licensing arrangements granted by contract between ALC and DRA. MEMBER agrees to maintain the secrecy, confidentiality and integrity of the DRA Software. The MEMBER agrees to indemnify and hold ALC harmless from and against any and all damages, liquidated or otherwise claimed by or due to, DRA resulting from a breach of this agreement by the MEMBER including its AUTHORIZED representatives. MEMBER agrees to exercise diligence in preventing dissemination to unauthorized personnel.
- 12.2 MEMBER shall retain full ownership rights to the Data it has entered into the Patron Database. No other party may use MEMBER's data in the Patron Database unless it is in accordance with the policies, procedures, and guidelines of the ALC and the laws of the State of Texas. In no case can other parties use the MEMBER's data in the Patron Database for mailing lists unless permission is specifically granted by MEMBER and the ALC.

XIII

NON-ASSIGNABILITY

- 13.0 Neither MEMBER nor ALC may assign its rights or obligations under this Agreement to any party without the mutual consent of the parties hereto.

XIV

TEXAS LAW

- 14.0 Texas law shall apply in the interpretation, enforcement, and resolution of all disputes under this Agreement. Venue for any legal proceeding arising from this agreement shall be Abilene, Taylor County, Texas.

XV

ENTIRE AGREEMENT

- 15.0 This Agreement, including Appendix A, constitutes the entire agreement between ALC and the MEMBER concerning the subject matter hereof and supercedes all prior understandings and agreements, whether oral or written.
- 15.1 If a part of this Agreement is held unenforceable or invalid or prohibited under law, it shall be stricken from the Agreement and shall not affect the enforceability of the other parts of this Agreement.

XVI
NOTICES

16.0 All notices to be given under this agreement shall be in writing and shall be addressed and sent as follows:

For ALC:

ALC Board

Abilene Library Consortium

241 Pine Street, Suite 15C

Abilene, Texas 79601

For Member:

Director

Abilene Public Library

202 Cedar

Abilene, TX 79601

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

ALC MEMBER: Abilene Public Library

By: Roy L. McDaniel

Title: City Manager

Typed Name: Roy McDaniel

Abilene Library Consortium

By: W Craig Turner

Title: President, ALC Board of Trustees

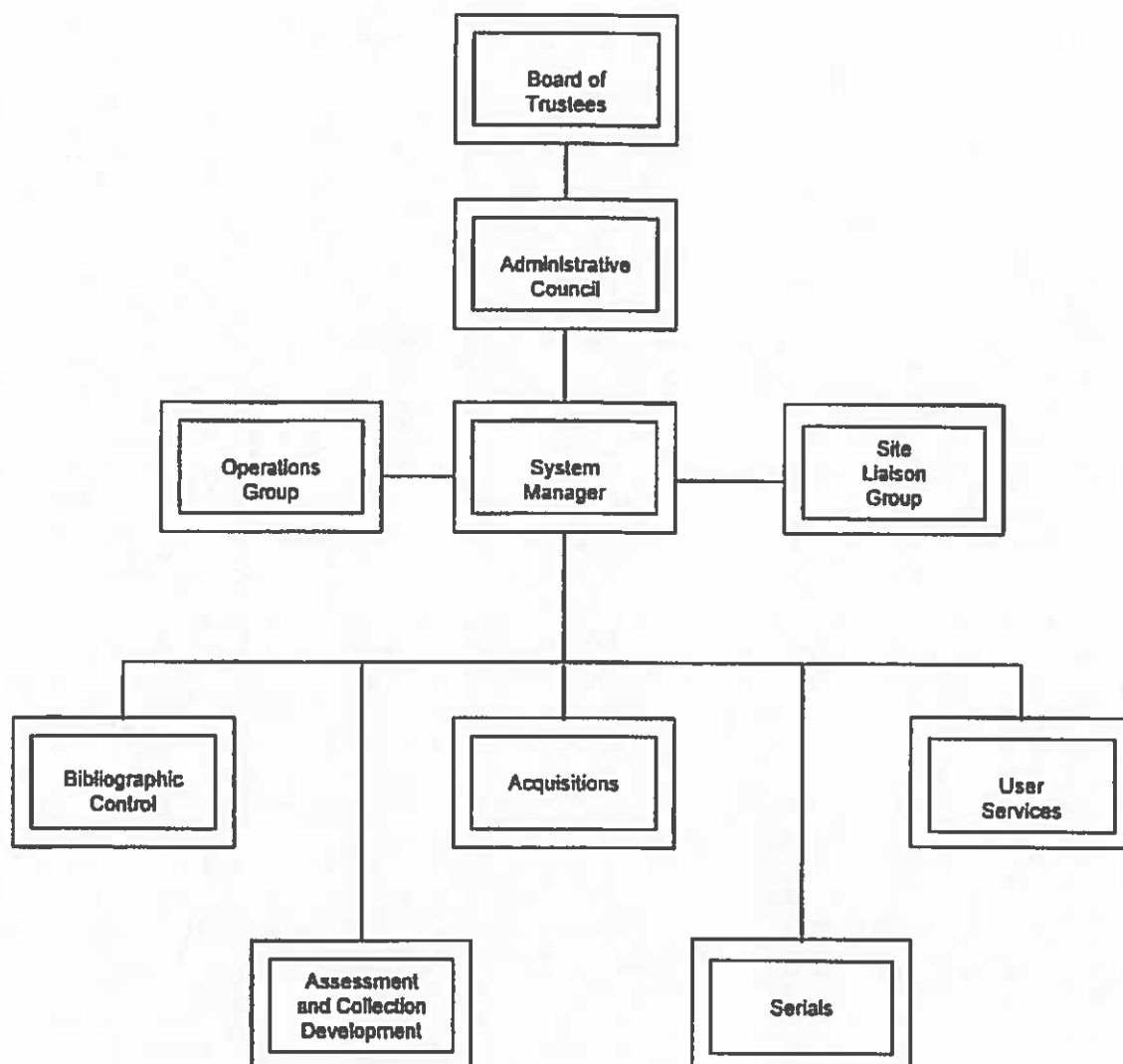
Typed Name: W. Craig Turner

APPENDIX A
ALC ORGANIZATION AND GOVERNANCE

NOTES FOR APPENDIX A

- (a) Board of Trustees consisting of the chief academic officers of Hardin-Simmons University, McMurry University and Abilene Christian University and the Community Services Director of the City of Abilene, establishes direction and policies: owns assets.
- (b) ALC Administrative Council is made up of the Directors of the four founding ALC Libraries which reports to the ALC Board of Trustees.
- (c) System Manager is that person employed by ALC to be responsible for day-to-day operation and management of the system and reports to the ALC Administrative Council.
- (d) Role of ALC Committees: Responsible for making recommendations to the Administrative Council on matters of policy and procedure regarding the implementation and use of subsystems and capabilities of the System. Each committee communicates with the ALC Administrative Council through the System Manager.
- (e) Composition of Each ALC Committee:
 - Chair designated by ALC Administrative Council with annual rotation.
 - Secretary designated by ALC Administrative Council with annual rotation
 - One voting representative per ALC Member or ALC Customer
- (f) Operations Group: Composed of ALC System Manager and one computer staff member from member and member institutions. The group meets periodically to review system operation and plan for system needs.
- (g) Site Liaison Group: is made up of persons from each member and customer library and the system manager. Day-to-day communications between the libraries and ALC on matters of System operation will be conducted with the Library System Liaison.

APPENDIX A
ALC ORGANIZATION AND GOVERNANCE



Abilene Library Consortium

March 1, 1999 a contract with the Abilene Library Consortium (ALC) and the City of Abilene for provision of automated library services was executed. Agreement executed by Roy McDaniel, City Manager. The term of the agreement is automatic renewal from year to year. It has been in continuous effect since the inception of the agreement.

In Partnership with Abilene Christian University, Hardin-Simmons University, McMurry University, and Howard Payne University, Abilene Public Library has a direct involvement with the governance and operations of the Abilene Library Consortium. The Community Services Director sits on the Governing Board and the Librarian sits on the Administrative Council.

Services provided by ALC include the provision of a unified electronic catalog: "Workflows" a product of Sirsi/Dynix utilizing its Symphony platform. This software manages circulation, inventory, acquisitions, and patron management functions for all five major members of the Consortium. Consortium staff maintain and troubleshoot the system, provide customized reports to the library, and assist with technical issues experienced by the staff. They provide training on the systems utilized through the consortium and are available to consult on technical issues that arise from time to time.

Under grants from the Texas State Library and Archives Commission and the Dodge Jones Foundation, the ALC staff has worked diligently to digitize important documents and images pertaining to Abilene. For the City, this has specifically been the digitization of Council documents that are being added to the Portal to Texas History at the University of North Texas. In addition, other archival records held at Abilene Public Library have been digitized, as have special collections of original material from the four university members.

In 2017, the library at Dyess Air Force Base became our newest member at a nominal level as they share the catalog through the consortium and are in a partnership agreement with APL as part of the P-4 program engaged by the City of Abilene and Dyess AFB.

The Abilene Library Consortium also brokers significant savings for some on-line library products that support the research needs of our patrons. Most significantly, the integration of the Ebsco EDS system that allows the public to find and view articles pertaining to research in the catalogs of the entire group.

Abilene Public Library loans materials to the students, faculty and staff of our partner members through the shared catalog using student drivers to transit materials between facilities. Last year we loaned 11,607 items to our partner institutions. We also received materials from them as part of the 4,827 loans we received for our patrons.

Membership in this group is based on service population and any additional services that a group member engages. The current budget shows membership as follows:
Abilene Christian University \$84,046

Abilene Public Library	\$82,996
Howard Payne University	\$62,836
Hardin-Simmons University	\$67,981
McMurry University	\$51,916

Additional minor members are:

OJAC	\$315
Grace Museum	\$315
Dyess AFB	\$1,050
Endowment	\$12,500
 Total Revenue	 \$363,995

This partnership in the Consortium has saved the City of Abilene a significant amount of money over the years. A typical library system can begin at \$250,000 to implement, requires support staff that the city has not had to maintain and typically comes with significant maintenance payments to the system owner each year in the tens of thousands range and up. By remaining in the partnership; citizens have access to the academic collections, and by use of the integrated catalog can see and request materials too prohibitive for the Public Library system to purchase.

Resolution: Agreement Between City of Abilene and Abilene Library Consortium



General Information:

- March 1, 1999 City of Abilene (COA) contracted with Abilene Library Consortium (ALC) for automated library services. ALC provides management of electronic catalog system. The system manages circulation, inventory, acquisitions and patron management functions for all major members.
- ALC is in partnership with COA, Abilene Christian University, Hardin-Simmons University, McMurray University and Howard Payne University.
- Agreement executed by Roy McDaniel, City Manager.
- Term of agreement is automatic annual renewal.
- Community Services Director is member of governing board and City Librarian sits on Administrative Council for ALC.



Fiscal Impact:

- FY 18 Abilene Library Consortium agreement - \$77,408
- FY 19 Abilene Library Consortium agreement - \$79,044
- FY 20 Abilene Library Consortium agreement - \$82,996
- Membership cost based on service population and services provided

Staff Recommendation:

- Staff recommends continuing the agreement with ALC in the amount of \$82,996 for 2019-2020 fiscal year.



Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Greg McCaffery

SUBJECT: 17. Resolution: Received a Report, Hold a Discussion, Public Hearing, and Take Action on Approving a Contract Amendment for the Landfill Agreement between Abilene Landfill, PC, LP and the City of Abilene. (Greg McCaffery)

GENERAL INFORMATION

The City of Abilene has a ongoing agreement with Abilene Landfill pc LP for use of the landfill owned and operated by Abilene Landfill. This agreement is for a period of 5 years and was last amended in August 5, 2014 and expires December 31, 2019.

The agreement requires a review every five years with any adjustments agreed upon by each party prior to the end of the 5th year. The major items within the Amendment 3 are:

1. No rate increase for 2020, the rates will remain the same as the 2019 levels (No rate increase was implemented in 2019).
2. Effective January 1, 2021 the Base Fee shall increase Two (2%) to Twenty Five Dollars and 4/100 (\$25.04) per ton, including State fees, with the exception of manifested Waste which shall be at Six Dollars and 96/100 (\$6.96) per cubic yard for loose waste and Seven Dollars and 8/100 (\$7.08) per cubic yard for compacted waste.
3. The rates will automatically increase Two Percent (2%) each year for the next Four years, beginning January 1, 2022. If State Fees increase or decrease, the rates will be adjusted automatically to reflect the increase or decrease.
4. BFI will donate \$678.00 monthly (\$8,136.00 annually) to Keep Abilene Beautiful, Inc., beginning on the first day of the month following passage of this amendment and will

continue through this amendment.

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

Staff recommends the approval of Amendment 3.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution_Agreement_3
2. REV_Amendment_No_3_2005_Agreement
3. Backup_Info_BFI_Amendment_No_2_2005_Agreement
4. Backup_Info_BFI_Amendment_No_1_2005_Agreement
5. Backup_Info_BFI_2005_Agreement
6. Powerpoint_Amendment_3_Highlights

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, APPROVING AMENDMENT 3 TO THE LANDFILL AGREEMENT BETWEEN THE CITY OF ABILENE AND ABILENE LANDFILL PC LP.

WHEREAS, the City of Abilene desires to amend the existing landfill agreement between the City and Abilene Landfill pc LP; and

WHEREAS, the City has an ongoing 5-year contract with Abilene Landfill pc LP for the use of the disposal of the City of Abilene Solid Waste; and

WHEREAS, each party has mutually agreed to rate amendments for the next 5-years, whereby an Amendment 3 would be incorporated into the overall agreement, replacing Paragraph A. and 13. of the 2005 Amendment.

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

PART 1: That the City Council approves the Amendment 3 to the Landfill Agreement between the City of Abilene and Abilene Landfill pc LP and authorize the City Manager to sign the amendment on behalf of the City.

PART 2: That this Resolution shall take effect immediately from and after passage.

ADOPTED this 7th day of November, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

AMENDMENT 3 TO LANDFILL AGREEMENT

This Amendment 3 to that certain Landfill Agreement dated June 13, 1983, as amended, (the "Agreement") is made by and between the City of Abilene, a municipal corporation of Taylor County and Jones County, Texas ("City") and Abilene Landfill pc LP, a Delaware corporation and successor-in-interest to BFI Waste Systems of North America, Inc. and successor-in-interest to Browning-Ferris, Inc. and successor-in-interest to Regional Landfill, Inc. ("Contractor"). It is mutually agreed by City and Contractor to amend the Agreement only as set forth below. City and Contractor agree that, except solely as modified herein, the terms, provisions and conditions of the Agreement, as previously amended, shall continue in full force and effect.

This document contains the Amendment agreed upon by both parties, and any statements, promises or other representations concerning the Amendment, whether implied, oral or written, made by either party or agents for either party that are not contained in this written Agreement are not binding or valid.

1. Replace Paragraph A. and 13. of the 2005 Amendment to read as follows:

A .

January 1, 2020, all rates to the City of Abilene will remain at 2018 levels (no rate increase was implemented in 2019).

Effective January 1, 2021, the Base Fee shall increase Two Percent (2%) to Twenty Five Dollars and 4/100 (\$25.04) per ton, including State fees, with the exception of Manifested Waste which shall be at Six Dollars and 96/100 (\$6.96) per cubic yard for loose waste and Seven Dollars and 8/100 (\$7.08) per cubic yard for compacted waste.

B.

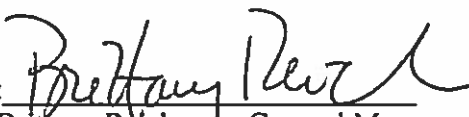
The rates shall automatically increase Two Percent (2%) each year for the next Four (4) years, beginning January 1, 2022. If State Fees increase or decrease, the rates will be adjusted automatically to reflect the increase or decrease. As a goodwill gesture to show its support to the community, BFI will donate \$678.00 monthly (\$8,136.00) to Keep Abilene Beautiful Inc., beginning on the first day of the month following passage of this amendment and will continue through this amendment

IN WITNESS WHEREOF, the parties have executed this agreement
on the _____ day of _____, 2019.

CITY OF ABILENE

ABILENE LANDFILL, TX, LP

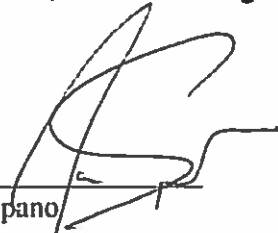
By: _____
Robert Hanna, City Manager

By: 
Brittany Reichenau, General Manager

ATTEST:

ATTEST:

City Secretary


Joseph J. Spano

AMENDMENT 2 TO LANDFILL AGREEMENT

This Amendment 2 to that certain Landfill Agreement dated June 13, 1983, as amended, (the "Agreement") is made by and between the City of Abilene, a municipal corporation of Taylor County and Jones County, Texas ("City") and Abilene Landfill pc LP, a Delaware corporation and successor-in-interest to BFI Waste Systems of North America, Inc. and successor-in-interest to Browning-Ferris, Inc. and successor-in-interest to Regional Landfill, Inc. ("Contractor"). It is mutually agreed by City and Contractor to amend the Agreement only as set forth below. City and Contractor agree that, except solely as modified herein, the terms, provisions and conditions of the Agreement, as previously amended, shall continue in full force and effect.

This document Dilly contains the Amendment agreed upon by both parties, and any statements, promises or other representations concerning the Amendment, whether implied, oral or written, made by either party or agents for either party that are not contained in this written Agreement are not binding or valid.

1. Replace Paragraph A. and 13. of the 2005 Amendment to read as follows:

A.

Effective January 1, 2015, the Base Fee shall be Twenty Three Dollars and 14/100 (\$23.14) per ton, including State fees, with the exception of Manifested Waste which shall be at Six Dollars and 69/100 (\$6.69) per cubic yard for loose waste and Six Dollars and 81/100 (\$6.81) per cubic yard for compacted waste

B.

The rates shall automatically increase Two Percent (2%) each year for the next Four (4) years, beginning January 1, 2016. If State Fees increase or decrease, the rates will be adjusted automatically to reflect the increase or decrease. As a goodwill gesture to show its support to the community, BFI will donate \$678.00 monthly (\$8,136.00) to Keep Abilene Beautiful Inc., beginning on the first day of the month following passage of this amendment and will continue through this amendment

IN WITNESS WHEREOF, the parties have executed this agreement
on the 5th day of August, 2014.

CITY OF ABILENE

ABILENE LANDFILL, TX, LP

By: Larry Gilley
Larry Gilley, City Manager

By: _____
Keith Cordesman, Area President

ATTEST:

[Signature]
City Secretary

ATTEST:

CPI Rate Adjustment
2015-2019
City of Abilene Disposal

True Up Rates after Actual CPI			
Year	CPI 12-Mo Percent Change	Rate per Ton	Manhasset per Loose Yard
01-Jan-10	Base	\$21.23	\$6.11
01-Jan-11	1.60%	\$21.57	\$6.21
01-Jan-12	3.20%	\$22.28	\$6.41
01-Jan-13	2.10%	\$22.73	\$6.54
Adj Rate 7/1/13		\$22.42	\$6.48
01-Jan-14	1.50%	\$22.78	\$6.59
Proposed Amendment Rates:			
01-Jan-15	1.66%	\$23.14	\$6.69

Amendment Rates			
Year	Rate per Ton	Manhasset per Loose Yard	Increase per Amendment
01-Jan-10	\$21.23	\$6.11	Base
01-Jan-11	\$21.44	\$6.17	1%
01-Jan-12	\$21.65	\$6.23	1%
01-Jan-13	\$21.87	\$6.29	1%
Adj Rate 7/1/13	\$21.56	\$6.23	
01-Jan-14	\$21.70	\$6.29	1%

Consumer Price Index - All Urban Consumers

Series Id: CUUR0005A0
Not Seasonally Adjusted
Area: U.S. city average
Item: All items
Base Period: 1982 B4=100
Download:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2004	185.2	186.2	187.4	188	189.1	189.7	189.4	189.5	189.9	190.9	191	190.3	189.9
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.49	208.936	210.177	210.036	207.342
2008	211.08	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.353
2009	211.143	212.193	212.709	213.24	213.856	215.693	215.351	215.834	215.969	216.177	216.33	215.949	214.537
2010	216.887	216.741	217.631	218.178	218.009	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056
2011	220.323	221.309	223.467	224.908	225.964	225.722	225.922	226.545	226.889	226.421	226.23	225.672	224.939
2012	226.665	227.663	229.392	230.025	229.815	229.479	229.104	230.379	231.407	231.317	230.221	229.601	229.594
2013	230.28	232.156	232.773	233.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.557
2014	233.916	234.781	236.293	237.072	237.9								

12-Month Percent Change

Series Id: CUUR0005A0
Not Seasonally Adjusted
Area: U.S. city average
Item: All items
Base Period: 1982 B4=100
Download:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2004	1.9	1.7	1.7	2.3	3.1	3.3	3	2.7	2.5	3.2	3.5	3.3	2.7
2005	3	3	3.1	3.5	2.8	2.5	3.2	3.6	4.7	4.3	3.5	3.4	3.4
2006	4	3.6	3.4	3.5	4.2	4.3	4.1	3.8	2.1	1.3	2	2.5	3.2
2007	2.1	2.4	2.8	2.6	2.7	2.7	2.4	2	2.8	3.5	4.3	4.1	2.8
2008	4.3	4	4	3.9	4.2	5	5.6	5.4	4.9	3.7	1.1	0.1	3.8
2009	0	0.2	-0.4	0.7	-1.3	-1.4	-2.1	-1.5	-1.3	-0.2	1.8	2.7	-0.4
2010	2.6	2.1	2.3	2.2	2	1.1	1.2	1.1	1.1	-0.2	1.8	1.5	1.6
2011	1.6	2.1	2.7	3.2	3.6	3.6	3.6	3.8	2.9	3.5	3.4	3	3.2
2012	2.9	2.9	2.7	2.7	1.7	1.7	1.4	1.7	2	2.2	1.8	1.7	2.1
2013	1.6	2	1.5	1.1	1.4	1.8	2	1.5	1.2	1	1.2	1.5	1.5
2014	1.6	1.1	1.5	2	2.1								

AMENDMENT TO LANDFILL AGREEMENT

This Amendment to that certain Landfill Agreement dated June 13, 1983, as amended, (the "Agreement") is made by and between the City of Abilene, a municipal corporation of Taylor County and Jones County, Texas ("City") and Abilene Landfill TX LP, a Delaware corporation and successor-in-interest to BFI Waste Systems of North America, Inc. and successor-in-interest to Browning-Ferris, Inc. and successor-in-interest to Regional Landfill, Inc. ("Contractor"). It is mutually agreed by City and Contractor to amend the Agreement only as set forth below. City and Contractor agree that, except solely as modified herein, the terms, provisions and conditions of the Agreement, as previously amended, shall continue in full force and effect.

This document fully contains the Amendment agreed upon by both parties, and any statements, promises or other representations concerning the Amendment, whether implied, oral or written, made by either party or agents for either party that are not contained in this written Agreement are not binding or valid.

1. Replace Paragraph A. and B. of the 2005 Amendment to read as follows:

A.

Effective January 1, 2010, the Base Fee shall be Twenty One Dollars and 23/100 (\$21.23) per ton, including State fees, with the exception of Manifested Waste which shall be at Six Dollars and 11/100 (\$6.11) per cubic yard for loose waste and Six Dollars and 26/100 (\$6.26) per cubic yard for compacted waste

B.

The rates shall automatically increase One Percent (1%) each year for the next Four (4) years, beginning January 1, 2011. If State Fees increase or decrease, the rates will be adjusted automatically to reflect the increase or decrease. As a goodwill gesture to show its support to the community, BFI will donate \$678.00 monthly (\$8,136.00) to Keep Abilene Beautiful, Inc., beginning on the first day of the month following passage of this amendment and will continue through this amendment.

IN WITNESS WHEREOF, the parties have executed this agreement on the 5 day of November A.D. 2009.

CITY OF ABILENE

ABILENE LANDFILL, TX, LP

By: [Signature]
City Manager

By: [Signature]
Signature

APPROVED:
[Signature]
City Attorney

B. Briley
Printed Name

ATTEST:
[Signature]
City Secretary

ATTEST:

Secretary of Corporation

**LANDFILL AGREEMENT
WITH AMENDMENTS**

DRAFT

The following is the Landfill Agreement (Oral Resolution, 6-13-83) with all the following amendments incorporated into the text:

Amendment to Landfill Agreement (Res. No. 10A-1985, 1-24-85)
Second Amendment to Landfill Agreement (Oral Resolution, 9-12-85)
Amendments to Landfill Agreement (Res. No. 35-1994, 9-22-94)
Amendments to Landfill Agreement (Res. No. 30-1996, 8-8-96)
Amendment to Landfill Agreement (Res. No. 7-1997, 3-27-97)

LANDFILL AGREEMENT

THIS AGREEMENT made this 13th day of June, 1983, by and between the City of Abilene, a Municipal Corporation of Taylor County, (hereinafter referred to as "City"), and Regional Landfill, Inc., a corporation duly licensed to operate and to do business in the State of Texas (hereinafter referred to as "Contractor").

WITNESSETH

That for and in consideration of the covenants, promises, and agreements set forth herein, it is mutually agreed as follows:

ARTICLE I

**PREMISES AND PURPOSES OF
LANDFILL AGREEMENT**

A. Purpose of Agreement

The purpose of this Agreement is to provide the City with a sanitary landfill site for the depositing, dumping and disposing of wastes, as defined herein, and to compensate the Contractor for operating and maintaining said landfill site (hereinafter referred to as either "landfill" or "landfill site"). The Contractor shall maintain a high standard of operations in order to assure the health and welfare of the public.

B. Description of Premises

The Contractor leases from the owners, Roy D. Knowles, Nellie D. Lightner, and Virginia M. Sadler, the property set forth in Exhibit A, which is made a part of this Agreement. Said property shall constitute the landfill site. A map showing the location is attached as Exhibit B and made a part hereof.

C. Term of Agreement

The term of this Agreement shall be for the lifetime of said landfill, which is estimated to consist of a minimum period of fifty (50) years. This Agreement may be terminated (1) for cause by the City, acting through its City Council, giving the Contractor thirty (30) days notice, (2) by the City's providing the Contractor with three (3) years written notice, (3) by the Contractor giving the City three (3) years written notice, or (4) by any other governmental agency regulating said landfill.

The term of the Agreement shall begin as soon as practicable for both the City and the Contractor, but shall not commence until the City has given the Contractor at least thirty (30) days written notice that the City is ready to commence the Agreement.

It shall be the duty and the responsibility of the Contractor to provide the City with written notice as provided herein at least five (5) years before the end of the landfill's life.

{Res. No. 35-1994, 9-22-94}

ARTICLE II.

RIGHTS AND OBLIGATIONS OF CITY

A. Payment by City

The City agrees to pay the Contractor for all waste brought to the landfill by the City based upon the charges set forth in Article II.B.

The Contractor, upon obtaining a ticket from the City's refuse department vehicle, shall return the ticket to the driver of said vehicle, and the Contractor shall keep daily records of each and every vehicle that unloads at the landfill. The records shall include the date, time of delivery and departure, the truck number, and the tonnage or volume delivered to the landfill. As verification, the driver of the City vehicle shall be given a copy of the above information at the time the volume or tonnage is measured or weighed.

If the City Council authorizes payment by the City for non-commercial waste delivered to the Landfill by residents of the City, then the Contractor agrees to accept any non-commercial waste delivered to the Landfill by any properly identified resident of the City and to bill the City for such waste at the same amount per cubic yard of waste as stated in Article II.B. The City agrees to pay the Contractor for all such properly billed waste.

The Contractor shall send the City invoices monthly, to include the last day of the preceding month. The City shall pay the invoices monthly, not later than by the tenth day of the following month.

For all other vehicles, including, but not limited to, vehicles of government units other than the City of Abilene, whether loaded to capacity or not, hauling commercial and any other wastes, noncommercial wastes of nonresidents, the fees shall be set by the Landfill Contractor. Contractor

shall notify the Council within sixty (60) days of rate changes for routine commercial rates, (not including rates for special handling items or refuse loads or for commercial contract haulers). At least 30 days prior to their proposed effective date, if no action has been taken by the Council, the proposed rates shall automatically become effective per the proposal submitted. Special handling rates charged to Abilene commercial users shall be supplied to the Council once every six (6) months for review to see if the rates are appropriate or need adjustment for future charges.

{Res. No. 10A-1985, 1-24-85; Res. No. 35-1994, 9-22-94}

B. Base Fee and Adjustments

Subject to the provisions set forth below, the City shall pay Contractor Four and 00/100 Dollars (\$4.00) (the "Base Fee") per cubic yard of waste delivered to the Landfill. In addition, City shall reimburse Contractor, when invoiced by Contractor, for any fee imposed by the State of Texas Health and Safety Code S 361.013 (Vernon 1993) and as amended. The manner in which any other refuse disposal fee imposed by the State of Texas or the United States of America is handled shall be negotiated by both parties. The City shall not reimburse the Contractor for any other amounts expended in the operation of this Landfill, including, but not limited to punitive, corrective, rehabilitative, or disciplinary amounts such as civil or criminal penalties, fines, judgments, torts, attorney fees, or settlements imposed by a government agency, through arbitration/mediation or through any administrative, regulatory, or judicial process. Notwithstanding the provisions of Article II, Section B, in the event of a judicial determination arising out of a breach of contract action, the prevailing party shall be entitled to reasonable and necessary attorney fees and costs.

The Base Fee shall become effective October 1, 1994. Effective October 1, 1995, the Base Fee shall be increased to Four and 50/100 Dollars (\$4.50) per cubic yard; effective October 1, 1996, the Base Fee shall be increased to Four and 75/100 Dollars (\$4.75) per cubic yard; and effective October 1, 1997, the Base Fee shall be increased to Five and 00/100 (\$5.00) per cubic yard and shall remain effective through September 30, 1998. On or before April 1, 1998, the City and Contractor shall renegotiate the Base Fee in good faith. If agreement is not reached on a new Base Fee by October 1, 1998, the Base Fee shall be adjusted by the percentage increase of the June CPI-U of the current year over the June CPI-U of the previous year.

There shall be a general overall review of the entire Agreement every five (5) years, from June 13, 1983, in light of fee adjustments and technological advances.

{Res. No. 10A-1985, 1-24-85; Res. No. 35-1994, 9-22-94; Res. No. 30-1996, 8-8-96}

C. Right to Inspect Books

Upon giving reasonable notice to the Contractor, the City shall be permitted to inspect the books and records of the Contractor only as to business conducted with the City at a reasonable time relating to the calculation of the amount to be tendered by the City for payment of fees and/or compensation for operating the landfill.

However, in regard to the volume of all waste that is deposited at the landfill, the City shall be entitled to inspect any and all of the Contractor's books and records upon giving reasonable notice to the Contractor .

D. Financial Statements

Upon request, the Contractor shall furnish to the City annual financial statements for the Regional Landfill site that have been prepared and certified by a Certified Public Accountant, which reports shall be based on the Contractor's fiscal year, and such statements shall be furnished to the City within ninety (90) days after the end of each fiscal year.

{Res. No. 35-1994, 9-22-94}

E. Reserved

{Res. No. 10A-1985, 1-24-85; Res. No. 35-1994, 9-22-94}

F. Inspection of Promises and Emergency Procedures

To ensure that the Contractor is in compliance with the terms of this Agreement, the City along with any other governmental agencies dealing with landfills, shall be allowed to make inspections of the landfill site during regular business hours, or such other times as are mutually agreeable. Such inspection shall not interfere with the operation of the landfill.

If for any reason, the Contractor fails to comply with the terms of the Texas Natural Resource Conservation Commission regulations or any other ordinance, law or regulation such that the Contractor's permit with the State of Texas is suspended or revoked, the Contractor shall immediately notify the City in writing of said suspension or revocation. Such suspension or revocation shall be considered to be an emergency.

In the case of suspension or revocation, the Contractor shall immediately cease operations and the City shall be entitled to immediately make arrangements for the continued operation and maintenance of said landfill, including using any or all of the equipment the Contractor uses in carrying out the terms of this Agreement. The City shall be entitled to continue such operations solely for the City's and its residents' use until either the Contractor is able to resume operations or until other arrangements have been made. The City shall compensate the Contractor for use of the Contractor's equipment during said emergency, said compensation being the reasonable cost of operating the equipment.

During such period, the liability of the City to the Contractor for loss or damage to such equipment so used shall be that of a bailee for hire, i.e., the City shall be liable for damages or injuries caused by a city employee's failure to use the care that an ordinarily prudent person would have used in his own business under like circumstances. Ordinary wear and tear is specifically exempt from such liability. However, if the Contractor is unable or unwilling for any or for no reason to resume performance at the end of thirty (30) days after suspension or revocation of the permit to operate, all liability of the City under this Agreement shall cease and the City shall be free to negotiate for

other landfill sites. However, if the City should have to find another landfill site or sites, that shall not release the Contractor of his liability to the City for breach of this Agreement.

{Res. No. 35-1994, 9-22-94}

G. Purchase Option

If the Contractor should decide to sell all or part of the landfill site, the Contractor shall, before any offers have been solicited, give the City the right of first refusal to purchase the landfill site, including any and all improvements, at the fair market value. To determine the fair market value, both the Contractor and the City shall have the right to appoint a MAI appraiser. In the event that the two MAI appraisers cannot agree upon a fair market value, the two appraisers shall appoint a third appraiser, and a decision of the majority of the appraisers shall be conclusive as to the fair market value of the property with any improvements thereon.

The approach utilized by such appraisers in determining the fair market value shall be based upon the market value as determined by the three approaches in estimating value, which are the income approach, the market data approach, and reproduction less depreciation approach.

In the event of the exercise and acceptance of the City's right of first refusal, the Contractor shall furnish either a title insurance policy or complete abstracts of title, at City's option. The Contractor shall thereafter execute and deliver a General Warranty Deed to the City in exchange for the fair market value of the property and any improvements.

Should the City exercise its right of first refusal and purchase the landfill site, it is expressly understood and agreed between both parties to this Agreement that the City will not be held liable for any liabilities of the Contractor that existed prior to or that arose prior to the City's purchase of said landfill.

ARTICLE III.

RIGHTS AND OBLIGATIONS OF CONTRACTOR

A. Operation of Landfill Site

The Contractor shall have the responsibility of operating and maintaining the landfill. The Contractor grants the City the right to enter upon and use the landfill for the purpose of depositing, dumping and disposing of waste thereon. Such waste shall be limited to that generated within the present and any subsequently revised City limits of the City of Abilene, Texas, and within the first one mile of the City's extraterritorial jurisdiction.

The Contractor shall receive in the landfill site all household waste, refuse and trash, as defined herein. In so operating, the Contractor shall do everything necessary in order to comply with all city, county, state and federal laws, ordinances, rules and regulations concerning landfills which are presently in effect or which may become effective in the future.

It is understood and agreed between both parties that the Contractor is free to contract with other businesses and/or entities regarding the use of the landfill, but in so doing, the Contractor shall do nothing to adversely affect the terms and conditions of this Agreement, and the Contractor shall provide the City with prior written notice of such other contracts.

The Contractor also agrees to provide the City thirty (30) days written notice before changing any of the methods of treatment and/or disposal of waste at the landfill.

{Res. No. 35-1994, 9-22-94}

B. Free Dumping of Noncommercial Waste by Abilene Residents.

If authorized by the City Council, any resident of the City of Abilene shall be entitled to dispose of noncommercial waste, as defined below, at the landfill without incurring a charge upon presentation of a driver's license or other proof of residence in Abilene to the attendant at the entrance of the landfill. Noncommercial waste shall be all other waste that is not commercial waste. Commercial waste is defined to mean waste from any person, business, or organization attempting to make a profit, and shall include but not be limited to multi-family residences, apartments, commercial businesses, or individuals who are in business to earn a profit.

In addition, the Contractor shall have the right to designate any area for Abilene residents to dump their waste and to refuse acceptance of any nonconforming waste.

{Res. No. 35-1994, 9-22-94}

C. Definition of Waste; Toxic Waste and Hazardous Waste

In accordance with Section 27-1 of the City Code, and any amendments thereto, "waste" is defined as rubbish, garbage, trash or any material that has been discarded, rejected, cast aside or thrown away as being worthless, except body wastes, including but not limited to feathers, coffee grounds, ashes, tin cans, papers, boxes, glass, grass, wood, shrubs, yard cleanings, yard clippings, leaves, tree trimmings and similar matter.

Waste shall not include septic tank pumpings, hazardous waste, explosive or flammable waste, toxic wastes, radioactive wastes or abandoned vehicles. Such definition shall not limit the definition of waste as defined by rules, regulations or laws of the county, state or federal government. For purposes of this Agreement, the definition of toxic waste and/or hazardous waste shall be defined according to the latest regulations of the Environmental Protection Agency or such other agency exercising its responsibilities.

The City has genuine concerns about the waste that is deposited at the landfill, particularly insofar as it presents a potential health hazard or a hazard to the watershed. In order to protect the health and welfare of the residents of Abilene, the Contractor shall take all precautions to prevent toxic substances and/or hazardous wastes from adversely affecting the area or areas within the landfill site where the City is or may in the future be disposing of its wastes. In the event that either toxic substances and/or hazardous wastes are deposited at the landfill, the City, through the City

Council, shall have the right to terminate this Agreement by giving the Contractor thirty (30) days notice.

It is expressly understood and agreed that the Contractor shall:

- (1) Give the City prior notice before allowing any item that is specifically excluded from the definition of waste to be deposited at the landfill, including (a) the quantity or volume to be deposited, (b) the date of the deposit, (c) a description of the matter, and (d) if known, the travel routes that will be used to transport the item to the landfill site,
- (2) Provide the City with a list of each party that is presently allowed to deposit at the landfill any item that is specifically excluded from the definition of waste, including (1) (a) through (d) above, and
- (3) Before entering into any agreements with a third party regarding depositing any item that is specifically excluded from the definition of waste, provide the City with at least sixty (60) days prior written notice, including (1)(a) through (d) above.

It is expressly understood and agreed that the City shall not authorize any item that is expressly excluded from the definition of waste to be hauled to and deposited at the landfill without giving the Contractor prior written notification, if at all possible, or if it is impossible to give such notification, then the City shall immediately thereafter give the Contractor written notice.

D. Improvements

Should the City desire additional improvements at the landfill site, it shall notify the Contractor in writing of such desire. Any improvements that the City places on the landfill site shall be such that they can be moved to a different location if necessary, as stated below. The Contractor shall not unreasonably withhold consent to said improvements. Any improvements requested by the City shall be made solely at the City's expense, at a price to be agreed upon, and shall remain the property of the City absent written agreement between the parties to the contrary.

If the Contractor wishes to have the City move any of the City's improvements from one location of the landfill to another location, in order to use that particular location as a "cell" (as defined under Article III S), the Contractor shall give the City a reasonable period of time to do so.

E. Provide Cover Material

In accordance with the Texas Natural Resource Conservation Commission (or any other agency exercising its responsibilities) rules and regulations, the Contractor shall provide a cover of at least six (6) inches of compacted earth over the waste at least once each day that the landfill is operated. The Contractor is solely responsible for and shall solely bear the cost of procuring and providing all cover materials.

{Res. No. 35-1994, 9-22-94}

F. Hours of Operation

For the purpose of conducting business with the City, the Contractor shall hereinafter keep the landfill site open for access to the City and to its residents during at least the following:

7:00 AM to 5:45 PM, Monday, Tuesday, Thursday, & Friday
9:00 AM to 5:00 PM, Wednesday
9:00 AM to 1:00 PM, Saturday

However, the Landfill site may be closed on any holiday that the City of Abilene is not collecting refuse for disposal.

{Oral Resolution, 9-12-85; Res. No. 35-1994, 9-22-94; Res. No. 30-1996, 8-8-96; Res. No. 7-1997, 3-24-97}

G. Pay Taxes and Maintain Permits

The Contractor agrees that no payments owed by the Contractor of any nature whatsoever to City, the Abilene Independent School District, or the West Central Texas Municipal Water District, including payment in advance for service charges, or any sums of any character whatsoever, shall become delinquent or in arrears. The Contractor shall, during the term of this Agreement, obtain and pay for all licenses and permits necessary or required by law for the operation and maintenance of the landfill. The City shall assist the Contractor where necessary in obtaining said permits.

H. Maintain an All-weather Road and Wet Weather Areas

The Contractor shall maintain all-weather roads leading to the landfill from the public streets as well as maintaining all-weather roads from the entrance of the landfill to the dumping site or sites for the City.

Furthermore, the Contractor shall always provide one or more wet weather areas as needed and maintain sufficient auxiliary equipment at the landfill site to get any of the City's equipment out of muddy or flooded designated wet weather areas. The City shall be responsible for connecting the City equipment with the Contractor's equipment.

I. Furnish Labor, Materials, Equipment, and Power

The Contractor shall furnish all labor, tools, equipment, and power at its sole expense for the operation and maintenance of the landfill, including maintaining auxiliary equipment to permit continuous operation of the landfill in the event of an equipment breakdown, adverse weather conditions, or an increase in volume of waste to be handled.

In addition, a water supply and equipment necessary to extinguish fires shall be readily available at all times and shall be provided for and paid by the Contractor.

J. Furnish Personnel

The Contractor shall furnish sufficient personnel who are qualified to supervise the disposal of waste at the landfill site. At least one such person shall remain at the entrance to the landfill during all hours of operation.

The landfill shall be continuously policed by the Contractor to prevent fire and to keep the site neat and sanitary at all times.

K. Provide Fence

The Contractor shall maintain a fence around the entire site and take any other necessary measures to control the blowing of paper and/or other materials from the landfill.

L. Provide Signs at Each Entrance

The Contractor shall provide, at its own expense, at least one sign at each entrance to the landfill to inform the public of the location, the hours of operation, and charges for use of the landfill by non-residents of the City of Abilene, for commercial use and any increased fees. All signs erected shall be approved by the City, which approval shall not be unreasonably withheld.

M. Provide Traffic Control

The Contractor agrees to cooperate with the City to assure proper and adequate traffic control for entering and exiting the landfill.

N. Indemnity

The Contractor agrees to indemnify and hold harmless and defend the City, its officers and its employees, from and against all claims and suits for damages, injuries to persons (including death), property damage, losses, and expenses, including court costs and attorneys' fees, arising out of or resulting from Contractor's work under this Agreement and from any liability arising out of or in connection with the City's or its agents or employees entry upon said property, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part upon the negligent or intentional acts or omissions of the Contractor, its officers, employees, agents, subcontractors, licensees, or invitees. The Contractor agrees to waive any and all claims it may have against the City, connected with, resulting from, or arising out of, claims and suits covered by this indemnification provision and agrees that any insurance carrier involved shall not be entitled to subrogation under any circumstances against the City, its officers, and employees.

O. Insurance

1. Coverage

The Contractor agrees at all times during the term of this Agreement to maintain in full force and effect one or more insurance policies. The insurance policy or policies shall be approved by the

City Attorney and shall be issued by a company or companies authorized to do business in the State of Texas, in at least the following minimum amounts:

<u>TYPE</u>	<u>MINIMUM LIMITS</u>
Workers Compensation and Employer's Liability	Statutory: \$100,000 per occurrence
Comprehensive Liability, including: 1. Premises/Operations 2. Products/Completed Operations 3. Contractual Liability 4. Personal Injury Liability 5. Coverage for Explosion, Collapse and Underground Property Damage 6. Independent Contractors	Bodily Injury: \$250,000 per person \$500,000 per occurrence Property Damage: \$500,000 per occurrence
Comprehensive Automobile Liability, including owned, non-owned and hired car coverage	Bodily Injury: \$250,000 per person \$500,000 per occurrence Property Damage: \$50,000 per occurrence
Umbrella Liability	\$5,000,000 per occurrence

The preceding minimum amounts notwithstanding, City reserves the right to increase the minimum required insurance to be effective thirty (30) days after notice is sent to the address provided herein.

Prior to the effective date of this Agreement, the Contractor shall furnish the City Secretary certificates of insurance or other evidence satisfactory to the City stating that such insurance has been procured and has been in effect as of the commencement of the Agreement.

Furthermore, the Contractor agrees to furnish to the City Secretary new certificates of insurance or copies of policies plainly and clearly evidencing proof of insurance prior to the expiration date of any prior certificate. It is further agreed that such insurance as is afforded by the policy or policies to the City as an additional insured under this policy, shall be primary insurance and not contributing with any other insurance available to the City under any third party liability policy.

2. Limitation as to Policies

All policies or certificates shall contain the following provisions:

- a. The City of Abilene, Texas, shall be named as an additional insured.

- b. Such certificates shall state that such insurance shall not be canceled or modified so as to reduce the coverage in any way without at least thirty (30) days advance notice in writing to the City.

{Res. No. 10A-1985, 1-24-85}

P. Reserved

{Res. No. 10A-1985, 1-24-85; Res. No. 35-1994, 9-22-94}

Q. Post Closure

Following closure of the landfill site, the Contractor shall be solely responsible for any post closure or maintenance responsibilities at the landfill site and the Contractor shall bear all costs incurred therein.

R. Status of Operator as Independent Contractor

Contractor shall carry out the terms of this Contract as an Independent Contractor and not as an agent, servant, or employee of the City. Likewise, the employees of the Contractor are not the agents, servants or employees of the City.

S. Contingency Cell

The Contractor shall reserve a semi-completed unused cell to be used by the City in the event of an emergency. (*Cell as used herein refers to a prepared area for municipal garbage as per the latest regulations of the Texas Natural Resource Conservation Commission or any other agency exercising its responsibilities; provided that the area shall be able to contain at least two (2) months usage.) In such an event, the Contractor shall do everything legally possible to prepare the cell for immediate completion.

{Res. No. 35-1994, 9-22-94}

ARTICLE IV

GENERAL PROVISIONS

A. Notice

All notices as to conditions or situations affecting the work to be performed under this Agreement shall be given in writing between designated operating personnel of the Contractor and the City. All other notices shall be given in writing, to be delivered by Certified Mail, to the parties at their respective addresses as set forth below:

To Contractor: BFI Regional Landfill, Inc.
P. O. Box 3391
Abilene, Texas 79604

To City: Director of Public Works
City of Abilene
P. O. Box 60
Abilene, Texas 79604

{Res. No. 35-1994, 9-22-94}

B. Failure to Perform

Except as otherwise stated herein, this Agreement may be terminated by either party only upon material failure to comply with any of the terms or conditions of the Agreement. If either party wishes to terminate the Agreement, that party shall provide written notice of same to the other party at least thirty (30) days prior to the termination. Such written notice must contain clear, concise statements as to the terms or conditions of the Agreement that have allegedly been violated. The party receiving notice of the termination shall have thirty (30) days to cure such condition without being in violation of this Agreement.

In the event that the Contractor shall fail to cure any defect by the end of the thirty (30) day period, the City shall have the option to terminate this Agreement without giving further notice of the termination or to begin steps to operate and to maintain the landfill in the place of the Contractor, as detailed in Article II F.

However, termination of said Agreement due to failure to perform with the terms of this Agreement must not be due to an event of force majeure(sic), as set forth below.

C. Settlement of Disputes

If a dispute arises as to the terms of this Agreement, both the City and the Contractor shall make every reasonable effort to resolve the dispute.

D. Force Majeur(sic)

The obligations of the City and the Contractor shall be excused from performance during such times when compliance with the terms of this Agreement is rendered impossible or impractical by reason of strikes or other labor disputes by persons other than the employees of the Contractor, riots, wars, Acts of God, governmental prohibition or court or agency order or injunction, or other similar circumstances beyond the reasonable control of the City or the Contractor.

E. Assignment

This Agreement is assignable only by obtaining prior written consent of both parties; such assignment shall be binding upon and inure to the benefit of the parties thereto and their respective

successors and assigns. Such consent shall not be unreasonably withheld nor required in the event of assignment by operation of law.

F. Amendment

This Agreement may be amended only by an instrument in writing signed by both parties.

G. Savings Clause

If one or more provisions or clauses contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement; this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

H. Liabilities of the City

In addition to the hold harmless clause, the City shall not be responsible nor liable to the Contractor for any loss or damage to the Contractor or to its property from the stoppage or breaking of utility pipes or for the leakage of water, gas, sewer, or steam, or the failure to furnish, or the stoppage of, the services to be furnished to the premises.

I. Entire Agreement

This Agreement, together with all Exhibits attached hereto, contains the entire agreement of the City and the Contractor and no representations, inducements, premises or agreements, oral or written, between the parties not embodied herein shall be of force or effect.

J. Interpretation

Although drawn by the City, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

K. Venue

Venue for any legal proceedings shall be in Taylor County, Texas.

IN WITNESS WHEREOF, the parties have executed this Agreement in two (2) counterparts, each of which shall be deemed an original, the 13th day of June, 1983.

WP61/REFUSE/AGREEMNT COR
7/14/98

Resolution No. 7-2005

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ABILENE, TEXAS, AMENDING THE LANDFILL AGREEMENT

WHEREAS, the City entered into a contract with Regional Landfill, Inc. on June 13, 1983, for the purpose of landfill services; and,

WHEREAS, said Agreement has been previously amended; and,

WHEREAS, the landfill was purchased by Browning-Ferris, Inc. and said contract was assumed by them; and

WHEREAS, Browning-Ferris, Inc. has been acquired by Allied Waste Systems, Inc., and now operates the landfill through BFI Waste Systems of North America, Inc.; and,

WHEREAS, said agreement as amended calls for a general overall review of the entire Agreement every five years; and,

WHEREAS, after review, it has been found to be necessary to amend the Agreement; and

WHEREAS, the proposed amendment has been set forth in the attached Amendment to Landfill Agreement; now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That the City Council authorizes the City Manager to execute the attached Amendment to Landfill Agreement to become effective April 1, 2005 and to remain in effect until April 1, 2010.

ADOPTED this 24th day of March, A. D., 2005

ATTEST:


City Secretary


Mayor

APPROVED:


City Attorney

AMENDMENT TO LANDFILL AGREEMENT

This Amendment to that certain Landfill Agreement dated June 13, 1983, as amended, (the "Agreement") is made by and between the City of Abilene, a municipal corporation of Taylor County and Jones County, Texas ("City") and BFI Waste Systems of North America, Inc., a Delaware corporation and successor-in-interest to Browning-Ferris, Inc. and successor-in-interest to Regional Landfill, Inc. ("Contractor"). It is mutually agreed by City and Contractor to amend the Agreement only as set forth below. City and Contractor agree that, except solely as modified herein, the terms, provisions and conditions of the Agreement, as previously amended, shall continue in full force and effect.

This document fully contains the amendment agreed upon by both parties, and any statements, promises or other representations concerning the Amendment, whether implied, oral or written, made by either party or agents for either party that are not contained in this written Amendment are not binding or valid.

1. Amend Article I, Section A, of the 1983 agreement, as amended by adding a second paragraph: "For this contract, the point of contact for the city of Abilene shall be the City Manager."

2. Replace Paragraph A. and B. of the 2000 amendment to read as follows:

A.

Effective April 1, 2005, the Base Fee shall be Twenty Dollars (\$20.00) per ton, including State fees, with the exception of Manifested Waste which shall remain at Five Dollars and 75/100 (\$5.75) per cubic yard for loose waste and Five Dollars and 90/100 (\$5.90) per cubic yard for compacted waste.

B.

The rates shall automatically increase One Percent (1%) each year for the next four (4) years, beginning January 1, 2006. If State Fees increase or decrease, the rates will be adjusted automatically to reflect the increase or decrease.

As a goodwill gesture to show its support of the community, BFI will donate \$665.00 monthly (\$7,980 annually) to Keep Abilene Beautiful, Inc., beginning on the first day of the month following passage of this amendment and will continue throughout this amendment.

IN WITNESS WHEREOF, the parties have executed this agreement on the
1st day of April, A. D. 2005.

CITY OF ABILENE

BFI Waste Systems of
North America, Inc.

By: [Signature]
City Manager

By: [Signature]
Signature

APPROVED:

Matt Wood
Printed Name

[Signature]
City Attorney

ATTEST:

ATTEST:

[Signature]
City Secretary

Secretary of Corporation

Resolution: Approving a Contract Amendment for the Landfill Agreement between the City of Abilene and Abilene Landfill, PC, LP

(G. McCaffery)

Amendment for the Landfill Agreement Highlights

- Contract Limits: January 1, 2020 to December 31, 2025
- 2020 Rates will remain at the 2018 levels (No Rate Increase was Implemented in 2019)
- Effective January 1, 2021 the Base Fee shall increase 2 % to \$25.04 per ton, including State fees
- Manifested Waste shall be \$6.96 per cubic yard and \$7.08 per cubic yard compacted
- The rates shall automatically increase 2% per year for the next Four years, beginning January 1, 2022
- If State Fees increase or decrease the rates will be adjusted automatically to reflect the increase or decrease.
- Abilene Landfill, TX, LP will donate \$678.00 monthly (\$8,136.00/year), to Keep Abilene Beautiful, Inc. through this agreement



Questions?



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Greg McCaffery

SUBJECT: 18. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving an Amendment to the Street Maintenance Advisory and Appeals Board Prior Resolution that Established Bi-annual Meeting Dates for the Board. (Greg McCaffery)

GENERAL INFORMATION

The Street Maintenance Advisory and Appeals Board met on October 24, 2019 to discuss and provide a recommendation amending their meeting dates within the Resolution developed and approved on March 8, 2018 by the City Council.

The Board has met several times over the last year regarding 2019 and 2020 street projects, Land Use Categories, Trip Factors appeals, evaluations and recommendations. The Board desires to amend the required meeting dates from January and July of each year to June and September of each year.

These proposed meeting date changes would allow the Board to evaluate future year street improvement projects for the upcoming year. Additionally, these meeting dates would align with future design and construction activities on yearly street improvement projects.

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution_SMAAB_Meeting_Dates
2. Backup_030818_Resolution_Establishing_SMAAB
3. Powerpoint_SMAAB_Mtg_Dates

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, AMENDING THE MEETING DATES OF THE STREET MAINTENANCE ADVISORY AND APPEALS BOARD.

WHEREAS, the City of Abilene established a Street Maintenance Advisory and Appeals Board through resolution on March 8, 2018; and

WHEREAS, the resolution outlined set meeting months of January and July of each year for the Board; and

WHEREAS, the Street Maintenance Advisory and Appeals Board has determined it best to amend the standing minimum meetings to June and September of each year, whereby allowing for timely input to the Director of Public Works on the evaluation and recommendation of yearly street improvement projects.

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

PART 1: That the City Council approves the amending of the Street Maintenance Advisory and Appeals Board meeting in June and September of each year.

PART 2: That this Resolution shall take effect immediately from and after passage.

ADOPTED this 7th day of November, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,
ESTABLISHING THE STREET MAINTENANCE ADVISORY AND APPEALS BOARD.**

WHEREAS, the City of Abilene seeks to create a Street Maintenance Advisory and Appeals Board; and

WHEREAS, the City of Abilene believes a Street Maintenance Advisory and Appeals Board will better assist the City in determining and planning street improvements; and

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

- PART 1:** That there is hereby established the Street Maintenance Advisory and Appeals Board for the City of Abilene, Texas.
- PART 2:** The Board shall, (a) advise the Director of Public Works, as may be necessary from time to time, to identify and determine the sequencing of street maintenance projects, and thoroughfare alignments; (b) recommend a list of projects for funding to the City Manager for incorporation into the city's annual budget; (c) advise the Director of Public Works in determining accountability criteria to measure the performance of the City's street maintenance program; (d) submit an accountability report to the City Council on an annual basis; (e) in the event the City Council adopts a Street Maintenance Fee, serve as a final appeals board for any land use category classification disputes arising from the administration of the street maintenance fee program; and (f) in the event the City Council adopts a Street Maintenance Fee, aid the Director of Public Works in establishing new land use categories, amending land use categories, and determining trip factors based on the ITE Trip generation Manual 9th Edition, as amended, to the same.
- PART 3:** That the Board shall be comprised of seven (7) voting members, who will be appointed by the Mayor and confirmed by an affirmative vote of at least four members of the City Council. All voting members of the board shall be residents of the City of Abilene.
- PART 4:** That the voting members shall each occupy a place on the board, such places being numbered 1, 2, 3, 4, 5, 6, and 7, respectively. The term of office for all voting members is two (2) years and begin in March. The term of office for places 1, 3, 5, and 7 shall expire on odd-numbered years. The term of office for places 2, 4, and 6 shall expire on even-numbered years. The initial term of office for places 1, 3, 5, and 7 shall expire in 2021. The initial term of office for places 2, 4, and 6 shall expire in 2020.
- PART 5:** That the Director of Public Works for the City of Abilene, shall be an ex officio, non-voting member of the Board and may act in an advisory capacity to the Board.

PART 6: That the Board shall follow the Rules of Procedure adopted by the City Council, as applicable, for its rules of procedure, except as may be modified by this Resolution.

PART 7: That the Board shall meet as requested by the City Council or City Manager, but in any event shall meet in January and July of each year.

PART 8: That this Resolution takes effect immediately upon its adoption.

ADOPTED this 8th day of March, 2018.

ATTEST:



Rosa Rios, City Secretary



Anthony Williams, Mayor

APPROVED:



Stanley Smith, City Attorney

Resolution: Amending the Yearly Meeting Dates of the Street Maintenance Advisory and Appeals Board

(G. McCaffery)

Yearly Meeting dates of the Street Maintenance Advisory and Appeals Board

2015 Bond Street Improvements Overview

- Board Established March 8, 2018 through resolution of the City Council
- Set Meeting Dates are currently to be in January and July of Each Year
- Timely and Sequencing of Design and Construction, Yearly Evaluation and Recommendations to the Director of Public Works
- Recommendation of Board to Move and Set Future Meetings to June and September of Each Year

Questions?



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Greg McCaffery

SUBJECT: 19. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Use of the Surplus 2015 Street Bond Proceeds towards the Design and Construction of Sayles Boulevard from South Danville Drive to Buffalo Gap Road to be Constructed in 2020. (Greg McCaffery)

GENERAL INFORMATION

The City of Abilene has over the last 4 years been completing street improvements through a 2015 Bond Program. This program consisted of 25 major street projects throughout the City, with an original estimated combined cost of \$46.0 million dollars. As of October 2019, 20 of these projects have been completed with the remaining 5 projects to be completed in 2020.

Most of the projects have come in under the original budget, with much of the design engineering being completed in-house through the Engineering Services Division staff. This has resulted in a surplus of approximately \$5.0 million dollars available for street improvements use.

City staff is recommending a portion of these funds be used for the design and construction of Sayles Boulevard from South Danville Drive to Buffalo Gap Road.

Additionally, the Street Maintenance Advisory & Appeals Board has recommended Sayles Blvd as a candidate for surplus Street Bond funds.

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

Staff recommends approval of the use of surplus 2015 Bond Funds for street improvements towards Salyes Boulevard.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution_Support_Sayles
2. Salyes_Blvd_Improvements

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, APPROVING USE OF SURPLUS 2015 BOND STREET IMPROVEMENT FUNDS TOWARDS THE DESIGN AND CONSTRUCTION OF SAYLES BOULEVARD FROM SOUTH DANVILLE DRIVE TO BUFFALO GAP ROAD.

WHEREAS, the City of Abilene had approved the use of 2015 Bonds for various street improvement projects throughout various locations around the City; and

WHEREAS, twenty of the twenty-five street improvement projects have been completed as of October 2019, with the remaining five projects to be completed in 2020; and

WHEREAS, the bonds funds, approximately \$46.0 million, that were earmarked towards these street improvements, it is estimated that approximately \$5.0 million will be remaining once all twenty-five projects are completed; and

WHEREAS, the Street Maintenance Advisory and Appeals Board has made a recommendation that any remaining surplus 2015 Bond Funds for Street Improvements should be used toward the street improvement of Sayles Boulevard from South Danville Drive to Buffalo Gap Road.

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

PART 1: That the City Council approves the use of surplus 2015 Bond Funds for street improvements to Sayles Boulevard towards design and construction in 2020.

PART 2: That this Resolution shall take effect immediately from and after passage.

ADOPTED this 7th day of November, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

Resolution: Request to Use A Portion of the Surplus 2015 Bond Proceeds for Street Improvements Towards Sayles Boulevard - Design and Construction

(G. McCaffery)

2015 Bond Street Improvements Overview

- 25 Major Street Projects at a Estimate Costs of \$46 million
- 20 Projects Have Been Completed as of October 2019
- 5 Projects will be Completed in 2020 Construction
- Estimated Savings of \$5 Million Once all Projects Have Been Completed

Salyes Boulevard Project

South Danville Drive to Buffalo Gap Road

- Asphalt Overlay Project, with Major & Minor Base Repairs and Concrete Intersection Improvements

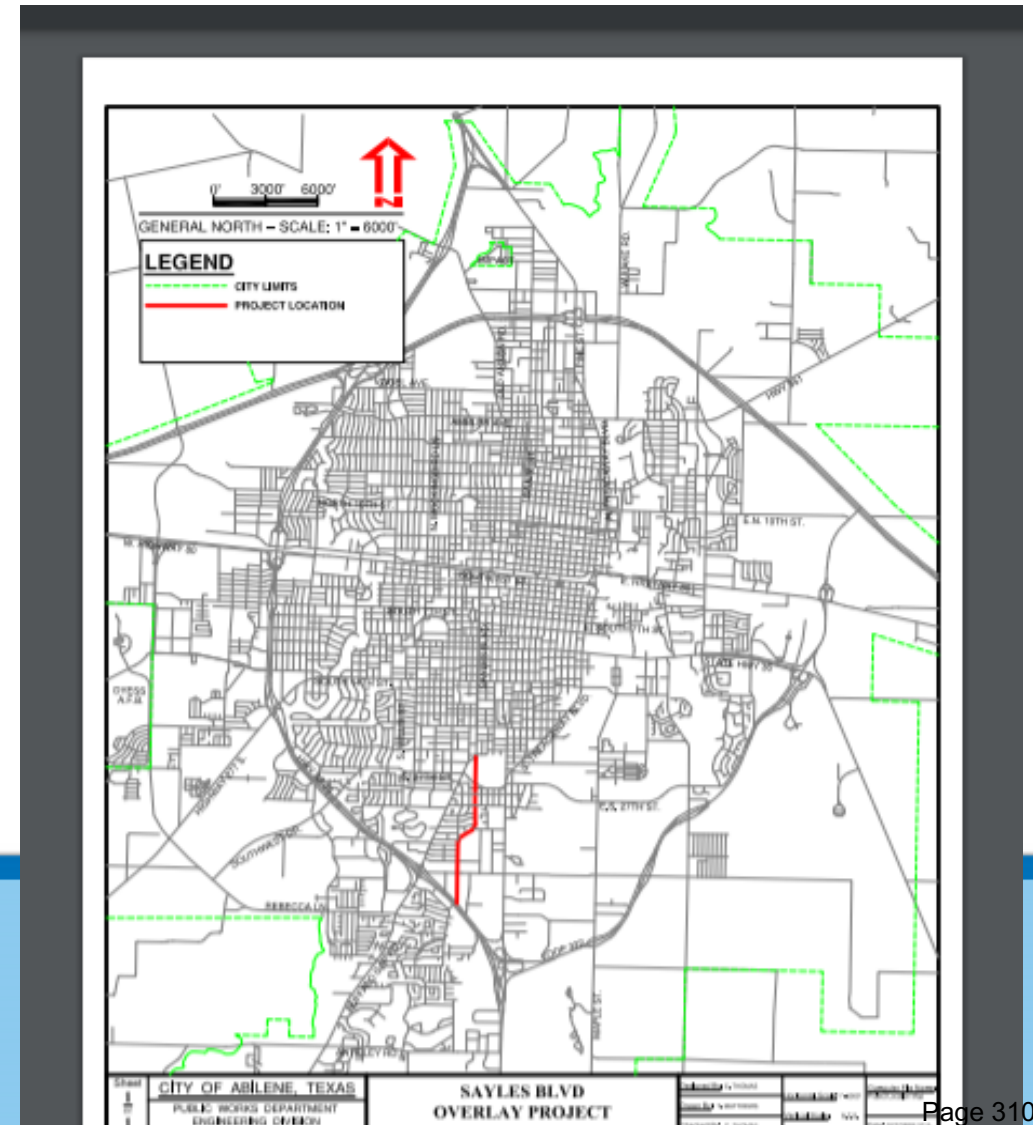
• Construction Costs Estimated at	\$ 2,378,660
• Engineering Design Estimated at	\$ 240,000
Total Costs	\$ 2,618,660

- Construction 2020

2015 Bond Street Improvements Overview

Salyes Boulevard Project Location

From
South Danville Drive
to
Buffalo Gap Road



Questions?



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Greg McCaffery

SUBJECT: 20. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on the Support to the West Central Texas Council of Government Towards a USDA Rural Development Solid Waste Management Grant for FY 2020-21. (Greg McCaffery)

GENERAL INFORMATION

The City of Abilene is a standing member of the West Central Texas Council of Governments (WCTCOG).

The WCTCOG is seeking community members' support towards a USDA Rural Development Solid Waste Management Grant for FY 2020-21 for which their Environmental Services Department is applying for in the FY 2020-2021.

This grant, if awarded, will provide assistance to smaller cities towards technical assistance in enforcement of illegal dumping, recycling events and management & operations of landfills.

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

Staff supports this grant application submittal.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution_Support_WCTCOG_SWM_Grant
2. Backup_WCTCOG_Support_Grant_Request
3. PowerPoint_Resolution_Support_WCTCOG_Grant_SWM

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, TOWARD THE SUPPORT OF THE WEST CENTRAL TEXAS COUNCIL OF GOVERNMENTS USDA RURAL DEVELOPMENT SOLID WASTE MANAGEMENT GRANT FOR FY 2020-21.

WHEREAS, the City of Abilene is a standing member within the West Central Texas Council of Governments; and

WHEREAS, the West Central Texas Council of Governments, Environmental Services Department, is applying for a USDA Rural Development Solid Waste Management Grant for FY 2020-2021; and

WHEREAS, the Grant would provide for technical assistance regarding illegal dumping and recycling event & programs throughout the region for smaller communities; and

WHEREAS, West Central Texas Council of Governments seek to obtain various community members' support for this grant submittal.

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

PART 1: That the City Council supports the West Central Texas Council of Governments application towards a USDA Rural Development Solid Waste Management Grant for FY 2020-2021.

PART 2: That this Resolution shall take effect immediately from and after passage.

ADOPTED this 7th day of November, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney



WCTCOG Resolution City of Abilene City Council Agenda Item Needed

Doug Burks <dburks@westcentraltexas.org>
To: "McCaferry, Greg" <greg.mccaferry@abilenetx.gov>
Cc: Jim Winward <jim.winward@abilenetx.gov>

Thu, Oct 24, 2019 at 3:24 PM

Good Afternoon Greg,

We are applying for the USDA Rural Development Solid Waste Management Grant FY2020/2021. Each year we apply for this grant to assist our small rural communities in the West Central Texas Council of Governments 19-county region. We provide technical assistance and outreach to 55 eligible cities under this grant in the areas of environmental law, unused prescription medication drug take back bins, operations and maintenance of landfills and we assist in coordinating recycling/clean-up events throughout the region.

I have attached our Basic Letter of Support template to this email that we send out to all of our regional communities.

Thank you,

Doug Burks



West Central Texas Council of Governments
2000 W. 11th Street, Suite 100
Abilene, TX 79601

Doug Burks

Executive Director
(817) 265-1100
(817) 265-1101
d.burks@wctcog.org

2019-2020
Budget: \$1,000,000

[Quoted text hidden]

Basic Letter of Support Template.docx
21K

November 1, 2019

Mr. Doug Burks
Environmental Project Manager
West Central Texas Council of Governments
3702 Loop 322
Abilene, Texas 79601

Dear Mr. Burks,

It is my pleasure to offer support to the West Central Texas Council of Governments. The (City/County) of _____ would like to extend our support to the West Central Texas Council of Governments Environmental Services Department in applying for a USDA Rural Development Solid Waste Management Grant for FY 2020-2021. This grant will facilitate in helping our local communities regarding:

- Providing technical assistance and training to code enforcement officers, law enforcement officers and public officials regarding illegal dumping and code of ordinances.
- Assist eligible communities with unused prescription drug take back bins.
- Provide technical assistance and training to improve management, operations and maintenance of landfills.
- Coordinate recycling, composting and BOPA (batteries, used oil, paints and anti-freeze) recycling events for eligible communities.

Without such assistance, smaller cities would not have the resources needed to meet the needs of our local communities.

Please contact me if I may be of further assistance.

Sincerely,

<your name>

<job title>

Resolution: West Central Texas Council of Governments Support for a USDA Rural Development Solid Waste Management Grant for FY 2020-2021

(G. McCaffery)

West Central Texas Council of Governments USDA Rural Development Solid Waste Management Grant for FY 2020-2021

- Technical assistance and training towards illegal dumping and improve management, operations and maintenance of landfills
- Coordinate recycling events for eligible communities
- Assistance for smaller communities



Questions?



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Mike Rains, Finance Director

SUBJECT: **21. Ordinance:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Authorizing the Issuance and Sale of City of Abilene, Texas General Obligation Bonds, Series 2019; Levying an Annual Ad Valorem Tax and Providing for the Security for and Payment of Said Bonds; Approving the Official Statement; Providing an Effective Date; and Enacting other Provisions Relating to the Subject *(Mike Rains)*

GENERAL INFORMATION

The 2015 Bond Election approved \$80.69 million of capital improvements. This ordinance will authorize the sale of the final installment of the bonds from that election.

\$6,583,000 will be sold for street improvements and \$1,700,000 will be sold for Airport improvements for a total issuance of \$8,283,000.

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

Funding for these bonds will come from annual ad-valorem taxes until maturity.

STAFF RECOMMENDATION

Staff recommends approval of the issuance.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Ordinance - 2019 Bonds
2. Preliminary Official Statement - Abilene GO CO S19 - POS draft 10.29
3. Powerpoint - Ordinance Authorizing Issuance of 2019 General Obligation Bonds

ORDINANCE

**AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF ABILENE, TEXAS
GENERAL OBLIGATION BONDS, SERIES 2019; LEVYING AN ANNUAL AD VALOREM TAX
AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; APPROVING
THE OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING
OTHER PROVISIONS RELATING TO THE SUBJECT**

THE STATE OF TEXAS §
COUNTIES OF TAYLOR AND JONES §
CITY OF ABILENE §

WHEREAS, by virtue of an election held within the City of Abilene, Texas (“the Issuer”) on May 9, 2015, this City Council became authorized to issue, sell and deliver the general obligation bonds of the Issuer, of which there have been issued heretofore, are authorized to be issued by this Ordinance, and will remain authorized but unissued hereafter, as described in Schedule I attached hereto and incorporated herein;

WHEREAS, this City Council finds and determines that it is necessary and proper to order the issuance, sale and delivery of such voted bonds;

WHEREAS, the Bonds hereinafter authorized to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Texas Government Code, Chapter 1331, as amended; and

WHEREAS, It is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The bonds of the City of Abilene, Texas (the “Issuer”) are hereby authorized to be issued and delivered in the aggregate principal amount of \$_____ for the public purposes of (i) constructing, improving, extending, expanding, upgrading and developing streets and roads, including, related utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way, and other related costs, (ii) constructing, installing and equipping runways, taxiways and other improvements at the City's airport (the “Projects”), and (iii) paying costs of issuance of the Bonds.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF BONDS. Each bond issued pursuant to this Ordinance shall be designated: "CITY OF ABILENE, TEXAS GENERAL OBLIGATION BOND, SERIES 2019," and initially there shall be issued, sold, and delivered hereunder one fully registered bond, without interest coupons, dated December 1, 2019, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with bonds issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial bond being made payable to the initial purchaser as described in Section 9 hereof), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), and said bonds shall mature and be payable serially on February 15 in each

of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF BOND set forth in Section 4 of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Years	Principal Amounts (\$)	Interest Rates (%)
***	***	***
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2028		
2039		
2040		

The term “Bonds” as used in this Ordinance shall mean and include collectively the bonds initially issued and delivered pursuant to this Ordinance and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term “Bond” shall mean any of the Bonds.

Section 3. CHARACTERISTICS OF THE BONDS.

(a) Appointment of Paying Agent/Registrar. The Issuer hereby appoints U.S. Bank National Association, Dallas, Texas, to serve as paying agent and registrar for the Bonds (the “Paying Agent/Registrar”). The Mayor or City Manager is authorized and directed to execute and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar.

(b) Registration, Transfer, Conversion and Exchange. The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion and exchange of the Bonds (the “Registration Books”), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds 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. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, 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 Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(c) Authentication. Except as provided in subsection (j) of this section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(d) Payment of Principal and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds 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 Issuer's obligations with respect to payment of principal of and interest on the Bonds 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 Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance.

(f) Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. 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.

(g) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred-twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (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 Issuer 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 Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

(h) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser or purchasers specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof and the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsections (j) and (k) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Blanket Letter of Representations. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Bonds. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(j) Bonds Registered in the Name of Cede & Co. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer 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 transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer 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 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. 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.

(k) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A 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 Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds 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 Bonds shall designate, in accordance with the provisions of this Ordinance.

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

(m) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Bond, in the FORM OF BOND set forth in this Ordinance.

(n) Cancellation of Initial Bond. On the closing date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the initial purchaser of the Bonds or its designee, executed by manual or facsimile signature of the Mayor and City Secretary, 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 such purchaser or its designee. Upon payment for the initial Bond, the Paying Agent/Registrar cancel the initial Bond and deliver to DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 4. FORM OF BONDS. The form of the Bonds, 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 to the Bonds 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.

(a) Form of Bond.

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF ABILENE, TEXAS GENERAL OBLIGATION BOND SERIES 2019	PRINCIPAL AMOUNT \$ _____
--------	--	---------------------------------

Interest Rate	Delivery Date	Maturity Date	CUSIP No.
	December 10, 2019	February 15, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the City of Abilene, in Taylor and Jones Counties, Texas (the "Issuer"), 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"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on February 15, 2021, and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated 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 Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft 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 at the close of business on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment or redemption at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated December 1, 2019, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$____ for constructing, improving, extending, expanding, upgrading and developing streets and roads, including, related utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way, and other related costs, constructing, installing and equipping runways, taxiways and other improvements at the City's airport, and paying costs of issuance of the Bonds.

ON FEBRUARY 15, 2029, OR ON ANY DATE THEREAFTER, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a notice of conditional redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Bonds and the Paying Agent/Registrar shall give notice,

in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

AT LEAST THIRTY (30) days prior to the date fixed for any redemption of Bonds 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, at least thirty (30) days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the business day prior to the mailing of such redemption notice; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. 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 Bonds or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that 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 Bond shall be redeemed, a substitute Bond or Bonds 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 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 Issuer, all as provided in the Bond Ordinance.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, 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 surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond 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 Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond 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 Bond 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 assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion 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, conversion, or exchange (i) 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, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within forty-five (45) days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond 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 Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond 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 Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Bond 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 Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in his absence, by the Mayor Pro Tem) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)
City Secretary

(signature)
Mayor

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond 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 Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series that 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: _____.

U.S. Bank National Association
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please print or type clearly)

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

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to register the transfer of
the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Bond and that this Bond has been registered this day by me.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Bond Insertions.

(i) The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Bond, the headings “Interest Rate” and “Maturity Date” shall both be completed with the words “As shown below” and “CUSIP No. _____” shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

“THE CITY OF ABILENE, TEXAS, in Taylor and Jones Counties, Texas (the “Issuer”), 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”), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments (\$)</u>	<u>Interest Rates (%)</u>
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(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2021, and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated 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 Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.”

C. The Initial Bond shall be numbered “T-1.”

Section 5. INTEREST AND SINKING FUND.

(a) A special “Interest and Sinking Fund” is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Bonds. All amounts received from the sale of the Bonds as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bonds are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bonds as such principal matures (but never less than 2% of the original amount of said Bonds as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances 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 said Issuer, for each year while any of said Bonds are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the

credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Notwithstanding the requirements of this subsection, if lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this subsection may be reduced to the extent and by the amount of lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Issuer under this Section and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, 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 or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes 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 Bonds that is made in conjunction with the payment arrangements specified in 6(a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds 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) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer 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 Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds 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 6(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 Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term “Defeasance Securities” means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; and (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

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

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

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

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

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the registered owner applying for a replacement Bond shall furnish to the Issuer 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 Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

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

Issuer whether or not the lost, stolen or destroyed Bond 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 Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Section 1206.022, Texas Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3 of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 8. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as obligations described in section 103 of 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 Issuer covenants as follows:

- (1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (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 or the projects financed by the Bonds (the “Project”) are so used, such amounts, whether or not received by the Issuer, 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 Bonds, 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 Bonds 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” that 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 that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (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 that would otherwise result in the Bonds 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 Bonds 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 Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(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 Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) 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 Bonds 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; and

(10) to assure that the proceeds of the Bonds will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a “Rebate Fund” is hereby established by the Issuer 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) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of the Bonds, transferred proceeds (if any) and proceeds of the Refunded Obligations expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer 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 that modify or expand provisions of the Code, as applicable to the Bonds, the Issuer 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 Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the Issuer 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 Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, the City Manager or the Finance Director to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition

of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Bonds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Bonds or the interest thereon. For purposes hereof, the Issuer 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 Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer 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 Bonds. 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 Issuer 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.

Section 9. SALE OF BONDS AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Bonds are hereby sold and shall be delivered to SAMCO Capital Markets, Inc., RBC Capital Markets LLC and Frost Bank (collectively, the "Underwriters"), for the purchase price of \$____ (representing the par amount of the Bonds of \$____, plus aggregate original issue premium of \$____ (premium to be applied as set forth in Section 16) and less an underwriters' discount of \$____) pursuant to the terms and provisions of a Purchase Agreement with the Underwriters. It is hereby officially found, determined, and declared that the Bonds have been sold pursuant to the terms and provisions of a Purchase Agreement in substantially the form presented at this meeting, which the Mayor of the Issuer is hereby authorized and directed to execute. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The initial Bond shall be registered in the name of SAMCO Capital Markets, Inc. or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds 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 dated October 30, 2019, prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor, City Manager, City Secretary and Finance Director, and each of them, 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 of the Issuer all other such documents, certificates and 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 Bonds, the sale of the Bonds and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 10. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds 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 Bonds 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 Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds 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 Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Bonds is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed.

Section 11. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Bonds issued for the Projects shall be used along with other Bond proceeds for the Projects; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on Bond proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2019 General Obligation Bonds Construction Fund" for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Projects as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit in said fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may invest proceeds of the Bonds issued for Projects (including investment earnings thereon) and amounts deposited in the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the purposes for which the Bonds are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 13. COMPLIANCE WITH RULE 15c2-12.

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six (6) months after the end of each fiscal year ending in or after 2019, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 9 of this Ordinance, being the information described in Exhibit A hereto. The Issuer will additionally provide audited financial statements when and if available, and in any event, within twelve (12) months after the end of each fiscal year ending in or after 2019. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the Issuer will file unaudited financial statements within such twelve (12) month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Appendix B to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB’s internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten (10) business days after the occurrence of the event) of any of the following events with respect to the Bonds:

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

9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor trustee or change in the name of the trustee, if material;
15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the Issuer, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets of the Issuer, or if jurisdiction has been assumed by leaving the existing City Council and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer. For the purposes of the above describe event notices 15 and 16, the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(ii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer 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.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer 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 Issuer’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 Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, 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.

(iv) No default by the Issuer 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 Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer 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 Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a qualified person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The Issuer 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 Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (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 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the

interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Bonds.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of such consent, and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of such consent by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Bonds, the Issuer shall rely solely upon the registration of the ownership of such Bonds on the registration books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers or employees of the Issuer or the City Council.

Section 16. PREMIUM. The Bonds are being sold at an aggregate premium equal to \$____. With respect to such premium attributable to the Bonds, \$____ shall be used to pay costs of issuance (including

underwriter's discount), \$_____ shall be deposited to the Interest and Sinking Fund and \$_____ shall be deposited into the Construction Fund for the Street Projects. The \$_____ principal amount of Bonds issued pursuant to the bond election for the Street Projects, plus the premium of \$_____ deposited into the Construction Fund for the Street Projects, results in a total principal plus premium of \$_____ being issued from the voted authorization for Street Projects.

Section 17. APPROPRIATION. To pay the debt service coming due on the Bonds, if any, prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 18. NO PERSONAL LIABILITY. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bond.

Section 19. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 20. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

(Execution Page Follows)

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ABILENE,
TEXAS this _____, 2019.

ATTEST:

Mayor, City of Abilene, Texas

City Secretary, City of Abilene, Texas

[CITY SEAL]

APPROVED AS TO FORM:

City Attorney, City of Abilene, Texas

SCHEDULE I

Voted Bonds

Purpose	Amount Authorized	Amount Previously Issued	Unissued Balance	Amount Being Issued
May 9, 2015 Election				
Prop. 1 - Streets and Roads	\$45,975,000	39,392,000	\$6,583,000	\$6,583,000*
Prop. 2 - Civic Center	2,810,000	2,810,000	-0-	-0-
Prop. 3 - Sidewalks	3,820,000	3,820,000	-0-	-0-
Prop. 4 - Fire and Police	12,865,000	12,865,000	-0-	-0-
Prop. 5 - Zoo	1,030,000	1,030,000	-0-	-0-
Prop. 6 - Rose Park	6,000,000	6,000,000	-0-	-0-
Prop. 7 - Splash Pads	2,500,000	2,500,000	-0-	-0-
Prop. 8 - Cedar Creek Parkway and Lytle Creek	1,490,000	1,490,000	-0-	-0-
Prop. 9 - Airport	4,200,000	2,500,000	1,700,000	\$1,700,000

*\$_____ principal plus \$_____ premium.

EXHIBIT A

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

The following information is referred to in Section 13(b) of this Ordinance:

The financial information and operating data with respect to the Issuer 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:

-- Tables 1 - 6 and 8 - 15

Exhibit A

PRELIMINARY OFFICIAL STATEMENT

Dated: October 10, 2019

Ratings:
S&P: "AA+"
Fitch: "AA+"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel to the City, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS"
FOR FINANCIAL INSTITUTIONS

\$8,280,000*
CITY OF ABILENE, TEXAS
(Taylor and Jones Counties)
GENERAL OBLIGATION BONDS, SERIES 2019

Dated Date: December 1, 2019

Due: February 15, as shown on page 2

(Interest accrues from the delivery date.)

PAYMENT TERMS...Interest on the \$8,280,000* City of Abilene, Texas, General Obligation Bonds, Series 2019 (the "Bonds") will accrue from the date of initial delivery to the underwriters named below (the "Underwriters") and will be payable February 15 and August 15 of each year commencing February 15, 2021, until maturity or prior redemption. Interest on the definitive Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 of principal amount or integral multiples thereof. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar for the Bonds is U.S. Bank National Association, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE...The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") including particularly Texas Government Code, Chapter 1331, as amended, and are direct obligations of the City of Abilene, Texas (the "City"), payable from a continuing ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Bonds (the "Bond Ordinance") (see "THE OBLIGATIONS - Authority for Issuance of the Bonds").

PURPOSE... Proceeds from the sale of the Bonds will be used for the public purpose of (i) constructing, improving, extending, expanding, upgrading and developing streets and roads, including, related utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way, and other related costs, (ii) constructing, installing and equipping runways and taxiways and other improvements at the City's airport and (iii) to pay the costs associated with the issuance of the Bonds (see "PLAN OF FINANCING - Purpose").

CUSIP PREFIX⁽¹⁾: 00344N - MATURITY SCHEDULE & 9 Digit CUSIP - SEE SCHEDULE ON PAGE 2

SEPARATE ISSUES... The Bonds are being offered by the City concurrently with the "City of Abilene, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019" (the "Certificates") under a common Official Statement, and such Bonds and Certificates are hereinafter sometimes referred to collectively as the "Obligations." The Obligations are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY...The Bonds are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Dallas, Texas.

DELIVERY...It is expected that the Bonds will be available for delivery through the facilities of DTC on December 10, 2019.

SAMCO CAPITAL MARKETS, INC.

RBC CAPITAL MARKETS

FROST BANK

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE*

CUSIP ⁽¹⁾ Prefix: 00344N

\$8,280,000* GENERAL OBLIGATION BONDS, SERIES 2019

Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾	Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾
2021	\$ 80,000				2031	\$ 420,000			
2022	300,000				2032	440,000			
2023	315,000				2033	455,000			
2024	325,000				2034	470,000			
2025	340,000				2035	490,000			
2026	350,000				2036	510,000			
2027	365,000				2037	530,000			
2028	380,000				2038	550,000			
2029	390,000				2039	570,000			
2030	410,000				2040	590,000			

(Interest to accrue from the date of delivery)

*Preliminary, subject to change.

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

OPTIONAL REDEMPTION...The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS - Optional Redemption").

PRELIMINARY OFFICIAL STATEMENT

Dated: **October 1, 2019**

Ratings:
S&P: "AA+"
Fitch: "AA+"
(See "Other Information -
Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel to the City, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein.

THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$28,320,000*

CITY OF ABILENE, TEXAS

(Taylor and Jones Counties)

COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019

Dated Date: December 1, 2019

Due: February 15, as shown on page 4

(Interest accrues from the delivery date.)

PAYMENT TERMS...Interest on the \$28,320,000* City of Abilene, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 (the "Certificates") will accrue from the date of initial delivery to the underwriters named below (the "Underwriters") and will be payable February 15 and August 15 of each year commencing February 15, 2021, until maturity or prior redemption. Interest on the definitive Certificates will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 of principal amount or integral multiples thereof. **No physical delivery of the Certificates will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar for the Certificates is U.S. Bank National Association, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE...The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") particularly Subchapter C of Chapter 271, Texas Local Government Code (the Certificate of Obligation Act of 1971), as amended, and Chapter 1502, Texas Government Code, as amended, and constitute direct obligations of the City of Abilene, Texas (the "City"), payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed \$1,000) of surplus net revenues of the City's waterworks and sewer system, as provided in the ordinance authorizing the Certificates (the "Certificate Ordinance") (see "THE OBLIGATIONS- Authority for Issuance of the Certificates").

PURPOSE...Proceeds from the sale of the Certificates will be used for the public purpose of (i) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system, including water treatment improvements, distribution lines, lift and pump stations, sewer and manhole rehabilitation, control system improvements, engineering fees and acquisition of easements and equipment for water treatment improvements and transmission lines; (ii) radio equipment and microwave communications infrastructure, (iii) acquiring, constructing, installing and equipping energy efficiency equipment including HVAC and chiller replacements, LED lighting, low flow water valves and electrical infrastructure and mechanical retrofits in City owned buildings, and (iv) costs associated with the issuance of the Certificates. (see "PLAN OF FINANCING - Purpose").

CUSIP PREFIX⁽¹⁾: 00344N - MATURITY SCHEDULE & 9 Digit CUSIP - SEE SCHEDULE ON PAGE 4

SEPARATE ISSUES...The Certificates are being offered by the City concurrently with the "City of Abilene, Texas, General Obligation Bonds, Series 2019" (the "Bonds") under a common Official Statement, and such Certificates. The Certificates and Bonds are hereinafter sometimes referred to collectively as the "Obligations." The Obligations are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY...The Certificates are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Dallas, Texas.

DELIVERY...It is expected that the Certificates will be available for delivery through the facilities of DTC on December 10, 2019.

SAMCO CAPITAL MARKETS, INC.

RBC CAPITAL MARKETS

FROST BANK

* Preliminary, subject to change.

MATURITY SCHEDULE*

CUSIP Prefix: 00344N⁽¹⁾

\$28,320,000* COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019

Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾	Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾
2021	\$ 425,000				2031	\$ 1,315,000			
2022	1,170,000				2032	1,365,000			
2023	1,210,000				2033	1,420,000			
2024	1,260,000				2034	1,470,000			
2025	1,300,000				2035	1,530,000			
2026	1,350,000				2036	1,590,000			
2027	1,405,000				2037	1,650,000			
2028	1,460,000				2038	1,710,000			
2029	1,510,000				2039	1,780,000			
2030	1,560,000				2040	1,840,000			

(Interest to accrue from the date of delivery)

*Preliminary, subject to change.

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

OPTIONAL REDEMPTION...The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS - Optional Redemption").

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

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

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

Certain information set forth herein has been obtained from sources other than the City that the City believes to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City, the Underwriters or the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

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

None of the City, its Financial Advisor, or the Underwriters make any representation as to the accuracy, completeness, or adequacy of the information in this Official Statement regarding the Depository Trust Company New York, New York ("DTC") or its book entry only system, as such information has been provided by DTC.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THE OBLIGATIONS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE OBLIGATIONS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

TABLE OF CONTENTS

OFFICIAL STATEMENT SUMMARY	7
CITY OFFICIALS, STAFF AND CONSULTANTS	10
ELECTED OFFICIALS	10
SELECTED ADMINISTRATIVE STAFF	10
CONSULTANTS AND ADVISORS.....	10
INTRODUCTION	11
PLAN OF FINANCING	11
THE OBLIGATIONS.....	12
TAX INFORMATION	17
TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT.....	22
TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY	23
TABLE 3A - VALUATION AND GENERAL OBLIGATION DEBT HISTORY	24
TABLE 3B - DERIVATION OF GENERAL PURPOSE FUNDED TAX DEBT	24
TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY	24
TABLE 5 - TEN LARGEST TAXPAYERS	25
TABLE 6 - TAX ADEQUACY	25
TABLE 7 - ESTIMATED OVERLAPPING DEBT	26
DEBT INFORMATION.....	27
TABLE 8 - PRO FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS.....	27
TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION.....	28
TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT.....	28
TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS.....	28
TABLE 12 - OTHER OBLIGATIONS.....	29
FINANCIAL INFORMATION	33
TABLE 13 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY	33
TABLE 14 - MUNICIPAL SALES TAX HISTORY	34
TABLE 15 - CURRENT INVESTMENTS	38
TAX MATTERS	38
CONTINUING DISCLOSURE OF INFORMATION	40
OTHER INFORMATION	42
RATINGS.....	42
LITIGATION	42
REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE	42
LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS	42
LEGAL OPINIONS	42
FINANCIAL ADVISOR	43
UNDERWRITING	43
FORWARD-LOOKING STATEMENTS DISCLAIMER	43
MISCELLANEOUS	44
APPENDICES	
GENERAL INFORMATION REGARDING THE CITY	A
EXCERPTS FROM THE ANNUAL FINANCIAL REPORT	B
FORMS OF BOND COUNSEL'S OPINIONS.....	C

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

OFFICIAL STATEMENT SUMMARY

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

THE CITY	The City of Abilene (the “City”) is a political subdivision and municipal corporation of the State located in Taylor and Jones Counties. The City covers approximately 109.92 square miles. The 2010 U.S. Census population was 117,063, while the estimated 2019 population is 124,557 (see “INTRODUCTION - Description of the City” and “Appendix A – General Information Regarding the City”).
THE OBLIGATIONS	The Obligations are issued as \$8,280,000* General Obligation Bonds, Series 2019 (the “Bonds”), and \$28,320,000* Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 (the “Certificates”). The Bonds and the Certificates are referred to collectively herein as the “Obligations”. The Bonds mature on February 15 in the years 2021 through 2040. The Certificates mature on February 15 in the years 2021 through 2040 (see “THE OBLIGATIONS -Description of the Obligations”). The Obligations are being offered concurrently under a common Official Statement.
PAYMENT OF INTEREST	Interest on the Obligations accrues from the date of initial delivery to the underwriters listed on the cover page hereof (the “Underwriters”), and is payable initially on February 15, 2021 and each August 15 and February 15 thereafter, until maturity or prior redemption (see “THE OBLIGATIONS - Description of the Obligations” and “THE OBLIGATIONS - Optional Redemption”).
AUTHORITY FOR ISSUANCE	The Bonds are issued pursuant to the general laws of the State, including particularly Texas Government Code, Chapter 1331, as amended and the ordinance to be passed by the City Council of the City (see “THE OBLIGATIONS - Authority for Issuance of the Bonds”). The Certificates are issued pursuant to the general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Chapter 1502, Texas Government Code, as amended, and the ordinances to be passed by the City Council of the City (see “THE OBLIGATIONS - Authority for Issuance of the Certificates”).
SECURITY FOR THE OBLIGATIONS	The Bonds constitute direct obligations of the City, payable from a continuing ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Bonds (see “THE OBLIGATIONS – The Bonds - Security and Source of Payment”). The Certificates constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed \$1,000) of surplus net revenues of the City’s waterworks and sewer system, as provided in the ordinance authorizing the Certificates (see “THE OBLIGATIONS – The Certificates - Security and Source of Payment”).
REDEMPTION	The City reserves the right, at its option, to redeem Obligations having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption”).
TAX MATTERS	In the opinion of Bond Counsel, the interest on the Obligations will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption “TAX MATTERS” herein.

*Preliminary, subject to change.

RATINGS The Obligations are rated “AA+” by S&P Global Ratings, a division of S&P Global Inc. (“S&P”), and “AA+” by Fitch Ratings (“Fitch”) (see “OTHER INFORMATION - Ratings”).

USE OF PROCEEDS Proceeds from the sale of the Bonds will be used for the public purpose of (i) constructing, improving, extending, expanding, upgrading and developing streets and roads, including related utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way, and other related costs, (ii) constructing, installing and equipping runways and taxiways and other improvements at the City’s airport, and (iii) to pay the costs associated with the issuance of the Bonds.

Proceeds from the sale of the Certificates will be used for the public purpose of (i) constructing, acquiring, installing and equipping additions, extensions and improvements to the City’s waterworks and sewer system, including water treatment improvements, distribution lines, lift and pump stations, sewer and manhole rehabilitation, control system improvements, engineering fees and acquisition of easements and equipment for water treatment improvements and transmission lines; (ii) radio equipment and microwave communications infrastructure, (iii) acquiring, constructing, installing and equipping energy efficiency equipment including HVAC and chiller replacements, LED lighting, low flow water valves and electrical infrastructure and mechanical retrofits in City owned buildings, and (iv) costs associated with the issuance of the Certificates.

BOOK-ENTRY-ONLY

SYSTEM The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of \$5,000 of principal amount or integral multiples thereof. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see “THE OBLIGATIONS - Book-Entry-Only System”).

PAYMENT RECORD The City has not defaulted in payment of its general obligation tax debt since 1939 when a general refunding program was consummated involving no reduction in interest rate and a rearrangement of principal maturities only. The City has never defaulted on its revenue bonds.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Per Capita Taxable Assessed Valuation	General Obligation (G.O.) Debt ⁽³⁾	Per Capita G.O. Debt	Ratio G.O. Debt to Taxable Assessed Valuation	% of Total Tax Collections
2016	120,958	\$ 5,655,710,437	\$ 46,758	\$ 297,915,000	\$ 2,463	5.27%	99.52%
2017	121,407	5,861,417,197	48,279	313,900,000	2,586	5.36%	99.48%
2018	122,225	6,103,008,932	49,933	332,515,000	2,721	5.45%	99.50%
2019	124,557	6,366,829,253	51,116	316,055,000	2,537	4.96%	99.72% ⁽⁵⁾
2020	124,557	6,674,326,141	53,585	335,990,000 ⁽⁴⁾	2,697 ⁽⁴⁾	5.03% ⁽⁴⁾	N/A

(1) Population estimates provided by the City.

(2) As reported by the Central Appraisal District of Taylor County on City’s annual Reports of Property Value to the State Comptroller of Public Accounts; subject to change during the ensuing year.

(3) Includes self-supporting debt (see Table 3B – Derivation of General Purpose Funded Tax Debt).

(4) Includes the Obligations. Preliminary, subject to change.

(5) Unaudited.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Fund Balance at					
Beginning of Year	\$ 26,931,528	\$ 26,458,762	\$ 26,890,838	\$ 25,902,661	\$ 25,264,813
Total Revenue	94,410,912	86,766,792	82,490,878	81,194,980	79,138,835
Total Expenditures	86,557,678	84,183,987	81,777,971	78,411,524	76,056,453
Other Financing Sources (Uses) ⁽¹⁾	(6,556,726)	(2,110,039)	(1,144,983)	(1,795,279)	(2,444,534)
Fund Balance at					
End of Year	<u>\$ 28,228,036</u>	<u>\$ 26,931,528</u>	<u>\$ 26,458,762</u>	<u>\$ 26,890,838</u>	<u>\$ 25,902,661</u>

(1) The City funded its CIP program with cash in the General Fund.

For additional information regarding the City, please contact:

Mike Rains		George Williford
Director of Finance		Regional Managing Director
City of Abilene	or	Hilltop Securities Inc.
P.O. Box 60		1201 Elm Street, Suite 3500
Abilene, Texas 79604-0060		Dallas, Texas 75270
(325) 676-6324		(214) 953-8705

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CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Length of Service	Term Expires	Occupation
Anthony Williams Mayor	2 Years	May, 2020	Chief Business Services Officer, Abilene Christian University
Shane Price Councilmember (Place 1)	10 Years	May, 2021	Vice President of Development, Bookstore Manager
Jack Rentz Councilmember (Place 2)	1 Year	May, 2021	Business Owner, Rentech Boiler Services
Donna Albus Councilmember (Place 3)	1 Year	May, 2020	Retiree
Weldon W. Hurt Councilmember (Place 4)	1 Year	May, 2020	Business Owner, West Texas Pest Patrol
Kyle McAlister Councilmember (Place 5)	5 Years	May, 2022	Independent Insurance Agent
Dr. Travis Craver Councilmember (Place 6)	Newly Elected	May, 2022	Director of Chapel and Spiritual Formation, Hardin-Simmons University

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service to the City
Robert Hanna	City Manager	4 Years
Mindy Patterson	Deputy City Manager	27 Years
Michael Rice	Assistant City Manager	4 Years
Shawna Atkinson	City Secretary	Newly Appointed
Stanley Smith	City Attorney	12 Years
Tammy Roberts	Animal Services Director	Newly Appointed
Lesli Andrews	Director of Community Services	15 Years
Mike Rains	Director of Finance	11 Years
Brenda Alexander	Director of Human Resources	3 Years
Michael Warrix	Director of Planning and Development	Newly Appointed
Greg McCaffery	Director of Public Works	Newly Appointed
Don Green	Director of Transportation Services	15 Years
Rodney Taylor	Director of Water Utilities	17 Years
Annette Lerma	Health Services Director	18 Years
Tommy O'Brien	Executive Director of Water Utilities	15 Years
Stan Standridge	Chief of Police	24 Years
Cande Flores	Fire Chief	27 Years

CONSULTANTS AND ADVISORS

Auditors	Eide Bailly LLP Abilene, Texas
Bond Counsel	McCall, Parkhurst & Horton L.L.P. Dallas, Texas
Financial Advisor.....	Hilltop Securities Inc. Dallas, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

CITY OF ABILENE, TEXAS

\$8,280,000*
GENERAL OBLIGATION BONDS, SERIES 2019

\$28,320,000*
**COMBINATION TAX AND LIMITED SURPLUS
REVENUE CERTIFICATES OF OBLIGATION,
SERIES 2019**

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$8,280,000* City of Abilene, Texas, General Obligation Bonds, Series 2019 (the "Bonds"), and \$28,320,000* Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 (the "Certificates"). The Bonds and the Certificates are referred to collectively herein as the "Obligations". Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the respective Ordinances (hereinafter defined) to be adopted on the date of sale of each respective series of the Obligations which will authorize the issuance of the Obligations, except as otherwise indicated herein.

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

The Obligations are being offered concurrently by the City under a common Official Statement. The Obligations are separate and distinct securities offerings being authorized for issuance under separate ordinances (the "Bond Ordinance," and "Certificate Ordinance" respectively, and collectively the "Ordinances"), to be adopted by the City Council of the City, and are being offered and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

DESCRIPTION OF THE CITY . . . The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1883, and first adopted its Home Rule Charter in 1962. The City operates under the Council/Manager form of government where the mayor and six Councilmembers are elected for staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, airport, sanitation services, health and social services, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services. The 2010 U. S. Census population for the City was 117,063, while the estimated 2019 population is 124,557. The City covers approximately 109.92 square miles (see "Appendix A – General Information Regarding the City").

PLAN OF FINANCING

PURPOSE . . Proceeds from the sale of the Bonds will be used for the public purpose of (i) constructing, improving, extending, expanding, upgrading and developing streets and roads, including, related utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way, and other related costs, (ii) constructing, installing and equipping runways and taxiways and other improvements at the City's airport, and (iii) to pay the costs associated with the issuance of the Bonds (see "Table 11 - Authorized But Unissued General Obligation Bonds").

Proceeds from the sale of the Certificates will be used for the public purpose of (i) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system, including water treatment improvements, distribution lines, lift and pump stations, sewer and manhole rehabilitation, control system improvements, engineering fees and acquisition of easements and equipment for water treatment improvements and transmission lines; (ii) radio equipment and microwave communications infrastructure, (iii) acquiring, constructing, installing and equipping energy efficiency equipment including HVAC and chiller replacements, LED lighting, low flow water valves and electrical infrastructure and mechanical retrofits in City owned buildings, and (iv) costs associated with the issuance of the Certificates.

* Preliminary, subject to change.

USE OF BOND PROCEEDS . . . The proceeds from the sale of the Bonds will be applied approximately as follows:

<u>Sources of Funds</u>	
Par Amount of the Bonds	
Reoffering Premium	
Total Sources of Funds	<u>\$ -</u>
<u>Uses of Funds</u>	
Deposit to Project/Construction Fund	
Deposit to Debt Service Fund	
Underwriters' Discount and Costs of Issuance	
Total Uses of Funds	<u>\$ -</u>

USE OF CERTIFICATE PROCEEDS . . . The proceeds from the sale of the Certificates will be applied approximately as follows:

<u>Sources of Funds</u>	
Par Amount of the Certificates	
Reoffering Premium	
Total Sources of Funds	<u>\$ -</u>
<u>Uses of Funds</u>	
Deposit to Project/Construction Fund	
Deposit to Debt Service Fund	
Underwriters' Discount and Costs of Issuance	
Total Uses of Funds	<u>\$ -</u>

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS...The Obligations are dated December 1, 2019 and mature on February 15 in each of the years and in the amounts shown on pages 2 and 4 hereof. Interest will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15, commencing February 15, 2021 until maturity or prior redemption. The definitive Obligations will be issued only in fully registered form in any integral multiple of \$5,000 of principal amount for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE OF THE BONDS...The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Texas Government Code, Chapter 1331, as amended and an ordinance to be passed by the City Council.

AUTHORITY FOR ISSUANCE OF THE CERTIFICATES ...The Certificates are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Subchapter C of Chapter 271, Texas Local Government Code (the "Certificate of Obligation Act of 1971"), as amended, Chapter 1502, Texas Government Code, as amended, and an ordinance to be passed by the City Council.

THE BONDS – SECURITY AND SOURCE OF PAYMENT...The principal of and interest on the Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing annual ad valorem tax within the limits prescribed by law upon all taxable property in the City.

THE CERTIFICATES - SECURITY AND SOURCE OF PAYMENT... The principal of and interest on the Certificates constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and additionally are payable from a limited pledge (not to exceed \$1,000) of surplus net revenues of the City's waterworks and sewer system.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum

ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance and based on a 90% collection rate. The City's 2019/2020 tax rate is \$0.7877 of which \$0.1808 is for debt service purposes.

OPTIONAL REDEMPTION...The City reserves the right, at its option, to redeem Obligations of any series having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Obligations are to be redeemed, the City may select the maturities of such series of Obligations to be redeemed. If less than all the Obligations of any maturity of any series are to be redeemed, the Paying Agent/Registrar (or DTC while the Obligations are in Book-Entry-Only form) shall determine by lot the Obligations, or portions thereof, within such maturity to be redeemed. If an Obligation (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Obligation (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

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

NOTICE OF REDEMPTION...Not less than 30 days prior to a redemption date for the Obligations, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Obligations to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN AND ANY OTHER CONDITION TO REDEMPTION SATISFIED, THE OBLIGATIONS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF SHALL CEASE TO ACCRUE.

DEFEASANCE... The Ordinances provide for the defeasance of the Obligations when the payment of the principal of and premium, if any, on the Obligations, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent, in trust (1) money sufficient to make such payment or (2) Defeasance Securities, to mature as to principal and interest in such amounts and at such times to ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Obligations, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Obligations, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. The Ordinances provide that "Defeasance Securities" means: (1) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (2) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. . The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Obligations shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Obligations have been made as described above, all rights of the City to initiate proceedings to take any action amending the terms of the Obligations are extinguished; provided, however, that the right to call the Obligations for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Obligations for redemption; (ii) gives notice of the reservation of that right to the owners of the Obligations immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

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

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligations documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the register and request that copies of the notices be provided directly to them.

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

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

Principal and interest payments on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar of each series, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar of each series, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

USE OF CERTAIN TERMS IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT . . . In reading this Official Statement it should be understood that while the Obligations are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinances will be given only to DTC.

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

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . In the event that the Book-Entry-Only System of the Obligations is discontinued, printed Obligations will be issued to the DTC Participants or the holder, as the case may be, and such Bonds and/or Certificates will be subject to transfer, exchange and registration provisions as set forth in each Ordinance and summarized under "THE OBLIGATIONS - Transfer, Exchange and Registration" below.

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

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

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

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least 5 business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of an Obligation 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.

AMENDMENTS . . . In each Ordinance, the City has reserved the right to amend the respective Ordinance without the consent of any holder for the purpose of amending or supplementing the respective Ordinance to (i) cure any ambiguity, defect or omission therein that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of the Ordinance that do not materially adversely affect the interests of the holders, (iv) qualify the Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect or (v) make such other provisions in regard to matters or questions arising under the Ordinance that are not inconsistent with the provisions thereof and which, in the opinion of Bond Counsel for the City, do not materially adversely affect the interests of the holders. Each Ordinance further provides that the holders of the respective Certificates or the Bonds, as applicable, aggregating in principal amount 51% of the outstanding respective Certificates or Bonds, as the case may be, shall have the right from time to time to approve any amendment not described above to the respective Ordinance if it is deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the holders in original principal amount of the then outstanding Certificates or Bonds so affected, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Certificates or Bonds; (ii) reducing the rate of interest borne by any of the outstanding Certificates or Bonds; (iii) reducing the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates or Bonds; (iv) modifying the terms of payment of principal or of interest or redemption premium on outstanding Certificates or Bonds, or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Certificates or Bonds necessary for consent to such amendment. Reference is made to the respective Ordinances for further provisions relating to the amendment thereof.

OBLIGATIONHOLDERS' REMEDIES . . . The respective Ordinances establish specific events of default with respect to the Certificates and the Bonds, respectively. If the City defaults in the payment of the principal of or interest on the Certificates or the Bonds when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners of the Certificates or the Bonds, as applicable, including but not limited to, their prospect or ability to be repaid in accordance with the respective Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the respective Ordinance provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Certificates or the Bonds, as applicable, or the respective Ordinance and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates or the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinances do not provide for the appointment of a trustee to represent the interest of the holders of the Certificates or the Bonds upon any failure of the City to perform in accordance with the terms of the respective Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson I"), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I*, *Wasson Interests LTD. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) ("Wasson II", and together with *Wasson I*, "Wasson"), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the State's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court ruled in *Tooke v. City of Mexia* (197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in clear and unambiguous language. Because it is unclear whether the Texas legislature has effectively waived

the City's sovereign immunity from a suit for money damages, holders of the Certificates or the Bonds may not be able to bring such a suit against the City for breach of the covenants in the Certificates or the Bonds or in the Ordinances. Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its debt, but the City is not using Chapter 1371 as legal authority in connection with the issuance of the Obligations and the City has not waived sovereign immunity pursuant to Chapter 1371. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates or the Bonds.

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

See "Book-Entry-Only System" herein for a description of the duties of DTC with regard to ownership of the Certificates and the Bonds. Initially, the only registered owner of the Certificates and the Bonds will be DTC. See "Book-Entry-Only System" herein.

TAX INFORMATION

AD VALOREM TAX LAW... The appraisal of property within the City is the responsibility of the Central Appraisal District of Taylor County and the Jones County Appraisal District (jointly, the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under the Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. Effective January 1, 2010, State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount that would not exceed either the lesser of (1) the property's market value in the most recent tax year in which the market value was determined by the appraisal District or (2) the sum of (a) 10% of the property's appraised value in the preceding tax year, plus (b) the property's appraised value the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board, consisting of three members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to the Texas Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant: (1) An exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision; (2) An exemption of up to 20% of the market value of residence homesteads. The minimum exemption under this provision is \$5,000. The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 to a maximum of \$12,000; provided, however, that beginning in the 2009 tax year, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead.

Under Article VIII and State law, the governing body of a county, municipality or junior college district, may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons who are 65 years of age or older and persons who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferable to a different residence homestead and to a surviving spouse living in such homestead who is disabled or is at least 55 years of age. If improvements (other than maintenance or repairs) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax rate limitation may not be repeated or rescinded.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods in transit." "Goods in transit" is defined by a provision in the Tax Code, which is effective for tax years 2008 and thereafter, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out board motor, heavy equipment and manufactured housing inventory. The Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods in transit during the following tax year. A taxpayer may receive only one of the freeport exemptions or the goods in transit exemptions for items of personal property.

The City may create one or more tax increment financing districts ("TIF") within the City and freeze the taxable values of real property in the TIF at the value at the time of its creation. Other overlapping taxing units levying taxes in the TIF may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIF in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIF. Taxes levied by the City against the values of real property in the TIF in excess of the "frozen" value are not available for general city use but are restricted to paying or financing "project costs" within the TIF. The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

Cities are also authorized, pursuant to Chapter 380, Texas Local Government Code ("Chapter 380") to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grant of public fund for economic development purposes, however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the City.

2019 LEGISLATIVE SESSION. . . The 86th Legislative Session convened on January 8, 2019 and adjourned on May 27, 2019. Legislation that changes current laws affecting ad valorem tax matters including calculation of the rollback tax rate and rollback election process for maintenance tax increases, was adopted on May 27, 2019 and signed by the Texas Governor on June 12, 2019. This legislation will impact the City's future budgeting and the levy and collection of ad valorem taxes for maintenance and operations purposes. At this time, the City has not undertaken a comprehensive review of this legislation to determine the extent of this impact on its maintenance and operations budget. The City does not anticipate that this legislation will impact its ability to levy and collect ad valorem taxes for debt service purposes.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE... The following terms as used in this section have the meanings provided below:

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

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

“effective tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted).

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

“rollback tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.08, plus the debt service tax rate.

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

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

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

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

For the 2019 tax year, the procedures in this paragraph apply. After the assessor submits the appraisal roll, a designated officer or employee of the City is required to calculate its “rollback tax rate” and “effective tax rate”. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, and may not adopt a tax rate that exceeds the lower of its “rollback tax rate” or “effective tax rate” (as such terms are defined above) until it has held two public hearings on the proposed increase following notice to the taxpayers and otherwise complied with the Property Tax Code. The Property Tax Code provides that if the adopted tax rate exceeds the rollback tax rate, qualified voters of the city, by petition, may require that an election be held to determine whether or not to reduce the adopted tax rate to the rollback tax rate. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the effective tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

Effective January 1, 2020, the terms rollback tax rate and effective tax rate will be replaced, respectively, with the terms “voter-approval tax rate” and “no-new-revenue tax rate”. Beginning with the 2020 tax year, the procedures in this paragraph and the following paragraphs apply. A city must annually calculate its “voter-approval tax rate” and “no-new-revenue tax rate” (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

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

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

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

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

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

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

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

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

PROPERTY ASSESSMENT AND TAX PAYMENT...Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST...Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, an attorney's collection fee of up to 20% may be added to the total tax penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF TAX CODE...The City grants an exemption of 15% of the market value of residence homesteads; minimum exemption of \$5,000.

The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of up to \$15,000; the disabled are also granted an exemption of up to \$15,000.

The City has granted certain Historic Tax Exemptions under the Historic Tax Reduction Program.

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

The City does not tax nonbusiness personal property; and the Central Appraisal District of Taylor County collects ad valorem taxes for the City under a contract with the City.

The City has taken action to implement the tax freeze on the residence homestead of persons who are disabled and persons who are 65 years of age or older, as approved by the City's voters at an election held on November 7, 2006. The tax freeze, which applies to property that accounts for approximately 1.6% of the City's property tax revenue, may impact future property tax rates for the City. City administration does not believe that the implementation of the tax freeze will have a material adverse financial impact on the City for the September 30, 2020 fiscal year; however, City staff expects to continue to monitor the potential impact of the tax freeze on the City's financial condition.

The City does permit split payments, first half due by November 30, second half due by June 30; discounts are not allowed.

The City does tax freeport property.

The City has not taken action to tax goods-in-transit.

The City does collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted a tax abatement policy, as described below.

TAX ABATEMENT POLICY...In 1990, the City established a tax abatement policy to encourage economic development. The policy specified several criteria pertaining to job creation and property value enhancement that newly constructed real and personal property improvements had to meet in order to be considered for tax abatement; projects were eligible for abatement of a percentage of ad valorem taxes for ten years; property located within an enterprise zone or development area could receive an additional percentage abatement of 5% - 10%. The City granted a total of four abatements during the period 1990-1992. From 1992 to March, 1997, however, no tax abatements were granted as the City's policy was to provide incentives in lieu of tax abatements from a ½ of 1% economic development sales tax that became effective in 1990.

On March 27, 1997, the City rewrote and adopted a definitive Property Tax Abatement Policy (the "Policy"). On June 14, 2001, the City Council adopted a revised definitive Policy. Specific guidelines for tax abatement benefits were established for manufacturing, distribution, retail (if located in an enterprise zone or development area) and service facilities located in Abilene and certain multi-family residential properties if located in the Abilene Reinvestment Zone Number One. Generally, tax abatements may be granted for each year only for the additional values of eligible property improvements (actual capital expenditures) to the extent that the value of the property covered by the agreement exceeds the value of the property for the year in which the abatement agreement is executed; no abatement agreement may have a term in excess of ten years from the date of execution. Abatements are to be considered under specific criteria that includes job creation and capital expenditures with resulting abatements of 15% to 100% if granted. The City currently does not have any tax abatements in effect.

TAX INCREMENT FINANCING ZONES...Reinvestment Zone Number One, City of Abilene ("Zone One") was created in 1982 by the City with the consent of other taxing units overlapping Zone One. Comprising approximately 235 acres, Zone One includes the central business district. Ad valorem taxes on incremental growth in real property values within Zone One (levied at the tax rates of each taxing unit assessing an ad valorem tax on real property in Zone One) from a base value of January 1, 1983, are used to pay costs of development of Zone One; these tax funds can be used only for public improvements in Zone One or for payment of debt service on bonds issued to provide funds for public improvements located within Zone One. Zone One was terminated January 1, 2008. Approximately \$583,547 of tax funds derived from incremental values in Zone One remain and such funds have been and are being used for public improvements in Zone One; Zone One has no bonded debt.

A Termination Agreement was executed in December 2007 between the City of Abilene and Tax Increment Finance board where by the remaining tax funds will be used for 6 specific items to include:

- 1) FY08 operating budget for the TIF Board
- 2) Destination/Way-finding signs for downtown and leading to downtown
- 3) Redevelopment of two (2) lots on Cedar Street into public parking with public restrooms
- 4) FY08 Abilene Cultural Affairs Council Cultural Incentive Program
- 5) Redevelopment Plan for Northeast & South Planning areas of downtown
- 6) Streetscape improvements on Cypress, Pine, Cedar and Walnut streets

Reinvestment Zone Number Two, City of Abilene ("Zone Two") was created on December 5, 2013 by the City. Comprising approximately 1,594 acres, Zone Two includes the Pine Street and Ambler Avenue corridors, all within the City's corporate limits. Ad valorem taxes on incremental growth in real property values within Zone Two (levied at the tax rate of the City on real property in Zone Two) from a base value of January 1, 2013 of approximately \$116.4 million, are used to pay costs of development of Zone

Two; these tax funds can be used only for public improvements in Zone Two or for payment of debt service on bonds issued to provide funds for public improvements located within Zone Two. Zone Two has no bonded debt.

CHAPTER 380 AGREEMENTS...The City is currently a party to five agreements under Chapter 380 of the Local Government Code.

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2019/20 Market Valuation Established by the Appraisal District (excluding totally exempt property)		\$ 7,421,601,206
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead Exemptions (Local Option)	\$ 426,902,302	
Residence Homestead Exemptions (Over 65 and Disabled)	139,371,269	
Residential Homestead Value Lost on 10% Cap	9,868,885	
Productivity Loss	54,542,611	
Disabled Veterans Exemptions	110,307,524	
Pollution Control Value Lost	2,214,387	
Historic Tax Exemptions	4,068,087	(747,275,065) ⁽¹⁾
2019/20 Taxable Assessed Valuation		\$ 6,674,326,141
City Funded Debt Payable from Ad Valorem Taxes as of October 15, 2019		
Outstanding General Obligation Debt	\$ 316,055,000	
The Bonds ⁽²⁾	8,280,000	
The Certificates ⁽²⁾	28,320,000	
		\$ 352,655,000
Less: Self-Supporting Debt		
Waterworks and Sewer System General Obligation Debt ^{(3) (5)}	228,155,000	
Airport General Obligation Debt ⁽⁴⁾⁽⁵⁾	1,310,000	
General Purpose Funded Debt Payable from Ad Valorem Taxes		\$ 123,190,000
Ratio Funded Debt to Taxable Assessed Valuation		5.28%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.85%

2019 Estimated Population - 124,557

Per Capita 2019/20 Taxable Assessed Valuation - \$ 53,585

Per Capita Funded Debt Payable from Ad Valorem Taxes - \$2,831

Per Capita General Purpose Funded Debt Payable from Ad Valorem Taxes - \$989

- (1) In addition to the exemptions described, the City has taken action to implement the tax freeze on the residence homestead of persons who are disabled and persons who are 65 years of age or older. See "TAX INFORMATION – City Application of Tax Code."
- (2) Preliminary, subject to change.
- (3) "Waterworks and Sewer System (the "System") General Obligation Debt" consists of a portion of outstanding General Obligation Refunding Bonds, Series 2011, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2012, a portion of the General Obligation Refunding Bonds, Series 2013, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015, a portion of the General Obligation Refunding and Improvement Bonds, Series 2015, a portion of the General Obligation Refunding and Improvement Bonds, Series 2016, a portion of the Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2017, a portion of the General Obligation Refunding Bonds, Series 2017, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018 and the Certificates. The City provides for debt service on these issues from surplus Net Revenues of the System. The City has no outstanding Waterworks and Sewer System Revenue Bonds but has obligated revenues of the System under Water Supply Contracts. See Note 8, "Long-Term Obligations and Amounts Due within One Year" in the Notes to Financial Statements for the Fiscal year Ended September 30, 2018, in "APPENDIX B – EXCERPTS FROM THE CITY OF ABILENE, TEXAS ANNUAL FINANCIAL REPORT" for additional information concerning such Water Supply Contracts.
- (4) "Airport General Obligation Debt" consists of outstanding Combination Tax and Airport Revenue Certificates of Obligation, Series 2007, on which debt service is provided from operating revenues of the Airport.
- (5) It is the City's current policy to pay such self-supporting debt from the respective revenue sources; this policy is subject to change in the future, although the City has no current plans to change its policy. In the event the City changes its policy, or if such revenues are not sufficient to pay debt service on such obligations, the City will be required to levy an ad valorem tax to pay such debt service (see Tables 1 and 10 herein for more detailed information on the City's general obligation self-supporting debt).

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year September 30,					
	2020		2019		2018	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 4,040,649,789	54.44%	\$3,825,140,077	54.05%	\$3,631,508,070	53.70%
Real, Residential, Multi-Family	413,891,102	5.58%	388,679,603	5.49%	380,702,506	5.63%
Real, Vacant Lots/Tracts	79,680,962	1.07%	70,438,459	1.00%	69,535,641	1.03%
Real, Acreage (Land Only)	56,834,499	0.77%	55,764,233	0.79%	52,368,833	0.77%
Real, Farm and Ranch Improvements	41,863,053	0.56%	35,474,356	0.50%	35,120,103	0.52%
Real, Commercial and Industrial	1,637,127,780	22.06%	1,595,585,682	22.55%	1,531,887,031	22.65%
Real, Oil, Gas and Other Minerals	15,098,604	0.20%	9,505,034	0.13%	7,968,226	0.12%
Real and Tangible Personal, Utilities	198,203,957	2.67%	184,762,925	2.61%	156,588,392	2.32%
Tangible Personal, Commercial and Industrial	872,225,908	11.75%	849,758,355	12.01%	839,499,080	12.41%
Tangible Personal, Other	9,272,427	0.12%	9,702,639	0.14%	9,809,202	0.15%
Real Property, Inventory ⁽¹⁾	6,299,324	0.08%	6,877,085	0.10%	4,291,719	0.06%
Special Inventory	50,453,801	0.68%	45,189,521	0.64%	43,618,923	0.64%
Total Appraised Value Before Exemptions	\$ 7,421,601,206	100.00%	\$ 7,076,877,969	100.00%	\$ 6,762,897,726	100.00%
Less: Total Exemptions/Reductions ⁽²⁾	(747,275,065)		(710,069,178)		(673,540,962)	
Taxable Assessed Value at 10/01	\$ 6,674,326,141		\$ 6,366,808,791		\$ 6,089,356,764	
Adjustments for Errors and Corrections to Roll	-		20,462		13,652,168	
Taxable Assessed Value	\$ 6,674,326,141		\$ 6,366,829,253		\$ 6,103,008,932	

Category	Taxable Appraised Value for Fiscal Year September 30,			
	2017		2016	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,444,955,619	53.22%	\$3,306,092,698	52.96%
Real, Residential, Multi-Family	365,349,731	5.64%	347,421,030	5.57%
Real, Vacant Lots/Tracts	66,758,950	1.03%	70,207,363	1.12%
Real, Acreage (Land Only)	50,508,087	0.78%	48,005,998	0.77%
Real, Farm and Ranch Improvements	34,517,734	0.53%	33,776,939	0.54%
Real, Commercial and Industrial	1,442,262,544	22.28%	1,379,919,499	22.10%
Real, Oil, Gas and Other Minerals	7,431,467	0.11%	12,836,197	0.21%
Real and Tangible Personal, Utilities	142,255,219	2.20%	142,372,234	2.28%
Tangible Personal, Commercial and Industrial	856,364,968	13.23%	838,529,508	13.43%
Tangible Personal, Other	9,680,723	0.15%	9,172,935	0.15%
Real Property, Inventory ⁽¹⁾	6,031,331	0.09%	4,074,336	0.07%
Special Inventory	47,488,330	0.73%	50,499,631	0.81%
Total Appraised Value Before Exemptions	\$ 6,473,604,703	100.00%	\$ 6,242,908,368	100.00%
Less: Total Exemptions/Reductions	(645,060,758)		(619,231,782)	
Taxable Assessed Value at 10/01	\$ 5,828,543,945		\$ 5,623,676,586	
Adjustments to Errors and Corrections to Roll	32,873,252		32,033,851	
Taxable Assessed Value at 9/30	\$ 5,861,417,197		\$ 5,655,710,437	

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

- (1) Real properties inventories in the hands of developers or builders; each group of properties in this category is appraised on the basis of its value as a whole as a sale to another developer or builder.
- (2) In addition to the exemptions described, the City has taken action to implement the tax freeze on the residence homestead of persons who are disabled and persons who are 65 years of age or older. See "TAX INFORMATION – City Application of Tax Code."

TABLE 3A - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	General Obligation Debt Outstanding ⁽³⁾	Ratio General Obligation Debt to Taxable Assessed Valuation	General Obligation Debt Per Capita
2016	120,958	\$ 5,655,710,437	\$ 46,758	\$ 297,915,000	5.27%	\$ 2,463
2017	121,407	5,861,417,197	48,279	313,900,000	5.36%	2,586
2018	122,225	6,103,008,932	49,933	332,515,000	5.45%	2,721
2019	124,557	6,366,829,253	51,116	316,055,000	4.96%	2,537
2020	124,557	6,674,326,141	53,585	335,990,000 ⁽⁴⁾	5.03% ⁽⁴⁾	2,697 ⁽⁴⁾

(1) Source: City of Abilene

(2) As reported by the Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Includes self-supporting debt (see "Table 3B - Derivation of General Purpose Funded Tax Debt").

(4) Includes the Obligations. Preliminary, subject to change.

TABLE 3B - DERIVATION OF GENERAL PURPOSE FUNDED TAX DEBT

Fiscal Year Ended 9/30	General Obligation Debt Outstanding	Less: Self-Supporting Waterworks and Sewer System General Obligation Debt	Less: Airport General Obligation Debt	General Purpose Funded Tax Debt
2016	\$ 297,915,000	\$ 207,730,000	2,435,000	\$ 87,750,000
2017	313,900,000	210,645,000	2,080,000	101,175,000
2018	332,515,000	202,675,000	1,705,000	128,135,000
2019	316,055,000	194,785,000	1,310,000	119,960,000
2020	335,990,000 ⁽¹⁾	219,240,000 ⁽¹⁾	895,000	115,855,000 ⁽¹⁾

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

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
		General Fund	Interest and Sinking Fund			
2016	\$ 0.7140	\$ 0.5306	\$ 0.1834	\$ 39,572,135	98.73%	99.52%
2017	0.7465	0.5448	0.2017	42,686,671	98.78%	99.48%
2018	0.7751	0.5648	0.2103	46,053,774	98.78%	99.50%
2019	0.7722	0.5648	0.2074	47,181,461	98.86%	99.72% ⁽¹⁾
2020	0.7877	0.6069	0.1808	51,522,194	In process of collection	

(1) Partial year collections as of August 31, 2019.

(2) Tax Levy presented considers the estimated impact of the "Over 65 and Disabled Homeowners" tax freeze. See "Tax Information - City Application of Tax Code" herein.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	FYE 2020 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
AEP Texas Inc.	Electric Transmission & Distribution	\$ 108,172,810	1.62%
Electric Transmission of Texas	Electric Transmission & Distribution	59,300,810	0.89%
Coca-Cola Refreshments USA Inc.	Beverage Distributor	45,355,349	0.68%
Partners Mall Abilene LLC	Mall	44,837,000	0.67%
Fehr Food Inc.	Food Service Distributor	39,665,316	0.59%
Lone Star Transmission	Electric Transmission & Distribution	34,853,800	0.52%
Atmos Energy/Mid-Tex Division	Gas Distribution	30,040,079	0.45%
Permian Express Partners	Oil & Gas	28,975,390	0.43%
Lowes Home Centers Inc.	Retail	24,825,991	0.37%
Cebridge Acquisitions	Communications	24,469,802	0.37%
		<u>\$ 440,496,347</u>	<u>6.60%</u>

GENERAL OBLIGATION DEBT LIMITATION...No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "THE OBLIGATIONS - Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY

Maximum Principal and Interest Requirements, All General Obligation Debt, 2021 ⁽¹⁾	\$ 31,207,473
\$.4821 Tax Rate at 97% Collection Produces	\$ 31,211,619
Maximum Principal and Interest Requirements, General Funded Purpose Debt, 2021 ⁽²⁾	\$ 12,454,800
\$.1924 Tax Rate at 97% Collection Produces	\$ 12,456,161

(1) Includes the Obligations and self-supporting debt. See "Table 1 – Valuation, Exemptions and General Obligation Debt." Preliminary, subject to change.

(2) Includes the Obligations, but excludes self-supporting debt. Preliminary, subject to change.

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TABLE 7 - ESTIMATED OVERLAPPING DEBT

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

Taxing Jurisdiction	2019/20 Taxable Assessed Value ⁽¹⁾	2019/20 Tax Rate ⁽¹⁾	Total Tax Debt As of 10/15/2019	Estimated % Applicable	City's Overlapping Tax Debt As of 10/15/2019	Authorized But Unissued Debt As of As of 10/15/2019 ⁽³⁾
City of Abilene	\$ 6,674,326,141	\$ 0.7877	\$ 352,655,000 ⁽²⁾	100.00%	\$ 352,655,000 ⁽²⁾	\$ 8,283,000 ⁽³⁾
Abilene Independent School District	4,472,743,747	1.3214	231,307,883	97.95%	226,566,071	-
Clyde Cons. Independent School District	357,110,909 ⁽⁴⁾	1.0600	22,235,000	0.40%	88,940	-
Eula Independent School District	258,953,281	1.2583	4,611,800	27.65%	1,275,163	-
Hawley Independent School District	152,894,070	1.2784	5,615,000	1.19%	66,819	-
Jones County	835,669,392	0.6748	55,555,000	4.73%	2,627,752	6,900,000
Merkel Independent School District	435,477,951	1.1855	11,095,000	0.54%	59,913	-
Taylor County	9,161,299,968	0.5609	49,015,000	80.45%	39,432,568	-
Wylie Independent School District	1,948,911,499	1.2098	54,080,000	65.42%	35,379,136	-
Total Direct and Overlapping Tax Debt					\$ 658,151,361	
Ratio of Direct and Overlapping Tax Debt to Taxable Assessed Valuation					9.86%	
Per Capita Overlapping Tax Debt					\$ 5,283.94	

(1) Source: Municipal Advisory Council of Texas.

(2) Includes self-supporting General Obligation Debt (see "Table 1 – Valuation, Exemptions and General Obligation Debt").

If the City's General Purpose Funded Debt of \$123,190,000 is included in the calculation in place of Total Tax Debt of \$352,655,000, the following results:

Total Direct and Overlapping Tax Debt	\$ 428,686,361
Ratio of Direct and Overlapping Tax Debt to Taxable Assessed Valuation	6.42%
Per Capita Overlapping Tax Debt	\$ 3,442

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DEBT INFORMATION

TABLE 8 - PRO FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt ⁽¹⁾			The Bonds ⁽²⁾		The Certificates ⁽³⁾		Grand Total		Grand Total	Less: Waterworks and Sewer System General Obligation Debt	Less: Airport General Obligation Debt	General Purpose Funded Tax Debt	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Principal	Interest	Principal	Interest	Requirements				
2020	\$ 16,665,000	\$ 12,989,941	\$ 29,654,941	\$ -	\$ -	\$ -	\$ -	\$ 16,665,000	\$ 12,989,941	\$ 29,654,941	\$ 17,748,139	\$ 468,046	\$ 11,438,756	5.14%
2021	16,060,000	12,366,142	28,426,142	80,000	520,313	425,000	1,756,019	16,565,000	14,642,473	31,207,473	18,284,923	467,750	12,454,800	
2022	14,385,000	11,777,623	26,162,623	300,000	301,875	1,170,000	1,012,925	15,855,000	13,092,423	28,947,423	16,640,311	471,155	11,835,956	
2023	13,925,000	11,220,556	25,145,556	315,000	290,344	1,210,000	969,463	15,450,000	12,480,362	27,930,362	16,624,612	-	11,305,750	19.03%
2024	13,515,000	10,657,262	24,172,262	325,000	278,344	1,260,000	924,350	15,100,000	11,859,955	26,959,955	16,614,187	-	10,345,769	
2025	13,520,000	10,074,697	23,594,697	340,000	265,875	1,300,000	877,588	15,160,000	11,218,159	26,378,159	16,228,447		10,149,713	
2026	14,000,000	9,504,099	23,504,099	350,000	252,938	1,350,000	829,175	15,700,000	10,586,212	26,286,212	16,225,255		10,060,956	
2027	14,135,000	8,971,100	23,106,100	365,000	239,531	1,405,000	778,844	15,905,000	9,989,475	25,894,475	16,230,463		9,664,013	
2028	14,280,000	8,415,375	22,695,375	380,000	225,563	1,460,000	726,500	16,120,000	9,367,437	25,487,437	16,230,722		9,256,716	40.99%
2029	14,470,000	7,838,593	22,308,593	390,000	211,125	1,510,000	672,238	16,370,000	8,721,956	25,091,956	16,232,965		8,858,991	
2030	14,490,000	7,250,046	21,740,046	410,000	196,125	1,560,000	616,138	16,460,000	8,062,308	24,522,308	16,228,268		8,294,041	
2031	15,110,000	6,621,512	21,731,512	420,000	180,563	1,315,000	562,969	16,845,000	7,365,044	24,210,044	16,225,434		7,984,609	
2032	15,650,000	5,962,389	21,612,389	440,000	164,438	1,365,000	512,719	17,455,000	6,639,545	24,094,545	16,241,180		7,853,366	
2033	16,315,000	5,266,562	21,581,562	455,000	147,656	1,420,000	460,500	18,190,000	5,874,719	24,064,719	16,223,772		7,840,947	65.08%
2034	16,905,000	4,546,690	21,451,690	470,000	130,313	1,470,000	406,313	18,845,000	5,083,315	23,928,315	16,091,518		7,836,797	
2035	17,645,000	3,802,007	21,447,007	490,000	112,313	1,530,000	350,063	19,665,000	4,264,382	23,929,382	16,099,485		7,829,897	
2036	16,860,000	3,050,913	19,910,913	510,000	93,563	1,590,000	291,563	18,960,000	3,436,038	22,396,038	16,238,506		6,157,531	
2037	15,755,000	2,327,146	18,082,146	530,000	74,063	1,650,000	230,813	17,935,000	2,632,021	20,567,021	16,249,421		4,317,600	
2038	13,870,000	1,654,561	15,524,561	550,000	53,813	1,710,000	167,813	16,130,000	1,876,186	18,006,186	15,382,230		2,623,956	90.86%
2039	14,160,000	1,014,071	15,174,071	570,000	32,813	1,780,000	102,375	16,510,000	1,149,259	17,659,259	15,397,928		2,261,331	
2040	8,545,000	480,125	9,025,125	590,000	11,063	1,840,000	34,500	10,975,000	525,688	11,500,688	10,115,188		1,385,500	
2041	4,885,000	150,750	5,035,750					4,885,000	150,750	5,035,750	5,035,750		-	
2042	445,000	24,063	469,063					445,000	24,063	469,063	469,063		-	
2043	465,000	8,138	473,138					465,000	8,138	473,138	473,138		-	100.00%
	<u>\$ 316,055,000</u>	<u>\$ 145,974,358</u>	<u>\$ 462,029,358</u>	<u>\$ 8,280,000</u>	<u>\$ 3,782,625</u>	<u>\$ 28,320,000</u>	<u>\$ 12,282,863</u>	<u>\$ 352,655,000</u>	<u>\$ 162,039,846</u>	<u>\$ 514,694,846</u>	<u>\$ 343,530,901</u>	<u>\$ 1,406,951</u>	<u>\$ 169,756,994</u>	

(1) Outstanding Debt includes self-supporting debt.

(2) Preliminary, subject to change. Average life of the Bonds – 12.182 years. True Interest Cost of the Bonds has been calculated at 3.744% for purposes of illustration.

(3) Preliminary, subject to change. Average life of the Certificates – 11.638 years. True Interest Cost of the Certificates has been calculated at 3.718% for purposes of illustration.

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2020 ⁽¹⁾		\$ 11,438,756
Unaudited Interest and Sinking Fund Balance, 9/30/2019	\$ 1,693,331	
Budgeted Interest and Sinking Fund Tax Collections, 9/30/2020	11,444,530	
Solid Waste Transfer	31,930	
General Fund Transfer	468,050	
Collection and Paying Agent Fees	(199,470)	
Estimated Investment Income	93,550	
		<u>\$ 13,531,921</u>
Estimated Balance, 9/30/2020		\$ 2,093,165

(1) Excludes Self-Supporting Debt. Preliminary, subject to change.

TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT

Gross Income, Waterworks & Sewer System, Fiscal Year Ended 9/30/2018	\$ 55,318,795
Less: Net Operating Expenses, Waterworks & Sewer System, Fiscal Year Ended 9/30/2018	<u>33,548,400</u>
Balance Available for Other Purposes	\$ 21,770,395
Waterworks and Sewer System General Obligation Requirements, Fiscal Year Ended 9/30/2019	\$ 17,748,139
Percentage of Waterworks and Sewer System General Obligation Debt Self-Supporting	100.00%

TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Election Date	Purpose	Amount Authorized	Amount Previously Issued	Amount Being Issued	Authorized But Unissued
5/9/2015	Streets & Road	\$ 45,975,000	\$ 39,392,000	\$ 6,583,000 ⁽¹⁾	\$ -
5/9/2015	Civic Center	\$ 2,810,000	\$ 2,810,000	-	-
5/9/2015	Sidewalks	3,820,000	3,820,000	-	-
5/9/2015	Police & Fire	12,865,000	12,865,000	-	-
5/9/2015	Zoo	1,030,000	1,030,000	-	-
5/9/2015	Aquatic Facilities	6,000,000	6,000,000	-	-
5/9/2015	Splash Pads	2,500,000	2,500,000	-	-
5/9/2015	Parks & Recreation	1,490,000	1,490,000	-	-
5/9/2015	Airport Improvements	4,200,000	2,500,000	1,700,000	-
		<u>\$ 80,690,000</u>	<u>\$ 72,407,000</u>	<u>\$ 8,283,000</u> ⁽¹⁾	<u>\$ -</u>

(1) Principal plus premium applied to project costs. Preliminary, subject to change.

ANTICIPATED ISSUANCE OF GENERAL OBLIGATION DEBT... The City anticipates issuing approximately \$73.6 million in Refunding Bonds in December 2019. The City may incur non-voted debt payable from or secured by its collection of taxes and other sources of revenue, including tax notes, public property finance contractual obligations, and leases for various purposes.

TABLE 12 - OTHER OBLIGATIONS

The City has no other obligations.

RETIREMENT PLANS

Plan Descriptions

Texas Municipal Retirement System

The City provides pension benefits for all of its full-time employees, except firefighters, through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System Plan (TMRS), one of 883 currently administered by TMRS, an agent multiple-employer public employee retirement system. The TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. Such report may be obtained on TMRS' website at www.TMRS.com.

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

Abilene Firemen's Relief and Retirement Fund

The City provides pension benefits, through a single-employer defined benefit plan, for all of its firefighters not covered by the Texas Municipal Retirement System. The Abilene Firemen's Relief and Retirement Fund (AFRRF) is established under the authority of the Texas Local Fire Fighter's Retirement Act (TLFFRA). The fund is administered by a Board of Trustees. The Board is made up of three members elected from and by the fund members, two representatives of the City of Abilene, Texas, and two citizen members. The plan was most recently amended effective February 25, 2015. Audited financial statements are issued by the Plan and can be obtained from the City of Abilene.

All eligible firefighters of the City, not covered by TMRS or any other system or plan, are required to participate in AFRRF.

Benefits

Texas Municipal Retirement System (TMRS) - This plan provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – This plan provides retirement, disability, and death benefits. A member is eligible for service retirement if they have completed 20 years of credited service and attained the age of 50. A member who retires under the service retirement provision will receive a monthly benefit equal to the sum of a) standard service benefit equal to 3 percent of the member's average monthly salary multiplied by the member's number of years of credited service not in excess of 20 years and b) an additional service benefit calculated as the sum of (i) the member's years of credited service in excess of 20 but not to exceed 21.5 years, multiplied by 3.0 percent of the member's average monthly salary and (ii) \$80.00 multiplied by the member's years of service credit in excess of 21.5. A Deferred Retirement Option Plan (DROP) is available to eligible members with 23 years of service and age 53.

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The plan provisions of the City are as follows:

	Texas Municipal Retirement System	Abilene Firemen's Relief and Retirement Fund
Employee deposit rate	7%	13%
Matching ratio (City to employee)	2 to 1	
City's Contribution		19.25%
A member is vested after	5 Years	20 Years
Service Retirement Eligibility (expressed as age/years of Service)	60/5, 0/20	50/20
Updated Service Credit	100% Repeating Transfers	
Annuity increase to retirees	0% of CPI	0% of CPI

As of the most recent measurement date of the net pension liability, membership data for the pension plans are as follows:

	Texas Municipal Retirement System	Abilene Firemen's Relief and Retirement Fund
Measurement Date	December 31, 2017	October 1, 2017
Retirees and beneficiaries currently receiving benefits	802	177
Inactive employees entitled to but not yet receiving benefits	514	5
Active employees	1,031	174
Total Participants	2,347	356

Contributions

Texas Municipal Retirement System (TMRS) – Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Abilene were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.58% and 11.18% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 were \$5,597,011 and were equal to the required contributions.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The City's contribution rate for fiscal year 2017 and 2018 was 19.25% of each member's gross pay. Of this amount 1.75 percent of pay is dedicated to providing post-retirement benefit increase to inactive members, unless the contribution is needed in order to meet the funding requirements of the plan. Fund members contributed 13.2% of gross pay. Employee contributions are "picked up" by the City, as permitted under Section 414(h)(2) of the Internal Revenue Code. For this reason, a members' contributions are excluded from taxable income when paid into the fund. The City's contributions to AFRRF for the year ended September 30, 2018 were \$2,603,746 and were equal to the required contribution.

Net Pension Liability

The "Net Pension Liability" (NPL) is the difference between the "Total Pension Liability" (TPL) and the plan's "Fiduciary Net Position" (FNP). The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits related to projected salary and service, and automatic cost of living adjustments (COLA's). In addition, ad hoc COLA's are also included in the TPL to the extent they are substantively automatic. The FNP is determined on the same basis used by the pension plans.

Texas Municipal Retirement System (TMRS) - The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The City's Net Pension Liability (NPL) was measured as of September 30, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of October 1, 2017.

	Texas Municipal Retirement System	Abilene Firemen's Relief and Retirement Fund
Measurement Date	December 31, 2017	September 30, 2018
Total Pension Liability	\$ 296,487,294	\$ 109,215,314
Fiduciary Net Position	283,295,984	57,127,453
Net Pension Liability	<u>\$ 13,191,310</u>	<u>\$ 52,087,861</u>

Actuarial Assumptions

Texas Municipal Retirement System

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100%	

Abilene Firemen's Relief and Retirement Fund

The Total Pension Liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement. Update procedures were used to roll forward the total pension liability from the actuarial valuation date to the pension plan's fiscal year-end.

Inflation	2.5% per year
Overall payroll growth	4.0% per year, compounded annually
Salary Increases	Service based
Investment Rate of Return	8.00%

Discount Rate

Texas Municipal Retirement System (TMRS) - The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The discount rate used to measure the Total Pension Liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Supplemental Death Benefits Plan

The City also participates in the cost-sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employee's entire careers.

For more information concerning the City's Retirement Plans, see Appendix B, "Excerpts from the City's Annual Financial Report" - Note 7.

Other Post-Employment Benefits

The City's employee life insurance program is administered by an independent insurance company. The City collects premium payments from employees and retirees electing to participate in the program and remits these premium payments to the insurance company. Life insurance premiums collected and remitted for employees and retirees amounted to \$14,737 and \$3,610, respectively, for the year ended September 30, 2018.

Other than the City's employee life insurance program, the City provides no other post-employment benefits within the meaning of Governmental Accounting Standards Board Statement 45.

For more information concerning the City's post-employment benefits, see the financial statements of the City, and the notes thereto.

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FINANCIAL INFORMATION

TABLE 13 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Revenues:					
Taxes	\$ 79,113,365	\$ 72,495,789	\$ 69,056,784	\$ 67,980,425	\$ 58,258,617
Franchise Fees	-	-	-	-	7,177,428
Licenses and Permits	1,354,980	1,314,897	1,531,658	1,548,832	1,586,623
Fines and Forfeitures	1,489,137	1,484,462	1,461,971	1,807,461	2,193,408
Charges for Services	4,664,421	4,477,775	4,035,974	3,937,650	3,910,156
Intergovernmental Revenues	95,888	91,711	107,864	89,530	101,048
Interest and Miscellaneous	7,693,121	6,902,158	6,296,627	5,831,082	5,911,555
Total Revenues	<u>\$ 94,410,912</u>	<u>\$ 86,766,792</u>	<u>\$ 82,490,878</u>	<u>\$ 81,194,980</u>	<u>\$ 79,138,835</u>
Expenditures:					
General Government	\$ 4,861,003	\$ 4,570,773	\$ 2,293,529	\$ 1,939,342	\$ 1,889,881
Administrative Services	1,600,024	3,093,545	2,954,916	2,697,576	2,571,837
Finance	5,153,741	5,692,057	7,359,153	7,126,917	7,026,607
Planning and Development	2,130,233	2,118,591	2,269,848	3,178,177	3,087,846
Public Works	7,400,010	6,810,897	6,327,803	6,422,266	6,232,294
Facilities & Capital Improvement	3,178,690	1,385,754	-	-	-
Police	28,195,026	27,748,927	26,275,119	24,894,951	24,206,397
Fire	19,986,671	19,256,979	18,748,209	18,577,983	18,046,840
Transportation Services	2,120,644	1,941,925	1,959,062	2,022,131	1,956,764
Community Services	11,931,636	11,564,539	13,590,332	11,552,181	11,037,987
Total Expenditures	<u>\$ 86,557,678</u>	<u>\$ 84,183,987</u>	<u>\$ 81,777,971</u>	<u>\$ 78,411,524</u>	<u>\$ 76,056,453</u>
Excess (Deficit) of Revenue over Expenditures	\$ 7,853,234	\$ 2,582,805	\$ 712,907	\$ 2,783,456	\$ 3,082,382
Other Financing Sources (Uses) ⁽¹⁾	(6,556,726)	(2,110,039)	(1,144,983)	(1,795,279)	(2,444,534)
Fund Balance at Beginning of Year	<u>\$ 26,931,528</u>	<u>\$ 26,458,762</u>	<u>\$ 26,890,838</u>	<u>\$ 25,902,661</u>	<u>\$ 25,264,813</u>
Fund Balance at End of Year	<u>\$ 28,228,036</u>	<u>\$ 26,931,528</u>	<u>\$ 26,458,762</u>	<u>\$ 26,890,838</u>	<u>\$ 25,902,661</u>

(1) The City funded its CIP program with cash in the General Fund.

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TABLE 14 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. Subject to the approval of a majority of the voters in a local option election, state law also provides certain cities the option of assessing a sales and use tax for a variety of other purposes, including economic and industrial development, municipal street maintenance and repair, and sports and community venues. State law limits the maximum aggregate sales and use tax rate in any area to 8¼%. Accordingly, the collection of local sales and use taxes in the area of the City (including sales and use taxes levied by the City) is limited to no more than 2% (when combined with the State sales and use tax rate of 6¼%). On August 12, 1989, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½ of 1%) for economic development and an additional one-half of one percent (½ of 1%) for property tax reduction. Collection for the additional tax went into effect on January 1, 1990. The sales tax for economic development is collected solely for the benefit of the Development Corporation of Abilene, Inc., and may be pledged to secure payment of sales tax revenue bonds if issued by the Corporation in the future. No sales tax revenue has been pledged to secure payment of the Obligations.

Fiscal Year Ended 9/30	Total Collected ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita ⁽²⁾
2015	\$ 31,481,309	87.01%	\$ 0.5868	\$ 265
2016	30,388,148	76.79%	0.5373	251
2017	31,193,071	73.07%	0.5322	257
2018	34,784,342	75.53%	0.5700	285
2019	32,203,062 ⁽³⁾	68.25%	0.5058	259

(1) Excludes collections of the 1/2 of 1% sales and use tax for economic development.

(2) See "Estimated Population" under "Table 3A - Valuation and General Obligation Debt History".

(3) Partial year collections as of August 31, 2019.

FINANCIAL POLICIES

The City Council adopted the following Financial Policy on May 23, 1984, and amended the policy on February 9, 1995. The City of Abilene adheres to the Financial Policy for conducting the financial management of the City. The established long-range policies regarding financial management are to exercise a discipline which allows the City to retain a sound financial condition; strive to retain the best possible rating on bonds; provide future generations with the ability to borrow capital for construction of facilities without severe financial burden; and, give recognition to the community's needs and ability to pay. These goals are accomplished in the following manner:

- Prudent budgeting and effective budget control. The operating budgets will provide sufficient funding levels for ongoing maintenance of the infrastructure. Budget replacement of capital equipment as the need arises. (Office machines, automobiles, heavy equipment, etc.)
- The securing and/or approval of federal and state assistance will be based on established criteria. Such criteria is:
 - What benefit does the project have to the community as a whole,
 - What future impact will the City be responsible for due to the acceptance of the funding, and
 - How does the project relate to the Strategic Management Plan and/or other future plans of the organization?
- Private grants and donations will be actively pursued and will be subject to the same criteria as federal and state funds.
- Passing a share of the cost of extending utilities and improvements in subdivisions to property owners of the subdivisions rather than to the general public.

- Providing working capital in all funds sufficient to meet current operating needs.
- Funding Equipment Replacement at the required level.
- Pay as you go financing of capital improvements where feasible while planning for capital improvements on a five year basis and updated annually.
- Attempting to schedule bond issues so that an equal principal amount is retired each year over the life of the issue producing a total debt service schedule with a declining balance each year.
- The intent of this paragraph is to assure that the taxpayers of the City receive full benefit of “qualified” status on debt issued and not subsidize the interest expense of other debt issuers utilizing corporations created by the City on their behalf. Any differential in interest expense to the City between “qualified” (qualified tax-exempt obligations [“QTEO”]) and “non-qualified” tax exempt debt status that results from debt issued through corporations established by the City Council will be borne by those issuers of debt. The differential will be prorated among the issuers utilizing the corporations based on the amount of debt it issues to total debt issued by all corporation issuers during the calendar year. Any differential in the City’s cost shall be calculated by the City’s financial advisor based on market conditions on the date of the City sale of debt.
- The Minor Improvement Program will encompass basic capital needs whereby the amount of debt issued is equal to the amount of debt retired while maintaining the same tax rate for debt. The basic capital needs include streets, bridges, traffic control, parks, localized drainage/creek cleaning, and police/fire equipment. All projects will be financed through Certificates of Obligation, Contractual Obligations as appropriate, or cash funding.
- The Major Improvement Program will encompass major new construction such as large facilities, flood control, and other major infrastructure improvements. All projects will be approved through bond elections. A plan of major improvements that would require a bond election will be reviewed at least every three years. The identified needs would determine when a bond election would be needed.
- Financial accounting and reporting in accordance with methods prescribed by the Governmental Accounting Standards Board and the Governmental Finance Officers Association and making such reports available to bond rating agencies and other financially interest organizations.
- Achieving and maintaining a fund balance equivalent to three (3) months’ operating costs of the general operating budget, at 95% liquidity, which should be sufficient to provide financing for necessary projects and meet unanticipated contingencies such as lawsuits, tax roll tie-ups, severe fluctuations in sales of the City owned utilities and other fiscal emergencies.

*Basis of Accounting...*The City’s accounting system is conducted on the modified accrual basis of accounting for all governmental and expendable trust funds. Under this basis expenditures are recorded when liabilities are incurred; and, revenues are recorded when they become measurable and available as net current assets. The accrual basis of accounting is followed for the Enterprise and Internal Service Funds. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

*General Fund Balance...*The City’s policy is to achieve and maintain a General Fund balance equivalent to three months operating cost of the general operating budget, at ninety-five percent (95%) liquidity, which should be sufficient to provide financing for necessary projects and meet unanticipated contingencies such as law suits, tax roll tie-ups, and severe fluctuations in the sales of the City owned utilities and other fiscal emergencies.

*Debt Service Fund Balance...*A reasonable debt service fund balance is maintained in order to compensate for unexpected contingencies.

*Use of Bond Proceeds, Grants, etc...*Bond proceeds are used only for the equipment and construction of capital improvements for which the bonds have been authorized. The City receives various grants from federal and state governments. Some of these grants are for permanent capital improvements and some are for operating assistance such as Urban Mass Transit Administration operating and assurance grants. All grant funds are expended in accordance with the requirements of the grant regulations and are audited annually by the City’s Independent Auditors; Federal and State grants do not play a significant part in funding of the City’s operations.

*Budgetary Procedures...*At least thirty days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget, which represents the fiscal plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them. Public hearings are conducted at which all interested persons and comments concerning the budget are heard. The budget for the next fiscal year is legally enacted by the City Council through passage of an ordinance not later than the twenty-fifth day of the last month of the fiscal year.

INVESTMENTS

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

Under State law, the City is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits, other than those described in clause (7), that (i) are invested through a broker or institution with a main office or branch office in this state and selected by the City in compliance with the PFIA, (ii) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the City's account, (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States, and (iv) the City appoints as its custodian of the banking deposits, in compliance with the PFIA, the institution in clause (8)(i) above, a bank, or a broker-dealer; (9) certificates of deposit and share certificates meeting the requirements of the PFIA (i) that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8), above, or secured in accordance with Chapter 2257, Texas Government Code, or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through a broker or institution that has a main office or branch office in the State and selected by the City in compliance with the PFIA, (b) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the City appoints, in compliance with the PFIA, the institution in clause (9)(ii)(a) above, a bank, or broker-dealer as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described by clauses (1) or (12), which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank, or of the holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or an equivalent by either (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission and complies with Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are registered and regulated by the Securities and Exchange Commission that have a weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations approved in this paragraph, or (ii) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations described in clause (1), excluding obligations which the City is explicitly prohibited from investing in, and in an amount at least equal to the amount of bond proceeds invested under such contract; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, including accrued income, (ii) a loan made under the program allows for termination at any time, (iii) a loan made under the program is either secured by (a) obligations described in clauses (1) through (8) above, (b) irrevocable letters of credit issued

by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent, or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool, (iv) the terms of a loan made under the program require that the securities being held as collateral be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party designated by the City, (v) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State, and (vi) the agreement to lend securities has a term of one year or less.

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

The City is specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES. . . . Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, and the maximum average dollar-weighted maturity allowed for pooled fund groups. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Effective September 1, 2019, the investment officer of a local government is allowed to invest bond proceeds or pledged revenue only to the extent permitted by the PFIA and in accordance with (i) statutory provisions governing the debt issuance (or lease, installment sale, or other agreement) and (ii) the local government's investment policy regarding the debt issuance or the agreement.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value, and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City.

ADDITIONAL PROVISIONS. . . . Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly

average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 15 - CURRENT INVESTMENTS

As of August 31, 2019, the City's investable funds were invested in the following categories:

Investment Type	Percent of Total Investments	Purchase Price	Fair Market Value ⁽¹⁾
TexPool	31.12%	\$ 46,309,848	\$ 46,309,848
TexSTAR ⁽²⁾	35.32%	52,563,880	52,563,880
Money Markets	1.39%	2,069,829	2,069,829
Government Agency Investments	32.18%	47,888,699	48,066,796
	<u>100.00%</u>	<u>\$ 148,832,256</u>	<u>\$ 149,010,353</u>

(1) All investments will mature within 20 months and the market value of the total investment portfolio was approximately 100.1% of its purchase price.

(2) TexSTAR is a local government investment pool co-administered by Hilltop Securities Inc.

TAX MATTERS

OPINION... On the date of initial delivery of the Bonds and Certificates, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the City, will render its respective opinions with respect the Bonds and Certificates that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Obligations for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Obligations will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds and Certificates. See Appendix C -- Forms of Opinions of Bond Counsel.

In rendering its opinions, Bond Counsel to the City will rely upon (a) the City's federal tax certificate, and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Obligations and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Obligations to become includable in gross income retroactively to the date of issuance of the Obligations.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Obligations in order for interest on the Obligations to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Obligations to be included in gross income retroactively to the date of issuance of the Obligations, as applicable. The opinions of Bond Counsel are conditioned on compliance by the City with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Obligations.

Bond Counsel's opinions represent its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinions are not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Obligations.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Obligations or the projects financed or refinanced with the proceeds of the Obligations or the Refunded Obligations. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Obligations, or as to whether the Internal Revenue Service would agree

with the opinions of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the holders of the Obligations may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

FEDERAL INCOME TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT...The initial public offering price to be paid for one or more maturities of the Obligations may be less than the principal amount thereof or one or more periods for the payment of interest on the tax-exempt obligations may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Obligations"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Obligation, and (ii) the initial offering price to the public of such Original Issue Discount Obligation would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the particular series of obligations less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Obligation in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Obligation equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Obligation prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Obligations in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Obligations was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Obligations is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Obligations and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Obligations for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Obligations.

Prospective purchasers should be aware that because the first interest payment will be made more than one year after the issue date of the Bonds, the first payment may be treated as original issue discount. While such treatment of the payment will not adversely affect the excludability of the interest portion of the payment from a holder's gross income, special tax accounting treatment may apply. This tax accounting treatment would cause a portion of the interest payment to be recognized in the taxable year in which the Bonds are purchased, rather than the taxable year in which the payment is received by the holder. This treatment may accelerate the recognition of any portion of the payment which is treated as market discount and any other collateral federal income tax consequences for certain holders. Prospective purchasers should consult their tax advisors for advice regarding such consequences.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Obligations which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Obligations should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Obligations and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Obligations.

COLLATERAL FEDERAL INCOME TAX CONSEQUENCES...The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Obligations. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance

premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM RECENTLY ENACTED LEGISLATION OR FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE OBLIGATIONS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Obligations, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Obligations, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

STATE, LOCAL AND FOREIGN TAXES...Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Obligations under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

FUTURE AND PROPOSED LEGISLATION...Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Obligations under Federal or state law and could affect the market price or marketability of the Obligations. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Obligations should consult their own tax advisors regarding the foregoing matters.

INFORMATION REPORTING AND BACKUP WITHHOLDING ...Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Obligations will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

CONTINUING DISCLOSURE OF INFORMATION

In each of the Ordinances, the City has made the following agreement for the benefit of the holders and beneficial owners of the respective series of Obligations. The City is required to observe the agreements for so long as it remains obligated to advance funds to pay the Bonds or Certificates, as applicable. Under the agreements, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB").

ANNUAL REPORTS . . . The City will provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 15 and in Appendix B. The City will update and provide the information in Tables 1 through 6 and 8 through 15 within six months after the end of each fiscal year ending in and after 2019. The City will additionally provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in or after 2019. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City will file unaudited financial statements within such 12 month period and audited financial statements for the applicable fiscal year, when and if the audit report on such

statements becomes available. Financial statements will be prepared in accordance with the accounting principles described in APPENDIX B or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. The City may provide updated information in full text or may incorporate by reference documents available on EMMA or filed with the United States Securities and Exchange Commission (the “SEC”). The City will provide the updated information to the MSRB through the “EMMA” information system in accordance with Rule 15c2-12 (the “Rule”) promulgated by the SEC.

The City’s current fiscal year end is September 30. Accordingly, it must provide updated information included in Tables 1 through 6 and 8 through 15 by March 31 in each year, unless the City changes its fiscal year and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) by September 30 in each year. If the City changes its fiscal year, it will notify the MSRB of the change.

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

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. For the purposes of the above describe event notices (15) and (16), the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

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

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if

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

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five (5) years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

OTHER INFORMATION

RATINGS

The Obligations are rated "AA+" by S&P Global Ratings, a division of S&P Global Inc. ("S&P") and "AA+" by Fitch Ratings ("Fitch"). An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Obligations.

LITIGATION

It is the opinion of the City Attorney and City staff that there is no pending litigation against the City that, if decided adversely to the City, would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

LEGAL OPINIONS

The City will furnish complete transcripts of proceedings had incident to the authorization and issuance of each respective series of the Obligations, including the unqualified approving legal opinions of the Attorney General of Texas approving the

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

FINANCIAL ADVISOR

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

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

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the City, at a price equal to the initial offering prices to the public shown on page 2 of this Official Statement, less an underwriting discount of \$ _____. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased.

The Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the City, at a price equal to the initial offering prices to the public shown on page 4 of this Official Statement, less an underwriting discount of \$ _____. The Underwriters will be obligated to purchase all of the Certificates if any Certificates are purchased.

The Obligations to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Obligations, and such public offering prices may be changed, from time to time, by the Underwriters.

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

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or

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

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

MISCELLANEOUS

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

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

Mayor
City of Abilene, Texas

ATTEST:

City Secretary
City of Abilene, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

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THE CITY

The City of Abilene, County Seat of Taylor County, Texas, is primarily located in northern Taylor County with a small portion of the City located in Jones County to the north. Located 150 miles west of Fort Worth and 180 miles west of Dallas, Abilene is the economic, medical, educational and cultural center of this West Central Texas area.

POPULATION

	City of Abilene ⁽¹⁾	Taylor County ⁽²⁾
1920 Census	10,274	24,081
1930 Census	23,175	41,023
1940 Census	26,612	44,147
1950 Census	45,570	63,370
1960 Census	90,368	101,078
1970 Census	89,653	97,853
1980 Census	98,315	110,932
1990 Census	106,707	119,655
2000 Census	115,930	126,555
2010 Census	117,179	127,683
2019 Estimated	124,557	136,290

(1) With the exception of U.S. Census figures, population estimates are provided by the City of Abilene, Texas.

(2) With the exception of U.S. Census figures, population estimates are provided by Taylor County, Texas.

BUSINESS AND INDUSTRY

Manufacturing plants in Abilene and its immediate vicinity produce such products as gas welding equipment, meat products, plumbing fixture, soft drinks and soft drink containers, bakery products, vegetable oil products, poultry and livestock feeds, tire retreading products, sprockets and gears, pressure vessels, ski boats, and signs.

LABOR FORCE ESTIMATES

	Annual Averages				
	2019 ⁽¹⁾	2018	2017	2016	2015
Abilene					
Civilian Labor Force	55,723	55,710	54,823	54,048	54,058
Total Employment	54,007	53,868	52,824	51,976	52,054
Unemployment	1,716	1,842	1,999	2,072	2,004
Percent Unemployment	3.1%	3.3%	3.6%	3.8%	3.7%
Taylor County					
Civilian Labor Force	65,341	65,309	64,282	63,326	63,404
Total Employment	63,379	63,237	62,010	60,960	61,082
Unemployment	1,962	2,072	2,272	2,366	2,322
Percent Unemployment	3.0%	3.2%	3.5%	3.7%	3.7%
State of Texas					
Civilian Labor Force	14,027,575	13,848,080	13,589,208	13,347,311	13,095,837
Total Employment	13,528,932	13,314,203	13,002,828	12,731,137	12,513,692
Unemployment	498,643	533,877	586,380	616,174	582,145
Percent Unemployment	3.6%	3.9%	4.3%	4.6%	4.4%

Source: Texas Workforce Commission; subject to revision.

(1) Data through August 2019.

ECONOMIC INDICES, CITY OF ABILENE

Calendar Year	Building Permits	Water Utility Connections
2015	\$ 214,014,497	39,686
2016	199,481,455	40,132
2017	207,335,801	40,217
2018	141,269,845	40,793
2019 ⁽¹⁾	166,667,492	40,827

Source: The City.

(1) Figures as of August 31, 2019.

CITY OF ABILENE BUILDING PERMITS BY CLASSIFICATION

Year	Residential (Single-Family)		Business Industrial and Apartments	Schools and Churches	Miscellaneous, Alterations and Repairs	Total
	Number of Units	Value				
2015	303	\$ 66,041,187	\$ 66,663,879	\$ 66,104,514	\$ 15,204,917	\$ 214,014,497
2016	297	55,243,040	62,630,706	61,381,750	20,225,959	199,481,455
2017	275	61,497,646	101,782,128	31,824,501	12,231,526	207,335,801
2018	309	66,329,822	25,663,169	30,755,234	18,521,620	141,269,845
2019 ⁽¹⁾	273	52,746,065	62,230,674	21,325,750	30,365,003	166,667,492

(1) Figures as of September 17, 2019.

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TOP 25 EMPLOYERS

Company	Type of Business	Estimated Employees 2019
Dyess Air Force Base	Air Force Base	8,400
Hendrick Health System	Hospital	3,200
Abilene Independent School District	Public School	2,450
Abilene Christian University	Private University	1,900
City of Abilene	City	1,300
State Supported Living Center	Mental Health	1,225
Texas Department of Criminal Justice	Prisons	1,190
BlueCross BlueShield of Texas	Health Insurance Call Center	1,090
Abilene Regional Medical Center	Hospital	830
AbiMar Foods	Food Manufacturing	680
Taylor County	County	560
First Financial Bank	Banking and Financial Services	540
Wylie Independent School District	Public Education	510
Eagle Aviation Services	Aviation Mechanic	470
Hardin-Simmons University	Private University	425
Rentech Boiler Systems and Services	Metal Fabrication	400
Cisco College	Public College	340
Coca-Cola Refreshments	Food Manufacturing	340
Abilene Diagnostic Clinic	Primary Care Physicians	300
Teleperformance	Contract Call Center	250

Source: Abilene Industrial Foundation

INDUSTRIAL/COMMERCIAL DEVELOPMENT

In 1989, the City set a precedent for the rest of Texas when Abilenians voted to become the first community to adopt a half-cent sales tax devoted specifically to economic development. Because of new life in retail trade and industrial expansion, Abilene's economic development sales tax collections have grown from just under \$4 million in 1990 to \$11.7 million in FY 2019.

Abilene has been receptive to the changes that were necessary to pull out of the slump caused by the economic downturn of the 1980's. The direction became to continue targeting better jobs that will further stabilize and enhance Abilene's economy while improving the quality of life for its citizens. A hard lesson was learned when several of the city's major employers, like Lockheed Martin, Texas Instruments and US Brass pulled up stakes and left town. Today, any viable community must support many smaller companies to provide a stable employment and property tax base.

Thirty years ago, City Council authorized the creation of the Development Corporation of Abilene, Inc. (DCOA) pursuant to the Development Corporation Act of 1979 (Texas Civil Statutes Article 5190.6), hereinafter referred to as the "Act". The Act allows municipalities to create a nonprofit corporation that will promote the creation of new and expanded industry and manufacturing activity within the municipality and its vicinity. The DCOA is a five-member board appointed by the Mayor and operates separately from the City of Abilene as a nonprofit with its own federal tax identification number.

DCOA promotes growth and development in Abilene's industrial, commercial and educational sectors with the goal to further diversify the economy. The DCOA utilizes many assets to increase capital investment and grow primary jobs. Two business parks: Five Points Business Park in West Abilene and Access Business Park East Abilene are among these assets:

- The Five Points Business Park is located on I-20 with rail service available, enhanced water pressure and electrical capability and streetlights, and boasts such tenants as Texas Department of Transportation, Healthcare Linen, Atmos Energy, Broadwind Towers, Pactiv Industries, Prairie Dog Pet Products and FedEx. The Park has about 600 acres available for new development.
- The Access Business Park is designed for light manufacturing and corporate headquarters due to its location directly across from the Abilene Regional Airport and access to major highways. Roads and utilities were recently installed so the DCOA is looking for an anchor tenant to jumpstart the Park's development. The Park has about 120 acres available with additional acreage located nearby.

The City recently created the Abilene Convention Center Hotel Development Corporation (the “ACCHDC”) as a public, nonprofit corporation in accordance with Subchapter D of Chapter 431, Texas Transportation Code, for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City, including aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote and accomplish the development of the geographic area of the City included at or in the vicinity of the Abilene Convention Center. The City and the ACCHDC have entered into a master development agreement with a developer for the development of a downtown convention center hotel.

AGRICULTURE

Abilene is the center of a well-developed agricultural area. The major source of agricultural income is production and marketing of livestock. Principal crops are grain sorghums, wheat and cotton.

MINERAL PRODUCTION

Oil and natural gas are produced in an 18 county area surrounding Abilene.

Taylor County Statewide Onshore Oil & Gas Production
Annual Totals, 2015 - 2019

Date	Oil (BBL)	Casinghead (MCF)	GW Gas (MCF)	Condensate (BBL)
2015	385,338	135,928	26,794	44
2016	386,804	91,110	20,924	6
2017	420,809	128,118	18,176	-
2018	404,664	207,960	16,447	-
2019 ⁽¹⁾	194,849	89,268	8,866	-

Source: Texas Railroad Commission.

(1) Data through July 2019.

HIGHER EDUCATION - UNIVERSITIES AND COLLEGES

Abilene is home of three co-educational, liberal arts universities, and has extension campuses for Cisco Junior College and Texas State Technical College. Abilene Christian University, established in 1906, is closely affiliated with the Church of Christ and has an estimated enrollment of 4,460. The University is located on a campus of 208 acres, with an additional 500 acre experimental farm.

Hardin-Simmons University, originally established as Abilene Baptist College in 1891, is a coeducational, liberal arts university; the University is a church-related institution affiliated with the Baptist General Convention of Texas with estimated enrollment of over 2,200 each semester.

McMurry University is a coeducational, liberal arts college founded in 1923 by the Northwest Texas Conference of the Methodist Church and is now jointly owned and operated by the Northwest Texas and New Mexico Conferences of the United Methodist Church. The University enrolls an estimated 1,200 students each semester.

The Abilene Educational Center of Cisco Junior College, a State funded off-campus center of Cisco College District, Cisco, Texas, offers core academic programs at the junior college level leading to an associate degree and vocational-technical courses and maintains enrollment of approximately 2,800.

Texas State Technical College - Abilene Center is a State funded branch of the Texas State Technical College's Sweetwater, Texas, main campus. The college offers occupationally oriented programs in technical and vocational areas such as machining, automated office skills, electronics servicing, information management skills, drafting and design technology and others. Estimated enrollment per semester is 1,200.

The Anita Thigpen Perry Texas Tech School of Nursing and the Texas Tech School of Pharmacy have recently been located in the City as branches of the Texas Tech University Health Sciences Center and has an estimated enrollment of 560.

OTHER EDUCATIONAL INFORMATION

Abilene Independent School District, which includes approximately 90% of the City of Abilene, has a current enrollment of 16,842 and 2,534 employees including professional and other personnel.

GOVERNMENT AND MILITARY

Abilene is the location of more than 50 State and Federal offices and facilities including Dyess Air Force Base.

DYESS AIR FORCE BASE... Located in and adjacent to Abilene, is a 6,430 acre permanent base of the Air Combat Command. There are an estimated 5,400 military & civilian personnel at the base. Dyess is the home base for the 7th Wing of the Air Combat Command and the home base of the 317th Airlift Group. The Wing flies the B-1 bomber and the C-130. Annual economic impact on Abilene is in excess of \$532 million. As the primary training base for the B-1 bomber, Dyess was not affected by the base closure program of the Department of Defense.

STATE PRISON... The Texas Department of Criminal Justice operates a maximum security State prison in Abilene. Designated the French Robertson Unit - Abilene, the prison, located in north Abilene on a 314 acre site donated by the City, opened in November, 1992. The prison has four 432-bed housing groups clustered around a central support core of administration, medical, education, laundry and food service facilities. A garment factory provides approximately 270 inmate jobs and produces inmate uniforms for State prison system use. The Unit has 2,746 inmates (max capacity at 2,984) and has an estimated 1,190 employees with an annual payroll in excess of \$21 million. The City of Abilene provides water, sewer and sanitation services for the Unit at regular City commercial rates.

STATE TRANSFER FACILITY... The Texas Department of Criminal Justice operates a 2,128 inmate capacity transfer center on a site immediately east of the Robertson Unit. Designated the John W. Middleton Unit - Abilene, this transfer facility is designed to alleviate overcrowding of Texas county jails and serves as temporary housing for State inmates being processed into State prisons; inmates may be housed at a State transfer facility for not over 12 months before being moved to a State prison. The facility has an estimated 527 employees with 378 employees utilized for security. The City of Abilene provides water, sewer and sanitation services for the facility at regular City commercial rates.

HOSPITALS AND MEDICAL CARE

There are two major medical centers with a total of 850 licensed beds: Hendrick Health System and Abilene Regional Medical Center and two minor. Hendrick Medical Center operates an accredited nursing school. Hendrick Medical Center is the health services provider to the two State Department of Criminal Justice Units in Abilene.

Abilene has over 250 practicing physicians and surgeons (M.D.) and over 57 dentists. A radiology center for the treatment of malignant diseases is located in the City. West Texas Rehabilitation Center, a non-profit organization offering diagnostic, neurological and rehabilitation services to the handicapped, is located in Abilene.

RECREATION AND ENTERTAINMENT

The City of Abilene maintains numerous developed parks and six Golf Courses. The City of Abilene Convention Center and Taylor County Coliseum provide areas for community events, concerts, conventions, fairs and livestock shows. Also available to residents are Abilene Christian University, Hardin-Simmons University and McMurry University programs and events, the Morgan Jones Planetarium (owned and operated by the Abilene Independent School District), Abilene Symphony Orchestra, Abilene Community Theatre, Museums of Abilene, the Paramount Theater, City of Abilene Zoo, City of Abilene Library, the annual West Texas Fair and sporting events. Additionally available to residents and tourists is Frontier Texas!, The Grace Museum (Art Museum, History Museum, and Children's Museum), National Center for Children's Illustrated Literature (NCCIL), The Center for Contemporary Arts, Elks Arts Center, 12th Armored Division Memorial Museum, Dyess Air Force Base, Buffalo Gap Historical Village, Abilene State Park, Abilene Skate Park, Abilene Speedway, Abilene Ballet Theatre, Abilene Opera Association, Abilene Classical Chorus and Classical Youth Chorus, Texas Forts and Trail Visitor Center, Fort Phantom Hill, and Prime Time Entertainment (includes laser tag, miniature golf, electric go-carts, bumper cars, climbing wall, bowling lanes, arcade, and a coffee bar).

Abilene State Park, located 19 miles southwest of Abilene, contains 621 acres. Maintained and operated by the State of Texas, the park provides recreational and camping facilities.

CHURCHES

Abilene has over 100 churches representing all major denominations.

MEDIA

One daily newspaper.

Television and Radio - 4 network channels; cable provides multi-channel access including the Public Broadcasting System. There are several AM and FM radio stations.

UTILITY SERVICES

Water and Sewer - City of Abilene.
Electric – AEP Texas or alternatives.
Natural Gas – Atmos Energy

TRANSPORTATION

Abilene and Taylor County have a highway system which includes U.S. Interstate Highway 20, three U.S. highways, two State highways and a network of paved farm-to-market roads.

Rail transportation is furnished by the Union Pacific Railroad and the Southern Switching Company.

Airline transportation is furnished at Abilene Regional Airport with non-stop service provided primarily by Envoy (formerly known as American Eagle). Passenger enplanements for 2017 were 92,000. Airport facilities include a recently remodeled terminal, two lighted runways of 7,200' each suitable for jet aircraft and a 3,685' crosswind runway, complete taxiway system, a FAA control tower and instrument landing system and extensive general aviation services. Other major airport tenants include: Abilene Aero, which provides full service fixed base operator services including aircraft fueling and maintenance and Polasek Helicopter Services, which specializes in helicopter flight training and helicopter flying lessons. Texas State Technical College utilizes a renovated 34,000 square foot hangar at the Airport for teaching aviation maintenance technology and flight instruction. Eagle Aviation Services, Inc., a subsidiary of American Eagle, operates a major aircraft maintenance facility at the Airport. The City continues to make improvements to the airport to meet the demands of its growth.

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APPENDIX B

EXCERPTS FROM THE
CITY OF ABILENE, TEXAS
ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2018

The information contained in this Appendix consists of excerpts from the City of Abilene, Texas Annual Financial Report for the Year Ended September 30, 2018, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

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APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

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**An Ordinance Authorizing the Issuance and Sale of City of
Abilene, Texas, General Obligation Bonds, Series 2019;
Levying an Annual Ad Valorem Tax and Providing for the
Security for and Payment of Said Bonds; Approving the
Official Statement; Providing an Effective Date; and Enacting
Other Provisions Relating to the Subject**



Ordinance – Authorizing the Issuance and Sale of 2019 General Obligation Bonds

- This ordinance authorizes the sale of general obligation bonds as part of the 2015 voter approved bond referendum.
- The bonds will include funds for street and airport improvements.
- Debt service on these bonds will be funded by ad-valorem tax.



Projects to be Funded with General Obligation Bonds

General Obligation Bonds:

• Streets:	
• Butternut St – Treadaway Blvd to S 1 st St.	\$2,871,000
• N 6 th St/Leggett Dr – N 1 st St to Grape St	1,683,000
• S Willis St – S 32 nd St to S 14 th St	1,356,000
• T&P Lane – ES 11 th St to Sandy St	<u>673,000</u>
	6,583,000
• Airport Improvements	<u>- 1,700,000</u>
	\$8,283,000



Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Mike Rains, Finance Director

SUBJECT: **22. Ordinance:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Authorizing the Issuance and Sale of City of Abilene, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019; Levying an Annual Ad Valorem Tax and Providing for the Security for and Payment of Said Certificates; Approving the Official Statement; Providing an Effective Date; and Enacting other Provisions Relating to the Subject *(Mike Rains)*

GENERAL INFORMATION

This ordinance will authorize the issuance of Certificates of Obligation totaling \$27,280,000. The certificates will include \$9,760,000 for energy projects as identified by Schneider Electric, \$2,520,000 for non-public safety mobile and portable radios as well as radio infrastructure under the City's Spillman contract and \$15,000,000 for the first phase of Water Utilities five year capital project plan.

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

For the energy project and radio portion, repayment of the bonds will come from annual ad valorem taxes until maturity. The Schneider Electric contract will guarantee energy savings to cover all but \$107,000 of the annual debt service for the energy projects.

The Water Utility portion of the bonds will be repaid from excess revenues of the Water Utility

Fund.

STAFF RECOMMENDATION

Staff recommends approval of the issuance of the certificates.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Ordinance - 2019 COs
2. Abilene GO CO S19 - POS draft 10.29
3. Powerpoint - Ordinance Authorizing Issuance of 2019 Certificates of Obligation

ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF ABILENE, CERTIFICATES OF OBLIGATION, SERIES 2019; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING THE OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
COUNTIES OF TAYLOR AND JONES §
CITY OF ABILENE §

WHEREAS, the City Council of the City of Abilene, Texas (the “Issuer”), deems it advisable to issue Certificates of Obligation in the amount and for the purposes hereinafter set forth;

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Texas Local Government Code and Subchapter B, Chapter 1502, Texas Government Code;

WHEREAS, the City Council has heretofore passed a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been duly published in a newspaper of general circulation in said city, said newspaper being a “newspaper” as defined in Section 2051.044, Texas Government Code;

WHEREAS, the Issuer received no petition from the qualified electors of the Issuer protesting the issuance of such Certificates of Obligation;

WHEREAS, it is considered to be to the best interest of the Issuer that said interest-bearing Certificates of Obligation be issued to pay costs related to constructing, improving, acquiring and equipping the public improvements described below;

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the certificates of obligation was submitted to the voters of the Issuer during the preceding three years and failed to be approved; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The certificates of the Issuer are hereby authorized to be issued and delivered in the aggregate principal amount of \$28,320,000 for paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system, including water treatment improvements, distribution lines, lift and pump stations, sewer and manhole rehabilitation, control system improvements, engineering fees and acquisition of easements and equipment for water treatment improvements and

transmission lines; (ii) radio equipment and microwave communications infrastructure, (iii) acquiring, constructing, installing and equipping energy efficiency equipment including HVAC and chiller replacements, LED lighting, low flow water valves and electrical infrastructure and mechanical retrofits in City owned buildings, and (iv) legal, fiscal and engineering fees in connection with such projects (collectively, the “Project”).

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: “CITY OF ABILENE, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2019,” and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated December 1, 2019, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the initial purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said certificates or any portion or portions thereof (in each case, the “Registered Owner”), and said certificates shall mature and be payable serially on February 15 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF CERTIFICATE set forth in Section 4 of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Years	Principal Amounts (\$)	Interest Rates (%)
***	***	***
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2028		
2039		
2040		

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

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Appointment of Paying Agent/Registrar. The Issuer hereby appoints U.S. Bank National Association, Dallas, Texas, to serve as paying agent and registrar for the Certificates (the "Paying Agent/Registrar"). The Mayor or City Manager is authorized and directed to execute and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar.

(b) Registration, Transfer, Conversion and Exchange. The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three (3) days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates 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. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, 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 Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(c) Authentication. Except as provided in subsection (j) of this section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Certificates in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(d) Payment of Principal and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying

Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates 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 Issuer's obligations with respect to payment of principal of and interest on the Certificates 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 evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance.

(f) Paying Agent/Registrar. The Issuer covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. 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.

(g) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred-twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (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 Issuer 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, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

(h) Book-Entry Only System. The Certificates issued in exchange for the Certificates initially issued to the purchaser or purchasers specified herein shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof and the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsections (j) and (k) of this Section, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Blanket Letter of Representations. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates. Notwithstanding anything to the contrary contained herein, while the Certificates are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(j) Certificates Registered in the Name of Cede & Co. With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer 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 transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer 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, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. 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.

(k) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A 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 to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates 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 shall designate, in accordance with the provisions of this Ordinance.

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

(m) General Characteristics of the Certificates. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying

Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Certificates initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the FORM OF CERTIFICATE set forth in this Ordinance.

(n) Cancellation of Initial Certificate. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the order of the initial purchaser of the Certificates or its designee, executed by manual or facsimile signature of the Mayor and City Secretary, 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 such purchaser or its designee. Upon payment for the initial Certificate, the Paying Agent/Registrar shall cancel the initial Certificate and deliver to DTC on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, 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 to the Certificates 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.

(a) Form of Certificate.

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF ABILENE, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION SERIES 2019	PRINCIPAL AMOUNT \$ _____
--------	--	---------------------------------

Interest Rate	Delivery Date	Maturity Date	CUSIP No.
	December 10, 2019	February 15, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the City of Abilene, in Taylor and Jones Counties, Texas (the "Issuer"), 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"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum

specified above. Interest is payable on February 15, 2021 and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated 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 or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft 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 at the close of business on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Certificate that on or before each principal payment date and interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a series of Certificates dated December 1, 2019, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$28,320,000 for paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system, including water treatment improvements, distribution lines, lift and pump stations, sewer and manhole rehabilitation, control system improvements, engineering fees and acquisition of easements and equipment for water treatment improvements and transmission lines; (ii) radio equipment and microwave communications infrastructure, (iii) acquiring, constructing, installing and equipping energy efficiency equipment including HVAC and chiller replacements, LED lighting, low flow water valves and electrical infrastructure and mechanical retrofits in City owned buildings, and (iv) legal, fiscal and engineering fees in connection with such projects. .

ON FEBRUARY 15, 2029, or on any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST THIRTY (30) days prior to the date fixed for any redemption of Certificates 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, at least thirty (30) days prior to the date fixed for any such redemption, to the registered owner of each Certificate to be redeemed at its address as it appeared on the business day prior to the mailing of such redemption notice; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. 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 or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that 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 shall be redeemed, a substitute Certificate or Certificates 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 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 Issuer, all as provided in the Certificate Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE CERTIFICATES, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a notice of conditional redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, 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 surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate 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 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 or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate 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 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 assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion 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, conversion, or exchange (i) 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, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within forty-five (45) days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Certificate 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.

IT IS HEREBY certified, recited and covenanted that this Certificate 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 have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a limited pledge of the Surplus Revenues of the Issuer's waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of said revenues, all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate 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.

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

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, by the Mayor Pro Tem) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer (or in the City Secretary's absence, by the Assistant City Secretary), and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(signature)
City Secretary

(signature)
Mayor

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate 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 has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that 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: _____.

U.S. BANK NATIONAL ASSOCIATION
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please type or print clearly)

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

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Certificate and that this Certificate has been registered this day by me.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Certificate Insertions.

(i) The initial Certificate shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF ABILENE, TEXAS, in Taylor and Jones Counties, Texas (the "Issuer"), 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"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments (\$)	Interest Rates (%)
_____	_____	_____

(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2021, and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated 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 or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.”

C. The Initial Certificate shall be numbered “T-1.”

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special “Interest and Sinking Fund” is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Certificates. All amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances 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 said Issuer, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by a limited pledge, not to exceed \$1,000, of revenues of the Issuer’s waterworks and sewer system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer’s revenue obligations (now or hereafter outstanding) that are secured by a lien on all or any part of the net revenues of the Issuer’s waterworks and sewer system, constituting “Surplus Revenues”. The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to subsection (a) of this section, to the extent necessary to pay the principal of and interest on the Certificates. Notwithstanding the requirements of subsection (a) of this section, if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the

time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Chapter 1208, Texas Government Code, applies to the issuance of the Certificates of Obligation and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates of Obligation are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section, is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Certificates of Obligation a security interest in said pledge, the Issuer 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 of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") 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, 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 or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the limited pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates 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) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer 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 and interest thereon, with respect to which such money has been so

deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates 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 6(a)(i) or (ii) of this Section. All income from such Defeasance Securities which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term “Defeasance Securities” means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; and (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

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

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

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

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

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the registered owner applying for a replacement certificate shall furnish to the Issuer 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, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

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

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Certificate 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 duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Section 1206.022, Texas Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3 of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates 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 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, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates 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. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Certificates is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section 103 of 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 Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates (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 or the projects financed therewith are so

used, such amounts, whether or not received by the Issuer, 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, 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 (5%) of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent (5%) is used for a “private business use” that 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 that is greater than the lesser of \$5,000,000, or 5 percent (5%) of the proceeds of the Certificates (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 that would otherwise result in the Certificates 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 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, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Certificates, other than investment property acquired with –

(A) proceeds of the Certificates invested for a reasonable temporary period until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(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 (10%) of the proceeds of the Certificates;

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

(8) to refrain from using proceeds of the Certificates or the proceeds of any prior bonds to pay debt services on another issue more than ninety (90) days after the issuance of the Certificates in contravention of section 149(d) of the Code (relating to advance refundings);

(9) 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) 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 sixty (60) days after the Certificates have been paid in full, 100 percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code;

(10) to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Certificates are issued, an

information statement concerning the Certificates, all under and in accordance with section 149(e) of the Code and the applicable Treasury Regulations promulgated thereunder; and

(11) to assure that the proceeds of the Certificates will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a “Rebate Fund” is hereby established by the Issuer 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 certificateholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer 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. It is the understanding of the Issuer 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 that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer 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 under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer 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 under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, the City Manager or the Director of Finance of the Issuer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon more than sixty (60) days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. For purposes hereof, the Issuer 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 Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer 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. For purpose of the foregoing, the Issuer 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. 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 Issuer 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.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT;
FURTHER PROCEDURES.

(a) The Certificates are hereby sold and shall be delivered to SAMCO Capital Markets, Inc., RBC Capital Markets LLC and Frost Bank (collectively, the “Underwriters”), for the purchase price of \$_____ (representing the par amount of the Certificates of \$10,215,000.00, plus aggregate original issue premium of \$_____ (premium to be applied as set forth in Section 16) and less an underwriters’ discount of \$_____) pursuant to the terms and provisions of a Purchase Agreement with the Underwriters. It is hereby officially found, determined, and declared that the Certificates have been sold pursuant to the terms and provisions of a Purchase Agreement in substantially the form presented at this meeting, which the Mayor of the Issuer is hereby authorized and directed to execute. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The initial Certificate shall be registered in the name of SAMCO Capital Markets, Inc. or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates 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 dated October 30, 2019, prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor, City Manager, City Secretary and Director of Finance, and each of them, 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 of the Issuer all other such documents, certificates and 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, the sale of the Certificates and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other certificate proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the “Series 2019 Combination Tax and Limited Surplus Revenue Certificates of Obligation Construction Fund” for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Project as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may invest proceeds of the Certificates (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds

Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 13. COMPLIANCE WITH RULE 15c2-12.

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six (6) months after the end of each fiscal year ending in or after 2019, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in Exhibit A hereto. The Issuer will additionally provide audited financial statements when and if available, and in any event, within twelve (12) months after the end of each fiscal year ending in or after 2019. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the Issuer will file unaudited financial statements within such twelve (12) month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Appendix B to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

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

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

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of holders of the Certificates, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor trustee or change in the name of the trustee, if material;
15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the Issuer, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets of the Issuer, or if jurisdiction has been assumed by leaving the existing City Council and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer. For the purposes of the above describe event notices 15 and 16, the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(ii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer 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.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer 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 Issuer'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 Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, 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.

(iv) No default by the Issuer 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 Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer 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 Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates 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 registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a qualified person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. The Issuer 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 in the primary offering of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (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 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Certificates.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of such consent, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six (6) months from the date of such consent by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders

of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Registered Owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations

contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers or employees of the City or the City Council.

Section 16. PREMIUM. The Certificates are being sold at a net premium equal to \$____. With respect to such premium attributable to the Certificates, \$____ shall be used to pay costs of issuance (including underwriter's discount), \$____ shall be deposited to the Interest and Sinking Fund and \$____ shall be deposited into the Construction Fund.

Section 17. APPROPRIATION. To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 18. NO PERSONAL LIABILITY. No recourse shall be had for payment of the principal of or interest on any Certificates or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Certificate.

Section 19. EFFECTIVE DATE. In accordance with the provisions of Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 20. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

(Execution Page Follows)

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ABILENE,
TEXAS on _____, 2019.

ATTEST:

Mayor, City of Abilene, Texas

City Secretary, City of Abilene, Texas

[CITY SEAL]

APPROVED AS TO FORM:

City Attorney, City of Abilene, Texas

EXHIBIT A

ANNUAL FINANCIAL STATEMENTS AND OPERATING DATA

The following information is referred to in Section 13(b) of this Ordinance:

The financial information and operating data with respect to the Issuer 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:

-- Tables 1 - 6 and 8 – 15

PRELIMINARY OFFICIAL STATEMENT

Dated: October 10, 2019

NEW ISSUE - Book-Entry-Only

Ratings:
S&P: "AA+"
Fitch: "AA+"
(See "Other Information - Ratings" herein)

In the opinion of Bond Counsel to the City, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS"
FOR FINANCIAL INSTITUTIONS

\$8,280,000*
CITY OF ABILENE, TEXAS
(Taylor and Jones Counties)
GENERAL OBLIGATION BONDS, SERIES 2019

Dated Date: December 1, 2019

Due: February 15, as shown on page 2

(Interest accrues from the delivery date.)

PAYMENT TERMS...Interest on the \$8,280,000* City of Abilene, Texas, General Obligation Bonds, Series 2019 (the "Bonds") will accrue from the date of initial delivery to the underwriters named below (the "Underwriters") and will be payable February 15 and August 15 of each year commencing February 15, 2021, until maturity or prior redemption. Interest on the definitive Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 of principal amount or integral multiples thereof. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar for the Bonds is U.S. Bank National Association, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE...The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") including particularly Texas Government Code, Chapter 1331, as amended, and are direct obligations of the City of Abilene, Texas (the "City"), payable from a continuing ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Bonds (the "Bond Ordinance") (see "THE OBLIGATIONS - Authority for Issuance of the Bonds").

PURPOSE... Proceeds from the sale of the Bonds will be used for the public purpose of (i) constructing, improving, extending, expanding, upgrading and developing streets and roads, including, related utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way, and other related costs, (ii) constructing, installing and equipping runways and taxiways and other improvements at the City's airport and (iii) to pay the costs associated with the issuance of the Bonds (see "PLAN OF FINANCING - Purpose").

CUSIP PREFIX⁽¹⁾: 00344N - MATURITY SCHEDULE & 9 Digit CUSIP - SEE SCHEDULE ON PAGE 2

SEPARATE ISSUES... The Bonds are being offered by the City concurrently with the "City of Abilene, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019" (the "Certificates") under a common Official Statement, and such Bonds and Certificates are hereinafter sometimes referred to collectively as the "Obligations." The Obligations are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY...The Bonds are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Dallas, Texas.

DELIVERY...It is expected that the Bonds will be available for delivery through the facilities of DTC on December 10, 2019.

SAMCO CAPITAL MARKETS, INC.

RBC CAPITAL MARKETS

FROST BANK

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE*

CUSIP ⁽¹⁾ Prefix: 00344N

\$8,280,000* GENERAL OBLIGATION BONDS, SERIES 2019

Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾	Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾
2021	\$ 80,000				2031	\$ 420,000			
2022	300,000				2032	440,000			
2023	315,000				2033	455,000			
2024	325,000				2034	470,000			
2025	340,000				2035	490,000			
2026	350,000				2036	510,000			
2027	365,000				2037	530,000			
2028	380,000				2038	550,000			
2029	390,000				2039	570,000			
2030	410,000				2040	590,000			

(Interest to accrue from the date of delivery)

*Preliminary, subject to change.

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

OPTIONAL REDEMPTION...The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS - Optional Redemption").

PRELIMINARY OFFICIAL STATEMENT

Dated: **October 1, 2019**

Ratings:
S&P: "AA+"
Fitch: "AA+"
(See "Other Information -
Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel to the City, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein.

THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$28,320,000*

CITY OF ABILENE, TEXAS

(Taylor and Jones Counties)

COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019

Dated Date: December 1, 2019

Due: February 15, as shown on page 4

(Interest accrues from the delivery date.)

PAYMENT TERMS...Interest on the \$28,320,000* City of Abilene, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 (the "Certificates") will accrue from the date of initial delivery to the underwriters named below (the "Underwriters") and will be payable February 15 and August 15 of each year commencing February 15, 2021, until maturity or prior redemption. Interest on the definitive Certificates will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 of principal amount or integral multiples thereof. **No physical delivery of the Certificates will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar for the Certificates is U.S. Bank National Association, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE...The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") particularly Subchapter C of Chapter 271, Texas Local Government Code (the Certificate of Obligation Act of 1971), as amended, and Chapter 1502, Texas Government Code, as amended, and constitute direct obligations of the City of Abilene, Texas (the "City"), payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed \$1,000) of surplus net revenues of the City's waterworks and sewer system, as provided in the ordinance authorizing the Certificates (the "Certificate Ordinance") (see "THE OBLIGATIONS - Authority for Issuance of the Certificates").

PURPOSE...Proceeds from the sale of the Certificates will be used for the public purpose of (i) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system, including water treatment improvements, distribution lines, lift and pump stations, sewer and manhole rehabilitation, control system improvements, engineering fees and acquisition of easements and equipment for water treatment improvements and transmission lines; (ii) radio equipment and microwave communications infrastructure, (iii) acquiring, constructing, installing and equipping energy efficiency equipment including HVAC and chiller replacements, LED lighting, low flow water valves and electrical infrastructure and mechanical retrofits in City owned buildings, and (iv) costs associated with the issuance of the Certificates. (see "PLAN OF FINANCING - Purpose").

CUSIP PREFIX⁽¹⁾: 00344N - MATURITY SCHEDULE & 9 Digit CUSIP - SEE SCHEDULE ON PAGE 4

SEPARATE ISSUES...The Certificates are being offered by the City concurrently with the "City of Abilene, Texas, General Obligation Bonds, Series 2019" (the "Bonds") under a common Official Statement, and such Certificates. The Certificates and Bonds are hereinafter sometimes referred to collectively as the "Obligations." The Obligations are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY...The Certificates are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Dallas, Texas.

DELIVERY...It is expected that the Certificates will be available for delivery through the facilities of DTC on December 10, 2019.

SAMCO CAPITAL MARKETS, INC.

RBC CAPITAL MARKETS

FROST BANK

* Preliminary, subject to change.

MATURITY SCHEDULE*

CUSIP Prefix: 00344N⁽¹⁾

\$28,320,000* COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019

Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾	Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾
2021	\$ 425,000				2031	\$ 1,315,000			
2022	1,170,000				2032	1,365,000			
2023	1,210,000				2033	1,420,000			
2024	1,260,000				2034	1,470,000			
2025	1,300,000				2035	1,530,000			
2026	1,350,000				2036	1,590,000			
2027	1,405,000				2037	1,650,000			
2028	1,460,000				2038	1,710,000			
2029	1,510,000				2039	1,780,000			
2030	1,560,000				2040	1,840,000			

(Interest to accrue from the date of delivery)

*Preliminary, subject to change.

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

OPTIONAL REDEMPTION...The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS - Optional Redemption").

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

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

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

Certain information set forth herein has been obtained from sources other than the City that the City believes to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City, the Underwriters or the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

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

None of the City, its Financial Advisor, or the Underwriters make any representation as to the accuracy, completeness, or adequacy of the information in this Official Statement regarding the Depository Trust Company New York, New York ("DTC") or its book entry only system, as such information has been provided by DTC.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THE OBLIGATIONS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE OBLIGATIONS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

TABLE OF CONTENTS

OFFICIAL STATEMENT SUMMARY	7
CITY OFFICIALS, STAFF AND CONSULTANTS	10
ELECTED OFFICIALS	10
SELECTED ADMINISTRATIVE STAFF	10
CONSULTANTS AND ADVISORS.....	10
INTRODUCTION	11
PLAN OF FINANCING	11
THE OBLIGATIONS.....	12
TAX INFORMATION	17
TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT.....	22
TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY	23
TABLE 3A - VALUATION AND GENERAL OBLIGATION DEBT HISTORY	24
TABLE 3B - DERIVATION OF GENERAL PURPOSE FUNDED TAX DEBT	24
TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY	24
TABLE 5 - TEN LARGEST TAXPAYERS	25
TABLE 6 - TAX ADEQUACY	25
TABLE 7 - ESTIMATED OVERLAPPING DEBT	26
DEBT INFORMATION.....	27
TABLE 8 - PRO FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS.....	27
TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION.....	28
TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT.....	28
TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS.....	28
TABLE 12 - OTHER OBLIGATIONS.....	29
FINANCIAL INFORMATION	33
TABLE 13 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY	33
TABLE 14 - MUNICIPAL SALES TAX HISTORY	34
TABLE 15 - CURRENT INVESTMENTS	38
TAX MATTERS	38
CONTINUING DISCLOSURE OF INFORMATION	40
OTHER INFORMATION	42
RATINGS.....	42
LITIGATION	42
REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE	42
LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS	42
LEGAL OPINIONS	42
FINANCIAL ADVISOR	43
UNDERWRITING	43
FORWARD-LOOKING STATEMENTS DISCLAIMER	43
MISCELLANEOUS	44
APPENDICES	
GENERAL INFORMATION REGARDING THE CITY	A
EXCERPTS FROM THE ANNUAL FINANCIAL REPORT	B
FORMS OF BOND COUNSEL'S OPINIONS.....	C

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

OFFICIAL STATEMENT SUMMARY

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

THE CITY	The City of Abilene (the “City”) is a political subdivision and municipal corporation of the State located in Taylor and Jones Counties. The City covers approximately 109.92 square miles. The 2010 U.S. Census population was 117,063, while the estimated 2019 population is 124,557 (see “INTRODUCTION - Description of the City” and “Appendix A – General Information Regarding the City”).
THE OBLIGATIONS	The Obligations are issued as \$8,280,000* General Obligation Bonds, Series 2019 (the “Bonds”), and \$28,320,000* Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 (the “Certificates”). The Bonds and the Certificates are referred to collectively herein as the “Obligations”. The Bonds mature on February 15 in the years 2021 through 2040. The Certificates mature on February 15 in the years 2021 through 2040 (see “THE OBLIGATIONS -Description of the Obligations”). The Obligations are being offered concurrently under a common Official Statement.
PAYMENT OF INTEREST	Interest on the Obligations accrues from the date of initial delivery to the underwriters listed on the cover page hereof (the “Underwriters”), and is payable initially on February 15, 2021 and each August 15 and February 15 thereafter, until maturity or prior redemption (see “THE OBLIGATIONS - Description of the Obligations” and “THE OBLIGATIONS - Optional Redemption”).
AUTHORITY FOR ISSUANCE	The Bonds are issued pursuant to the general laws of the State, including particularly Texas Government Code, Chapter 1331, as amended and the ordinance to be passed by the City Council of the City (see “THE OBLIGATIONS - Authority for Issuance of the Bonds”). The Certificates are issued pursuant to the general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Chapter 1502, Texas Government Code, as amended, and the ordinances to be passed by the City Council of the City (see “THE OBLIGATIONS - Authority for Issuance of the Certificates”).
SECURITY FOR THE OBLIGATIONS	The Bonds constitute direct obligations of the City, payable from a continuing ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Bonds (see “THE OBLIGATIONS – The Bonds - Security and Source of Payment”). The Certificates constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed \$1,000) of surplus net revenues of the City’s waterworks and sewer system, as provided in the ordinance authorizing the Certificates (see “THE OBLIGATIONS – The Certificates - Security and Source of Payment”).
REDEMPTION	The City reserves the right, at its option, to redeem Obligations having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption”).
TAX MATTERS	In the opinion of Bond Counsel, the interest on the Obligations will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption “TAX MATTERS” herein.

*Preliminary, subject to change.

RATINGS The Obligations are rated “AA+” by S&P Global Ratings, a division of S&P Global Inc. (“S&P”), and “AA+” by Fitch Ratings (“Fitch”) (see “OTHER INFORMATION - Ratings”).

USE OF PROCEEDS Proceeds from the sale of the Bonds will be used for the public purpose of (i) constructing, improving, extending, expanding, upgrading and developing streets and roads, including related utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way, and other related costs, (ii) constructing, installing and equipping runways and taxiways and other improvements at the City’s airport, and (iii) to pay the costs associated with the issuance of the Bonds.

Proceeds from the sale of the Certificates will be used for the public purpose of (i) constructing, acquiring, installing and equipping additions, extensions and improvements to the City’s waterworks and sewer system, including water treatment improvements, distribution lines, lift and pump stations, sewer and manhole rehabilitation, control system improvements, engineering fees and acquisition of easements and equipment for water treatment improvements and transmission lines; (ii) radio equipment and microwave communications infrastructure, (iii) acquiring, constructing, installing and equipping energy efficiency equipment including HVAC and chiller replacements, LED lighting, low flow water valves and electrical infrastructure and mechanical retrofits in City owned buildings, and (iv) costs associated with the issuance of the Certificates.

BOOK-ENTRY-ONLY

SYSTEM The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of \$5,000 of principal amount or integral multiples thereof. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see “THE OBLIGATIONS - Book-Entry-Only System”).

PAYMENT RECORD The City has not defaulted in payment of its general obligation tax debt since 1939 when a general refunding program was consummated involving no reduction in interest rate and a rearrangement of principal maturities only. The City has never defaulted on its revenue bonds.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Per Capita Taxable Assessed Valuation	General Obligation (G.O.) Debt ⁽³⁾	Per Capita G.O. Debt	Ratio G.O. Debt to Taxable Assessed Valuation	% of Total Tax Collections
2016	120,958	\$ 5,655,710,437	\$ 46,758	\$ 297,915,000	\$ 2,463	5.27%	99.52%
2017	121,407	5,861,417,197	48,279	313,900,000	2,586	5.36%	99.48%
2018	122,225	6,103,008,932	49,933	332,515,000	2,721	5.45%	99.50%
2019	124,557	6,366,829,253	51,116	316,055,000	2,537	4.96%	99.72% ⁽⁵⁾
2020	124,557	6,674,326,141	53,585	335,990,000 ⁽⁴⁾	2,697 ⁽⁴⁾	5.03% ⁽⁴⁾	N/A

(1) Population estimates provided by the City.

(2) As reported by the Central Appraisal District of Taylor County on City’s annual Reports of Property Value to the State Comptroller of Public Accounts; subject to change during the ensuing year.

(3) Includes self-supporting debt (see Table 3B – Derivation of General Purpose Funded Tax Debt).

(4) Includes the Obligations. Preliminary, subject to change.

(5) Unaudited.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Fund Balance at					
Beginning of Year	\$ 26,931,528	\$ 26,458,762	\$ 26,890,838	\$ 25,902,661	\$ 25,264,813
Total Revenue	94,410,912	86,766,792	82,490,878	81,194,980	79,138,835
Total Expenditures	86,557,678	84,183,987	81,777,971	78,411,524	76,056,453
Other Financing Sources (Uses) ⁽¹⁾	(6,556,726)	(2,110,039)	(1,144,983)	(1,795,279)	(2,444,534)
Fund Balance at					
End of Year	<u>\$ 28,228,036</u>	<u>\$ 26,931,528</u>	<u>\$ 26,458,762</u>	<u>\$ 26,890,838</u>	<u>\$ 25,902,661</u>

(1) The City funded its CIP program with cash in the General Fund.

For additional information regarding the City, please contact:

Mike Rains		George Williford
Director of Finance		Regional Managing Director
City of Abilene	or	Hilltop Securities Inc.
P.O. Box 60		1201 Elm Street, Suite 3500
Abilene, Texas 79604-0060		Dallas, Texas 75270
(325) 676-6324		(214) 953-8705

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CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Length of Service	Term Expires	Occupation
Anthony Williams Mayor	2 Years	May, 2020	Chief Business Services Officer, Abilene Christian University
Shane Price Councilmember (Place 1)	10 Years	May, 2021	Vice President of Development, Bookstore Manager
Jack Rentz Councilmember (Place 2)	1 Year	May, 2021	Business Owner, Rentech Boiler Services
Donna Albus Councilmember (Place 3)	1 Year	May, 2020	Retiree
Weldon W. Hurt Councilmember (Place 4)	1 Year	May, 2020	Business Owner, West Texas Pest Patrol
Kyle McAlister Councilmember (Place 5)	5 Years	May, 2022	Independent Insurance Agent
Dr. Travis Craver Councilmember (Place 6)	Newly Elected	May, 2022	Director of Chapel and Spiritual Formation, Hardin-Simmons University

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service to the City
Robert Hanna	City Manager	4 Years
Mindy Patterson	Deputy City Manager	27 Years
Michael Rice	Assistant City Manager	4 Years
Shawna Atkinson	City Secretary	Newly Appointed
Stanley Smith	City Attorney	12 Years
Tammy Roberts	Animal Services Director	Newly Appointed
Lesli Andrews	Director of Community Services	15 Years
Mike Rains	Director of Finance	11 Years
Brenda Alexander	Director of Human Resources	3 Years
Michael Warrix	Director of Planning and Development	Newly Appointed
Greg McCaffery	Director of Public Works	Newly Appointed
Don Green	Director of Transportation Services	15 Years
Rodney Taylor	Director of Water Utilities	17 Years
Annette Lerma	Health Services Director	18 Years
Tommy O'Brien	Executive Director of Water Utilities	15 Years
Stan Standridge	Chief of Police	24 Years
Cande Flores	Fire Chief	27 Years

CONSULTANTS AND ADVISORS

Auditors	Eide Bailly LLP Abilene, Texas
Bond Counsel	McCall, Parkhurst & Horton L.L.P. Dallas, Texas
Financial Advisor.....	Hilltop Securities Inc. Dallas, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

CITY OF ABILENE, TEXAS

\$8,280,000*
GENERAL OBLIGATION BONDS, SERIES 2019

\$28,320,000*
**COMBINATION TAX AND LIMITED SURPLUS
REVENUE CERTIFICATES OF OBLIGATION,
SERIES 2019**

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$8,280,000* City of Abilene, Texas, General Obligation Bonds, Series 2019 (the "Bonds"), and \$28,320,000* Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 (the "Certificates"). The Bonds and the Certificates are referred to collectively herein as the "Obligations". Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the respective Ordinances (hereinafter defined) to be adopted on the date of sale of each respective series of the Obligations which will authorize the issuance of the Obligations, except as otherwise indicated herein.

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

The Obligations are being offered concurrently by the City under a common Official Statement. The Obligations are separate and distinct securities offerings being authorized for issuance under separate ordinances (the "Bond Ordinance," and "Certificate Ordinance" respectively, and collectively the "Ordinances"), to be adopted by the City Council of the City, and are being offered and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

DESCRIPTION OF THE CITY . . . The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1883, and first adopted its Home Rule Charter in 1962. The City operates under the Council/Manager form of government where the mayor and six Councilmembers are elected for staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, airport, sanitation services, health and social services, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services. The 2010 U. S. Census population for the City was 117,063, while the estimated 2019 population is 124,557. The City covers approximately 109.92 square miles (see "Appendix A – General Information Regarding the City").

PLAN OF FINANCING

PURPOSE . . Proceeds from the sale of the Bonds will be used for the public purpose of (i) constructing, improving, extending, expanding, upgrading and developing streets and roads, including, related utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way, and other related costs, (ii) constructing, installing and equipping runways and taxiways and other improvements at the City's airport, and (iii) to pay the costs associated with the issuance of the Bonds (see "Table 11 - Authorized But Unissued General Obligation Bonds").

Proceeds from the sale of the Certificates will be used for the public purpose of (i) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system, including water treatment improvements, distribution lines, lift and pump stations, sewer and manhole rehabilitation, control system improvements, engineering fees and acquisition of easements and equipment for water treatment improvements and transmission lines; (ii) radio equipment and microwave communications infrastructure, (iii) acquiring, constructing, installing and equipping energy efficiency equipment including HVAC and chiller replacements, LED lighting, low flow water valves and electrical infrastructure and mechanical retrofits in City owned buildings, and (iv) costs associated with the issuance of the Certificates.

* Preliminary, subject to change.

USE OF BOND PROCEEDS . . . The proceeds from the sale of the Bonds will be applied approximately as follows:

<u>Sources of Funds</u>	
Par Amount of the Bonds	
Reoffering Premium	
Total Sources of Funds	<u>\$ -</u>
<u>Uses of Funds</u>	
Deposit to Project/Construction Fund	
Deposit to Debt Service Fund	
Underwriters' Discount and Costs of Issuance	
Total Uses of Funds	<u>\$ -</u>

USE OF CERTIFICATE PROCEEDS . . . The proceeds from the sale of the Certificates will be applied approximately as follows:

<u>Sources of Funds</u>	
Par Amount of the Certificates	
Reoffering Premium	
Total Sources of Funds	<u>\$ -</u>
<u>Uses of Funds</u>	
Deposit to Project/Construction Fund	
Deposit to Debt Service Fund	
Underwriters' Discount and Costs of Issuance	
Total Uses of Funds	<u>\$ -</u>

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS...The Obligations are dated December 1, 2019 and mature on February 15 in each of the years and in the amounts shown on pages 2 and 4 hereof. Interest will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15, commencing February 15, 2021 until maturity or prior redemption. The definitive Obligations will be issued only in fully registered form in any integral multiple of \$5,000 of principal amount for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE OF THE BONDS...The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Texas Government Code, Chapter 1331, as amended and an ordinance to be passed by the City Council.

AUTHORITY FOR ISSUANCE OF THE CERTIFICATES ...The Certificates are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Subchapter C of Chapter 271, Texas Local Government Code (the "Certificate of Obligation Act of 1971"), as amended, Chapter 1502, Texas Government Code, as amended, and an ordinance to be passed by the City Council.

THE BONDS – SECURITY AND SOURCE OF PAYMENT...The principal of and interest on the Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing annual ad valorem tax within the limits prescribed by law upon all taxable property in the City.

THE CERTIFICATES - SECURITY AND SOURCE OF PAYMENT... The principal of and interest on the Certificates constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and additionally are payable from a limited pledge (not to exceed \$1,000) of surplus net revenues of the City's waterworks and sewer system.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum

ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance and based on a 90% collection rate. The City's 2019/2020 tax rate is \$0.7877 of which \$0.1808 is for debt service purposes.

OPTIONAL REDEMPTION...The City reserves the right, at its option, to redeem Obligations of any series having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Obligations are to be redeemed, the City may select the maturities of such series of Obligations to be redeemed. If less than all the Obligations of any maturity of any series are to be redeemed, the Paying Agent/Registrar (or DTC while the Obligations are in Book-Entry-Only form) shall determine by lot the Obligations, or portions thereof, within such maturity to be redeemed. If an Obligation (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Obligation (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

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

NOTICE OF REDEMPTION...Not less than 30 days prior to a redemption date for the Obligations, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Obligations to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN AND ANY OTHER CONDITION TO REDEMPTION SATISFIED, THE OBLIGATIONS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF SHALL CEASE TO ACCRUE.

DEFEASANCE... The Ordinances provide for the defeasance of the Obligations when the payment of the principal of and premium, if any, on the Obligations, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent, in trust (1) money sufficient to make such payment or (2) Defeasance Securities, to mature as to principal and interest in such amounts and at such times to ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Obligations, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Obligations, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. The Ordinances provide that "Defeasance Securities" means: (1) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (2) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. . The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Obligations shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Obligations have been made as described above, all rights of the City to initiate proceedings to take any action amending the terms of the Obligations are extinguished; provided, however, that the right to call the Obligations for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Obligations for redemption; (ii) gives notice of the reservation of that right to the owners of the Obligations immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

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

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligations documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the register and request that copies of the notices be provided directly to them.

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

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

Principal and interest payments on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar of each series, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar of each series, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

USE OF CERTAIN TERMS IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT . . . In reading this Official Statement it should be understood that while the Obligations are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinances will be given only to DTC.

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

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . In the event that the Book-Entry-Only System of the Obligations is discontinued, printed Obligations will be issued to the DTC Participants or the holder, as the case may be, and such Bonds and/or Certificates will be subject to transfer, exchange and registration provisions as set forth in each Ordinance and summarized under "THE OBLIGATIONS - Transfer, Exchange and Registration" below.

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

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

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

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least 5 business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of an Obligation 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.

AMENDMENTS . . . In each Ordinance, the City has reserved the right to amend the respective Ordinance without the consent of any holder for the purpose of amending or supplementing the respective Ordinance to (i) cure any ambiguity, defect or omission therein that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of the Ordinance that do not materially adversely affect the interests of the holders, (iv) qualify the Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect or (v) make such other provisions in regard to matters or questions arising under the Ordinance that are not inconsistent with the provisions thereof and which, in the opinion of Bond Counsel for the City, do not materially adversely affect the interests of the holders. Each Ordinance further provides that the holders of the respective Certificates or the Bonds, as applicable, aggregating in principal amount 51% of the outstanding respective Certificates or Bonds, as the case may be, shall have the right from time to time to approve any amendment not described above to the respective Ordinance if it is deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the holders in original principal amount of the then outstanding Certificates or Bonds so affected, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Certificates or Bonds; (ii) reducing the rate of interest borne by any of the outstanding Certificates or Bonds; (iii) reducing the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates or Bonds; (iv) modifying the terms of payment of principal or of interest or redemption premium on outstanding Certificates or Bonds, or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Certificates or Bonds necessary for consent to such amendment. Reference is made to the respective Ordinances for further provisions relating to the amendment thereof.

OBLIGATIONHOLDERS' REMEDIES . . . The respective Ordinances establish specific events of default with respect to the Certificates and the Bonds, respectively. If the City defaults in the payment of the principal of or interest on the Certificates or the Bonds when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners of the Certificates or the Bonds, as applicable, including but not limited to, their prospect or ability to be repaid in accordance with the respective Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the respective Ordinance provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Certificates or the Bonds, as applicable, or the respective Ordinance and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates or the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinances do not provide for the appointment of a trustee to represent the interest of the holders of the Certificates or the Bonds upon any failure of the City to perform in accordance with the terms of the respective Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson I"), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I*, *Wasson Interests LTD. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) ("Wasson II", and together with *Wasson I*, "Wasson"), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the State's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court ruled in *Tooke v. City of Mexia* (197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in clear and unambiguous language. Because it is unclear whether the Texas legislature has effectively waived

the City's sovereign immunity from a suit for money damages, holders of the Certificates or the Bonds may not be able to bring such a suit against the City for breach of the covenants in the Certificates or the Bonds or in the Ordinances. Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its debt, but the City is not using Chapter 1371 as legal authority in connection with the issuance of the Obligations and the City has not waived sovereign immunity pursuant to Chapter 1371. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates or the Bonds.

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

See "Book-Entry-Only System" herein for a description of the duties of DTC with regard to ownership of the Certificates and the Bonds. Initially, the only registered owner of the Certificates and the Bonds will be DTC. See "Book-Entry-Only System" herein.

TAX INFORMATION

AD VALOREM TAX LAW... The appraisal of property within the City is the responsibility of the Central Appraisal District of Taylor County and the Jones County Appraisal District (jointly, the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under the Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. Effective January 1, 2010, State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount that would not exceed either the lesser of (1) the property's market value in the most recent tax year in which the market value was determined by the appraisal District or (2) the sum of (a) 10% of the property's appraised value in the preceding tax year, plus (b) the property's appraised value the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board, consisting of three members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to the Texas Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant: (1) An exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision; (2) An exemption of up to 20% of the market value of residence homesteads. The minimum exemption under this provision is \$5,000. The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 to a maximum of \$12,000; provided, however, that beginning in the 2009 tax year, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead.

Under Article VIII and State law, the governing body of a county, municipality or junior college district, may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons who are 65 years of age or older and persons who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferable to a different residence homestead and to a surviving spouse living in such homestead who is disabled or is at least 55 years of age. If improvements (other than maintenance or repairs) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax rate limitation may not be repeated or rescinded.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods in transit." "Goods in transit" is defined by a provision in the Tax Code, which is effective for tax years 2008 and thereafter, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out board motor, heavy equipment and manufactured housing inventory. The Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods in transit during the following tax year. A taxpayer may receive only one of the freeport exemptions or the goods in transit exemptions for items of personal property.

The City may create one or more tax increment financing districts ("TIF") within the City and freeze the taxable values of real property in the TIF at the value at the time of its creation. Other overlapping taxing units levying taxes in the TIF may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIF in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIF. Taxes levied by the City against the values of real property in the TIF in excess of the "frozen" value are not available for general city use but are restricted to paying or financing "project costs" within the TIF. The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

Cities are also authorized, pursuant to Chapter 380, Texas Local Government Code ("Chapter 380") to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grant of public fund for economic development purposes, however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the City.

2019 LEGISLATIVE SESSION. . . The 86th Legislative Session convened on January 8, 2019 and adjourned on May 27, 2019. Legislation that changes current laws affecting ad valorem tax matters including calculation of the rollback tax rate and rollback election process for maintenance tax increases, was adopted on May 27, 2019 and signed by the Texas Governor on June 12, 2019. This legislation will impact the City's future budgeting and the levy and collection of ad valorem taxes for maintenance and operations purposes. At this time, the City has not undertaken a comprehensive review of this legislation to determine the extent of this impact on its maintenance and operations budget. The City does not anticipate that this legislation will impact its ability to levy and collect ad valorem taxes for debt service purposes.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE... The following terms as used in this section have the meanings provided below:

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

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

“effective tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted).

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

“rollback tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.08, plus the debt service tax rate.

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

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

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

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

For the 2019 tax year, the procedures in this paragraph apply. After the assessor submits the appraisal roll, a designated officer or employee of the City is required to calculate its “rollback tax rate” and “effective tax rate”. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, and may not adopt a tax rate that exceeds the lower of its “rollback tax rate” or “effective tax rate” (as such terms are defined above) until it has held two public hearings on the proposed increase following notice to the taxpayers and otherwise complied with the Property Tax Code. The Property Tax Code provides that if the adopted tax rate exceeds the rollback tax rate, qualified voters of the city, by petition, may require that an election be held to determine whether or not to reduce the adopted tax rate to the rollback tax rate. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the effective tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

Effective January 1, 2020, the terms rollback tax rate and effective tax rate will be replaced, respectively, with the terms “voter-approval tax rate” and “no-new-revenue tax rate”. Beginning with the 2020 tax year, the procedures in this paragraph and the following paragraphs apply. A city must annually calculate its “voter-approval tax rate” and “no-new-revenue tax rate” (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

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

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

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

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

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

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

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

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

PROPERTY ASSESSMENT AND TAX PAYMENT...Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST...Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, an attorney's collection fee of up to 20% may be added to the total tax penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF TAX CODE...The City grants an exemption of 15% of the market value of residence homesteads; minimum exemption of \$5,000.

The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of up to \$15,000; the disabled are also granted an exemption of up to \$15,000.

The City has granted certain Historic Tax Exemptions under the Historic Tax Reduction Program.

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

The City does not tax nonbusiness personal property; and the Central Appraisal District of Taylor County collects ad valorem taxes for the City under a contract with the City.

The City has taken action to implement the tax freeze on the residence homestead of persons who are disabled and persons who are 65 years of age or older, as approved by the City's voters at an election held on November 7, 2006. The tax freeze, which applies to property that accounts for approximately 1.6% of the City's property tax revenue, may impact future property tax rates for the City. City administration does not believe that the implementation of the tax freeze will have a material adverse financial impact on the City for the September 30, 2020 fiscal year; however, City staff expects to continue to monitor the potential impact of the tax freeze on the City's financial condition.

The City does permit split payments, first half due by November 30, second half due by June 30; discounts are not allowed.

The City does tax freeport property.

The City has not taken action to tax goods-in-transit.

The City does collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted a tax abatement policy, as described below.

TAX ABATEMENT POLICY...In 1990, the City established a tax abatement policy to encourage economic development. The policy specified several criteria pertaining to job creation and property value enhancement that newly constructed real and personal property improvements had to meet in order to be considered for tax abatement; projects were eligible for abatement of a percentage of ad valorem taxes for ten years; property located within an enterprise zone or development area could receive an additional percentage abatement of 5% - 10%. The City granted a total of four abatements during the period 1990-1992. From 1992 to March, 1997, however, no tax abatements were granted as the City's policy was to provide incentives in lieu of tax abatements from a ½ of 1% economic development sales tax that became effective in 1990.

On March 27, 1997, the City rewrote and adopted a definitive Property Tax Abatement Policy (the "Policy"). On June 14, 2001, the City Council adopted a revised definitive Policy. Specific guidelines for tax abatement benefits were established for manufacturing, distribution, retail (if located in an enterprise zone or development area) and service facilities located in Abilene and certain multi-family residential properties if located in the Abilene Reinvestment Zone Number One. Generally, tax abatements may be granted for each year only for the additional values of eligible property improvements (actual capital expenditures) to the extent that the value of the property covered by the agreement exceeds the value of the property for the year in which the abatement agreement is executed; no abatement agreement may have a term in excess of ten years from the date of execution. Abatements are to be considered under specific criteria that includes job creation and capital expenditures with resulting abatements of 15% to 100% if granted. The City currently does not have any tax abatements in effect.

TAX INCREMENT FINANCING ZONES...Reinvestment Zone Number One, City of Abilene ("Zone One") was created in 1982 by the City with the consent of other taxing units overlapping Zone One. Comprising approximately 235 acres, Zone One includes the central business district. Ad valorem taxes on incremental growth in real property values within Zone One (levied at the tax rates of each taxing unit assessing an ad valorem tax on real property in Zone One) from a base value of January 1, 1983, are used to pay costs of development of Zone One; these tax funds can be used only for public improvements in Zone One or for payment of debt service on bonds issued to provide funds for public improvements located within Zone One. Zone One was terminated January 1, 2008. Approximately \$583,547 of tax funds derived from incremental values in Zone One remain and such funds have been and are being used for public improvements in Zone One; Zone One has no bonded debt.

A Termination Agreement was executed in December 2007 between the City of Abilene and Tax Increment Finance board where by the remaining tax funds will be used for 6 specific items to include:

- 1) FY08 operating budget for the TIF Board
- 2) Destination/Way-finding signs for downtown and leading to downtown
- 3) Redevelopment of two (2) lots on Cedar Street into public parking with public restrooms
- 4) FY08 Abilene Cultural Affairs Council Cultural Incentive Program
- 5) Redevelopment Plan for Northeast & South Planning areas of downtown
- 6) Streetscape improvements on Cypress, Pine, Cedar and Walnut streets

Reinvestment Zone Number Two, City of Abilene ("Zone Two") was created on December 5, 2013 by the City. Comprising approximately 1,594 acres, Zone Two includes the Pine Street and Ambler Avenue corridors, all within the City's corporate limits. Ad valorem taxes on incremental growth in real property values within Zone Two (levied at the tax rate of the City on real property in Zone Two) from a base value of January 1, 2013 of approximately \$116.4 million, are used to pay costs of development of Zone

Two; these tax funds can be used only for public improvements in Zone Two or for payment of debt service on bonds issued to provide funds for public improvements located within Zone Two. Zone Two has no bonded debt.

CHAPTER 380 AGREEMENTS...The City is currently a party to five agreements under Chapter 380 of the Local Government Code.

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2019/20 Market Valuation Established by the Appraisal District (excluding totally exempt property)		\$ 7,421,601,206
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead Exemptions (Local Option)	\$ 426,902,302	
Residence Homestead Exemptions (Over 65 and Disabled)	139,371,269	
Residential Homestead Value Lost on 10% Cap	9,868,885	
Productivity Loss	54,542,611	
Disabled Veterans Exemptions	110,307,524	
Pollution Control Value Lost	2,214,387	
Historic Tax Exemptions	4,068,087	(747,275,065) ⁽¹⁾
2019/20 Taxable Assessed Valuation		\$ 6,674,326,141
City Funded Debt Payable from Ad Valorem Taxes as of October 15, 2019		
Outstanding General Obligation Debt	\$ 316,055,000	
The Bonds ⁽²⁾	8,280,000	
The Certificates ⁽²⁾	28,320,000	
		\$ 352,655,000
Less: Self-Supporting Debt		
Waterworks and Sewer System General Obligation Debt ^{(3) (5)}	228,155,000	
Airport General Obligation Debt ^{(4) (5)}	1,310,000	
General Purpose Funded Debt Payable from Ad Valorem Taxes		\$ 123,190,000
Ratio Funded Debt to Taxable Assessed Valuation		5.28%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.85%

2019 Estimated Population - 124,557

Per Capita 2019/20 Taxable Assessed Valuation - \$ 53,585

Per Capita Funded Debt Payable from Ad Valorem Taxes - \$2,831

Per Capita General Purpose Funded Debt Payable from Ad Valorem Taxes - \$989

- (1) In addition to the exemptions described, the City has taken action to implement the tax freeze on the residence homestead of persons who are disabled and persons who are 65 years of age or older. See "TAX INFORMATION – City Application of Tax Code."
- (2) Preliminary, subject to change.
- (3) "Waterworks and Sewer System (the "System") General Obligation Debt" consists of a portion of outstanding General Obligation Refunding Bonds, Series 2011, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2012, a portion of the General Obligation Refunding Bonds, Series 2013, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015, a portion of the General Obligation Refunding and Improvement Bonds, Series 2015, a portion of the General Obligation Refunding and Improvement Bonds, Series 2016, a portion of the Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2017, a portion of the General Obligation Refunding Bonds, Series 2017, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018 and the Certificates. The City provides for debt service on these issues from surplus Net Revenues of the System. The City has no outstanding Waterworks and Sewer System Revenue Bonds but has obligated revenues of the System under Water Supply Contracts. See Note 8, "Long-Term Obligations and Amounts Due within One Year" in the Notes to Financial Statements for the Fiscal year Ended September 30, 2018, in "APPENDIX B – EXCERPTS FROM THE CITY OF ABILENE, TEXAS ANNUAL FINANCIAL REPORT" for additional information concerning such Water Supply Contracts.
- (4) "Airport General Obligation Debt" consists of outstanding Combination Tax and Airport Revenue Certificates of Obligation, Series 2007, on which debt service is provided from operating revenues of the Airport.
- (5) It is the City's current policy to pay such self-supporting debt from the respective revenue sources; this policy is subject to change in the future, although the City has no current plans to change its policy. In the event the City changes its policy, or if such revenues are not sufficient to pay debt service on such obligations, the City will be required to levy an ad valorem tax to pay such debt service (see Tables 1 and 10 herein for more detailed information on the City's general obligation self-supporting debt).

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year September 30,					
	2020		2019		2018	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 4,040,649,789	54.44%	\$3,825,140,077	54.05%	\$3,631,508,070	53.70%
Real, Residential, Multi-Family	413,891,102	5.58%	388,679,603	5.49%	380,702,506	5.63%
Real, Vacant Lots/Tracts	79,680,962	1.07%	70,438,459	1.00%	69,535,641	1.03%
Real, Acreage (Land Only)	56,834,499	0.77%	55,764,233	0.79%	52,368,833	0.77%
Real, Farm and Ranch Improvements	41,863,053	0.56%	35,474,356	0.50%	35,120,103	0.52%
Real, Commercial and Industrial	1,637,127,780	22.06%	1,595,585,682	22.55%	1,531,887,031	22.65%
Real, Oil, Gas and Other Minerals	15,098,604	0.20%	9,505,034	0.13%	7,968,226	0.12%
Real and Tangible Personal, Utilities	198,203,957	2.67%	184,762,925	2.61%	156,588,392	2.32%
Tangible Personal, Commercial and Industrial	872,225,908	11.75%	849,758,355	12.01%	839,499,080	12.41%
Tangible Personal, Other	9,272,427	0.12%	9,702,639	0.14%	9,809,202	0.15%
Real Property, Inventory ⁽¹⁾	6,299,324	0.08%	6,877,085	0.10%	4,291,719	0.06%
Special Inventory	50,453,801	0.68%	45,189,521	0.64%	43,618,923	0.64%
Total Appraised Value Before Exemptions	\$ 7,421,601,206	100.00%	\$ 7,076,877,969	100.00%	\$ 6,762,897,726	100.00%
Less: Total Exemptions/Reductions ⁽²⁾	(747,275,065)		(710,069,178)		(673,540,962)	
Taxable Assessed Value at 10/01	\$ 6,674,326,141		\$ 6,366,808,791		\$ 6,089,356,764	
Adjustments for Errors and Corrections to Roll	-		20,462		13,652,168	
Taxable Assessed Value	\$ 6,674,326,141		\$ 6,366,829,253		\$ 6,103,008,932	

Category	Taxable Appraised Value for Fiscal Year September 30,			
	2017		2016	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,444,955,619	53.22%	\$3,306,092,698	52.96%
Real, Residential, Multi-Family	365,349,731	5.64%	347,421,030	5.57%
Real, Vacant Lots/Tracts	66,758,950	1.03%	70,207,363	1.12%
Real, Acreage (Land Only)	50,508,087	0.78%	48,005,998	0.77%
Real, Farm and Ranch Improvements	34,517,734	0.53%	33,776,939	0.54%
Real, Commercial and Industrial	1,442,262,544	22.28%	1,379,919,499	22.10%
Real, Oil, Gas and Other Minerals	7,431,467	0.11%	12,836,197	0.21%
Real and Tangible Personal, Utilities	142,255,219	2.20%	142,372,234	2.28%
Tangible Personal, Commercial and Industrial	856,364,968	13.23%	838,529,508	13.43%
Tangible Personal, Other	9,680,723	0.15%	9,172,935	0.15%
Real Property, Inventory ⁽¹⁾	6,031,331	0.09%	4,074,336	0.07%
Special Inventory	47,488,330	0.73%	50,499,631	0.81%
Total Appraised Value Before Exemptions	\$ 6,473,604,703	100.00%	\$ 6,242,908,368	100.00%
Less: Total Exemptions/Reductions	(645,060,758)		(619,231,782)	
Taxable Assessed Value at 10/01	\$ 5,828,543,945		\$ 5,623,676,586	
Adjustments to Errors and Corrections to Roll	32,873,252		32,033,851	
Taxable Assessed Value at 9/30	\$ 5,861,417,197		\$ 5,655,710,437	

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

- (1) Real properties inventories in the hands of developers or builders; each group of properties in this category is appraised on the basis of its value as a whole as a sale to another developer or builder.
- (2) In addition to the exemptions described, the City has taken action to implement the tax freeze on the residence homestead of persons who are disabled and persons who are 65 years of age or older. See "TAX INFORMATION – City Application of Tax Code."

TABLE 3A - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	General Obligation Debt Outstanding ⁽³⁾	Ratio General Obligation Debt to Taxable Assessed Valuation	General Obligation Debt Per Capita
2016	120,958	\$ 5,655,710,437	\$ 46,758	\$ 297,915,000	5.27%	\$ 2,463
2017	121,407	5,861,417,197	48,279	313,900,000	5.36%	2,586
2018	122,225	6,103,008,932	49,933	332,515,000	5.45%	2,721
2019	124,557	6,366,829,253	51,116	316,055,000	4.96%	2,537
2020	124,557	6,674,326,141	53,585	335,990,000 ⁽⁴⁾	5.03% ⁽⁴⁾	2,697 ⁽⁴⁾

(1) Source: City of Abilene

(2) As reported by the Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Includes self-supporting debt (see "Table 3B - Derivation of General Purpose Funded Tax Debt").

(4) Includes the Obligations. Preliminary, subject to change.

TABLE 3B - DERIVATION OF GENERAL PURPOSE FUNDED TAX DEBT

Fiscal Year Ended 9/30	General Obligation Debt Outstanding	Less: Self-Supporting Waterworks and Sewer System General Obligation Debt	Less: Airport General Obligation Debt	General Purpose Funded Tax Debt
2016	\$ 297,915,000	\$ 207,730,000	2,435,000	\$ 87,750,000
2017	313,900,000	210,645,000	2,080,000	101,175,000
2018	332,515,000	202,675,000	1,705,000	128,135,000
2019	316,055,000	194,785,000	1,310,000	119,960,000
2020	335,990,000 ⁽¹⁾	219,240,000 ⁽¹⁾	895,000	115,855,000 ⁽¹⁾

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

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
		General Fund	Interest and Sinking Fund			
2016	\$ 0.7140	\$ 0.5306	\$ 0.1834	\$ 39,572,135	98.73%	99.52%
2017	0.7465	0.5448	0.2017	42,686,671	98.78%	99.48%
2018	0.7751	0.5648	0.2103	46,053,774	98.78%	99.50%
2019	0.7722	0.5648	0.2074	47,181,461	98.86%	99.72% ⁽¹⁾
2020	0.7877	0.6069	0.1808	51,522,194	In process of collection	

(1) Partial year collections as of August 31, 2019.

(2) Tax Levy presented considers the estimated impact of the "Over 65 and Disabled Homeowners" tax freeze. See "Tax Information - City Application of Tax Code" herein.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	FYE 2020 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
AEP Texas Inc.	Electric Transmission & Distribution	\$ 108,172,810	1.62%
Electric Transmission of Texas	Electric Transmission & Distribution	59,300,810	0.89%
Coca-Cola Refreshments USA Inc.	Beverage Distributor	45,355,349	0.68%
Partners Mall Abilene LLC	Mall	44,837,000	0.67%
Fehr Food Inc.	Food Service Distributor	39,665,316	0.59%
Lone Star Transmission	Electric Transmission & Distribution	34,853,800	0.52%
Atmos Energy/Mid-Tex Division	Gas Distribution	30,040,079	0.45%
Permian Express Partners	Oil & Gas	28,975,390	0.43%
Lowes Home Centers Inc.	Retail	24,825,991	0.37%
Cebridge Acquisitions	Communications	24,469,802	0.37%
		<u>\$ 440,496,347</u>	<u>6.60%</u>

GENERAL OBLIGATION DEBT LIMITATION...No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "THE OBLIGATIONS - Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY

Maximum Principal and Interest Requirements, All General Obligation Debt, 2021 ⁽¹⁾	\$ 31,207,473
\$.4821 Tax Rate at 97% Collection Produces	\$ 31,211,619
Maximum Principal and Interest Requirements, General Funded Purpose Debt, 2021 ⁽²⁾	\$ 12,454,800
\$.1924 Tax Rate at 97% Collection Produces	\$ 12,456,161

(1) Includes the Obligations and self-supporting debt. See "Table 1 – Valuation, Exemptions and General Obligation Debt." Preliminary, subject to change.

(2) Includes the Obligations, but excludes self-supporting debt. Preliminary, subject to change.

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TABLE 7 - ESTIMATED OVERLAPPING DEBT

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

Taxing Jurisdiction	2019/20 Taxable Assessed Value ⁽¹⁾	2019/20 Tax Rate ⁽¹⁾	Total Tax Debt As of 10/15/2019	Estimated % Applicable	City's Overlapping Tax Debt As of 10/15/2019	Authorized But Unissued Debt As of As of 10/15/2019 ⁽³⁾
City of Abilene	\$ 6,674,326,141	\$ 0.7877	\$ 352,655,000 ⁽²⁾	100.00%	\$ 352,655,000 ⁽²⁾	\$ 8,283,000 ⁽³⁾
Abilene Independent School District	4,472,743,747	1.3214	231,307,883	97.95%	226,566,071	-
Clyde Cons. Independent School District	357,110,909 ⁽⁴⁾	1.0600	22,235,000	0.40%	88,940	-
Eula Independent School District	258,953,281	1.2583	4,611,800	27.65%	1,275,163	-
Hawley Independent School District	152,894,070	1.2784	5,615,000	1.19%	66,819	-
Jones County	835,669,392	0.6748	55,555,000	4.73%	2,627,752	6,900,000
Merkel Independent School District	435,477,951	1.1855	11,095,000	0.54%	59,913	-
Taylor County	9,161,299,968	0.5609	49,015,000	80.45%	39,432,568	-
Wylie Independent School District	1,948,911,499	1.2098	54,080,000	65.42%	35,379,136	-
Total Direct and Overlapping Tax Debt					\$ 658,151,361	
Ratio of Direct and Overlapping Tax Debt to Taxable Assessed Valuation					9.86%	
Per Capita Overlapping Tax Debt					\$ 5,283.94	

(1) Source: Municipal Advisory Council of Texas.

(2) Includes self-supporting General Obligation Debt (see "Table 1 – Valuation, Exemptions and General Obligation Debt").

If the City's General Purpose Funded Debt of \$123,190,000 is included in the calculation in place of Total Tax Debt of \$352,655,000, the following results:

Total Direct and Overlapping Tax Debt	\$ 428,686,361
Ratio of Direct and Overlapping Tax Debt to Taxable Assessed Valuation	6.42%
Per Capita Overlapping Tax Debt	\$ 3,442

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DEBT INFORMATION

TABLE 8 - PRO FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt ⁽¹⁾			The Bonds ⁽²⁾		The Certificates ⁽³⁾		Grand Total		Grand Total	Less: Waterworks and Sewer System General Obligation Debt	Less: Airport General Obligation Debt	General Purpose Funded Tax Debt	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Principal	Interest	Principal	Interest	Requirements				
2020	\$ 16,665,000	\$ 12,989,941	\$ 29,654,941	\$ -	\$ -	\$ -	\$ -	\$ 16,665,000	\$ 12,989,941	\$ 29,654,941	\$ 17,748,139	\$ 468,046	\$ 11,438,756	5.14%
2021	16,060,000	12,366,142	28,426,142	80,000	520,313	425,000	1,756,019	16,565,000	14,642,473	31,207,473	18,284,923	467,750	12,454,800	
2022	14,385,000	11,777,623	26,162,623	300,000	301,875	1,170,000	1,012,925	15,855,000	13,092,423	28,947,423	16,640,311	471,155	11,835,956	
2023	13,925,000	11,220,556	25,145,556	315,000	290,344	1,210,000	969,463	15,450,000	12,480,362	27,930,362	16,624,612	-	11,305,750	19.03%
2024	13,515,000	10,657,262	24,172,262	325,000	278,344	1,260,000	924,350	15,100,000	11,859,955	26,959,955	16,614,187	-	10,345,769	
2025	13,520,000	10,074,697	23,594,697	340,000	265,875	1,300,000	877,588	15,160,000	11,218,159	26,378,159	16,228,447		10,149,713	
2026	14,000,000	9,504,099	23,504,099	350,000	252,938	1,350,000	829,175	15,700,000	10,586,212	26,286,212	16,225,255		10,060,956	
2027	14,135,000	8,971,100	23,106,100	365,000	239,531	1,405,000	778,844	15,905,000	9,989,475	25,894,475	16,230,463		9,664,013	
2028	14,280,000	8,415,375	22,695,375	380,000	225,563	1,460,000	726,500	16,120,000	9,367,437	25,487,437	16,230,722		9,256,716	40.99%
2029	14,470,000	7,838,593	22,308,593	390,000	211,125	1,510,000	672,238	16,370,000	8,721,956	25,091,956	16,232,965		8,858,991	
2030	14,490,000	7,250,046	21,740,046	410,000	196,125	1,560,000	616,138	16,460,000	8,062,308	24,522,308	16,228,268		8,294,041	
2031	15,110,000	6,621,512	21,731,512	420,000	180,563	1,315,000	562,969	16,845,000	7,365,044	24,210,044	16,225,434		7,984,609	
2032	15,650,000	5,962,389	21,612,389	440,000	164,438	1,365,000	512,719	17,455,000	6,639,545	24,094,545	16,241,180		7,853,366	
2033	16,315,000	5,266,562	21,581,562	455,000	147,656	1,420,000	460,500	18,190,000	5,874,719	24,064,719	16,223,772		7,840,947	65.08%
2034	16,905,000	4,546,690	21,451,690	470,000	130,313	1,470,000	406,313	18,845,000	5,083,315	23,928,315	16,091,518		7,836,797	
2035	17,645,000	3,802,007	21,447,007	490,000	112,313	1,530,000	350,063	19,665,000	4,264,382	23,929,382	16,099,485		7,829,897	
2036	16,860,000	3,050,913	19,910,913	510,000	93,563	1,590,000	291,563	18,960,000	3,436,038	22,396,038	16,238,506		6,157,531	
2037	15,755,000	2,327,146	18,082,146	530,000	74,063	1,650,000	230,813	17,935,000	2,632,021	20,567,021	16,249,421		4,317,600	
2038	13,870,000	1,654,561	15,524,561	550,000	53,813	1,710,000	167,813	16,130,000	1,876,186	18,006,186	15,382,230		2,623,956	90.86%
2039	14,160,000	1,014,071	15,174,071	570,000	32,813	1,780,000	102,375	16,510,000	1,149,259	17,659,259	15,397,928		2,261,331	
2040	8,545,000	480,125	9,025,125	590,000	11,063	1,840,000	34,500	10,975,000	525,688	11,500,688	10,115,188		1,385,500	
2041	4,885,000	150,750	5,035,750					4,885,000	150,750	5,035,750	5,035,750		-	
2042	445,000	24,063	469,063					445,000	24,063	469,063	469,063		-	
2043	465,000	8,138	473,138					465,000	8,138	473,138	473,138		-	100.00%
	<u>\$ 316,055,000</u>	<u>\$ 145,974,358</u>	<u>\$ 462,029,358</u>	<u>\$ 8,280,000</u>	<u>\$ 3,782,625</u>	<u>\$ 28,320,000</u>	<u>\$ 12,282,863</u>	<u>\$ 352,655,000</u>	<u>\$ 162,039,846</u>	<u>\$ 514,694,846</u>	<u>\$ 343,530,901</u>	<u>\$ 1,406,951</u>	<u>\$ 169,756,994</u>	

(1) Outstanding Debt includes self-supporting debt.

(2) Preliminary, subject to change. Average life of the Bonds – 12.182 years. True Interest Cost of the Bonds has been calculated at 3.744% for purposes of illustration.

(3) Preliminary, subject to change. Average life of the Certificates – 11.638 years. True Interest Cost of the Certificates has been calculated at 3.718% for purposes of illustration.

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2020 ⁽¹⁾		\$ 11,438,756
Unaudited Interest and Sinking Fund Balance, 9/30/2019	\$ 1,693,331	
Budgeted Interest and Sinking Fund Tax Collections, 9/30/2020	11,444,530	
Solid Waste Transfer	31,930	
General Fund Transfer	468,050	
Collection and Paying Agent Fees	(199,470)	
Estimated Investment Income	93,550	
		<u>\$ 13,531,921</u>
Estimated Balance, 9/30/2020		\$ 2,093,165

(1) Excludes Self-Supporting Debt. Preliminary, subject to change.

TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT

Gross Income, Waterworks & Sewer System, Fiscal Year Ended 9/30/2018	\$ 55,318,795
Less: Net Operating Expenses, Waterworks & Sewer System, Fiscal Year Ended 9/30/2018	<u>33,548,400</u>
Balance Available for Other Purposes	\$ 21,770,395
Waterworks and Sewer System General Obligation Requirements, Fiscal Year Ended 9/30/2019	\$ 17,748,139
Percentage of Waterworks and Sewer System General Obligation Debt Self-Supporting	100.00%

TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Election Date	Purpose	Amount Authorized	Amount Previously Issued	Amount Being Issued	Authorized But Unissued
5/9/2015	Streets & Road	\$ 45,975,000	\$ 39,392,000	\$ 6,583,000 ⁽¹⁾	\$ -
5/9/2015	Civic Center	\$ 2,810,000	\$ 2,810,000	-	-
5/9/2015	Sidewalks	3,820,000	3,820,000	-	-
5/9/2015	Police & Fire	12,865,000	12,865,000	-	-
5/9/2015	Zoo	1,030,000	1,030,000	-	-
5/9/2015	Aquatic Facilities	6,000,000	6,000,000	-	-
5/9/2015	Splash Pads	2,500,000	2,500,000	-	-
5/9/2015	Parks & Recreation	1,490,000	1,490,000	-	-
5/9/2015	Airport Improvements	4,200,000	2,500,000	1,700,000	-
		<u>\$ 80,690,000</u>	<u>\$ 72,407,000</u>	<u>\$ 8,283,000</u> ⁽¹⁾	<u>\$ -</u>

(1) Principal plus premium applied to project costs. Preliminary, subject to change.

ANTICIPATED ISSUANCE OF GENERAL OBLIGATION DEBT... The City anticipates issuing approximately \$73.6 million in Refunding Bonds in December 2019. The City may incur non-voted debt payable from or secured by its collection of taxes and other sources of revenue, including tax notes, public property finance contractual obligations, and leases for various purposes.

TABLE 12 - OTHER OBLIGATIONS

The City has no other obligations.

RETIREMENT PLANS

Plan Descriptions

Texas Municipal Retirement System

The City provides pension benefits for all of its full-time employees, except firefighters, through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System Plan (TMRS), one of 883 currently administered by TMRS, an agent multiple-employer public employee retirement system. The TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. Such report may be obtained on TMRS' website at www.TMRS.com.

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

Abilene Firemen's Relief and Retirement Fund

The City provides pension benefits, through a single-employer defined benefit plan, for all of its firefighters not covered by the Texas Municipal Retirement System. The Abilene Firemen's Relief and Retirement Fund (AFRRF) is established under the authority of the Texas Local Fire Fighter's Retirement Act (TLFFRA). The fund is administered by a Board of Trustees. The Board is made up of three members elected from and by the fund members, two representatives of the City of Abilene, Texas, and two citizen members. The plan was most recently amended effective February 25, 2015. Audited financial statements are issued by the Plan and can be obtained from the City of Abilene.

All eligible firefighters of the City, not covered by TMRS or any other system or plan, are required to participate in AFRRF.

Benefits

Texas Municipal Retirement System (TMRS) - This plan provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – This plan provides retirement, disability, and death benefits. A member is eligible for service retirement if they have completed 20 years of credited service and attained the age of 50. A member who retires under the service retirement provision will receive a monthly benefit equal to the sum of a) standard service benefit equal to 3 percent of the member's average monthly salary multiplied by the member's number of years of credited service not in excess of 20 years and b) an additional service benefit calculated as the sum of (i) the member's years of credited service in excess of 20 but not to exceed 21.5 years, multiplied by 3.0 percent of the member's average monthly salary and (ii) \$80.00 multiplied by the member's years of service credit in excess of 21.5. A Deferred Retirement Option Plan (DROP) is available to eligible members with 23 years of service and age 53.

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The plan provisions of the City are as follows:

	Texas Municipal Retirement System	Abilene Firemen's Relief and Retirement Fund
Employee deposit rate	7%	13%
Matching ratio (City to employee)	2 to 1	
City's Contribution		19.25%
A member is vested after	5 Years	20 Years
Service Retirement Eligibility (expressed as age/years of Service)	60/5, 0/20	50/20
Updated Service Credit	100% Repeating Transfers	
Annuity increase to retirees	0% of CPI	0% of CPI

As of the most recent measurement date of the net pension liability, membership data for the pension plans are as follows:

	Texas Municipal Retirement System	Abilene Firemen's Relief and Retirement Fund
Measurement Date	December 31, 2017	October 1, 2017
Retirees and beneficiaries currently receiving benefits	802	177
Inactive employees entitled to but not yet receiving benefits	514	5
Active employees	1,031	174
Total Participants	2,347	356

Contributions

Texas Municipal Retirement System (TMRS) – Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Abilene were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.58% and 11.18% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 were \$5,597,011 and were equal to the required contributions.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The City's contribution rate for fiscal year 2017 and 2018 was 19.25% of each member's gross pay. Of this amount 1.75 percent of pay is dedicated to providing post-retirement benefit increase to inactive members, unless the contribution is needed in order to meet the funding requirements of the plan. Fund members contributed 13.2% of gross pay. Employee contributions are "picked up" by the City, as permitted under Section 414(h)(2) of the Internal Revenue Code. For this reason, a members' contributions are excluded from taxable income when paid into the fund. The City's contributions to AFRRF for the year ended September 30, 2018 were \$2,603,746 and were equal to the required contribution.

Net Pension Liability

The "Net Pension Liability" (NPL) is the difference between the "Total Pension Liability" (TPL) and the plan's "Fiduciary Net Position" (FNP). The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits related to projected salary and service, and automatic cost of living adjustments (COLA's). In addition, ad hoc COLA's are also included in the TPL to the extent they are substantively automatic. The FNP is determined on the same basis used by the pension plans.

Texas Municipal Retirement System (TMRS) - The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The City's Net Pension Liability (NPL) was measured as of September 30, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of October 1, 2017.

	Texas Municipal Retirement System	Abilene Firemen's Relief and Retirement Fund
Measurement Date	December 31, 2017	September 30, 2018
Total Pension Liability	\$ 296,487,294	\$ 109,215,314
Fiduciary Net Position	283,295,984	57,127,453
Net Pension Liability	<u>\$ 13,191,310</u>	<u>\$ 52,087,861</u>

Actuarial Assumptions

Texas Municipal Retirement System

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100%	

Abilene Firemen's Relief and Retirement Fund

The Total Pension Liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement. Update procedures were used to roll forward the total pension liability from the actuarial valuation date to the pension plan's fiscal year-end.

Inflation	2.5% per year
Overall payroll growth	4.0% per year, compounded annually
Salary Increases	Service based
Investment Rate of Return	8.00%

Discount Rate

Texas Municipal Retirement System (TMRS) - The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The discount rate used to measure the Total Pension Liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Supplemental Death Benefits Plan

The City also participates in the cost-sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employee's entire careers.

For more information concerning the City's Retirement Plans, see Appendix B, "Excerpts from the City's Annual Financial Report" - Note 7.

Other Post-Employment Benefits

The City's employee life insurance program is administered by an independent insurance company. The City collects premium payments from employees and retirees electing to participate in the program and remits these premium payments to the insurance company. Life insurance premiums collected and remitted for employees and retirees amounted to \$14,737 and \$3,610, respectively, for the year ended September 30, 2018.

Other than the City's employee life insurance program, the City provides no other post-employment benefits within the meaning of Governmental Accounting Standards Board Statement 45.

For more information concerning the City's post-employment benefits, see the financial statements of the City, and the notes thereto.

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FINANCIAL INFORMATION

TABLE 13 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Revenues:					
Taxes	\$ 79,113,365	\$ 72,495,789	\$ 69,056,784	\$ 67,980,425	\$ 58,258,617
Franchise Fees	-	-	-	-	7,177,428
Licenses and Permits	1,354,980	1,314,897	1,531,658	1,548,832	1,586,623
Fines and Forfeitures	1,489,137	1,484,462	1,461,971	1,807,461	2,193,408
Charges for Services	4,664,421	4,477,775	4,035,974	3,937,650	3,910,156
Intergovernmental Revenues	95,888	91,711	107,864	89,530	101,048
Interest and Miscellaneous	7,693,121	6,902,158	6,296,627	5,831,082	5,911,555
Total Revenues	<u>\$ 94,410,912</u>	<u>\$ 86,766,792</u>	<u>\$ 82,490,878</u>	<u>\$ 81,194,980</u>	<u>\$ 79,138,835</u>
Expenditures:					
General Government	\$ 4,861,003	\$ 4,570,773	\$ 2,293,529	\$ 1,939,342	\$ 1,889,881
Administrative Services	1,600,024	3,093,545	2,954,916	2,697,576	2,571,837
Finance	5,153,741	5,692,057	7,359,153	7,126,917	7,026,607
Planning and Development	2,130,233	2,118,591	2,269,848	3,178,177	3,087,846
Public Works	7,400,010	6,810,897	6,327,803	6,422,266	6,232,294
Facilities & Capital Improvement	3,178,690	1,385,754	-	-	-
Police	28,195,026	27,748,927	26,275,119	24,894,951	24,206,397
Fire	19,986,671	19,256,979	18,748,209	18,577,983	18,046,840
Transportation Services	2,120,644	1,941,925	1,959,062	2,022,131	1,956,764
Community Services	11,931,636	11,564,539	13,590,332	11,552,181	11,037,987
Total Expenditures	<u>\$ 86,557,678</u>	<u>\$ 84,183,987</u>	<u>\$ 81,777,971</u>	<u>\$ 78,411,524</u>	<u>\$ 76,056,453</u>
Excess (Deficit) of Revenue over Expenditures	\$ 7,853,234	\$ 2,582,805	\$ 712,907	\$ 2,783,456	\$ 3,082,382
Other Financing Sources (Uses) ⁽¹⁾	(6,556,726)	(2,110,039)	(1,144,983)	(1,795,279)	(2,444,534)
Fund Balance at Beginning of Year	<u>\$ 26,931,528</u>	<u>\$ 26,458,762</u>	<u>\$ 26,890,838</u>	<u>\$ 25,902,661</u>	<u>\$ 25,264,813</u>
Fund Balance at End of Year	<u>\$ 28,228,036</u>	<u>\$ 26,931,528</u>	<u>\$ 26,458,762</u>	<u>\$ 26,890,838</u>	<u>\$ 25,902,661</u>

(1) The City funded its CIP program with cash in the General Fund.

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TABLE 14 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. Subject to the approval of a majority of the voters in a local option election, state law also provides certain cities the option of assessing a sales and use tax for a variety of other purposes, including economic and industrial development, municipal street maintenance and repair, and sports and community venues. State law limits the maximum aggregate sales and use tax rate in any area to 8¼%. Accordingly, the collection of local sales and use taxes in the area of the City (including sales and use taxes levied by the City) is limited to no more than 2% (when combined with the State sales and use tax rate of 6¼%). On August 12, 1989, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½ of 1%) for economic development and an additional one-half of one percent (½ of 1%) for property tax reduction. Collection for the additional tax went into effect on January 1, 1990. The sales tax for economic development is collected solely for the benefit of the Development Corporation of Abilene, Inc., and may be pledged to secure payment of sales tax revenue bonds if issued by the Corporation in the future. No sales tax revenue has been pledged to secure payment of the Obligations.

Fiscal Year Ended 9/30	Total Collected ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita ⁽²⁾
2015	\$ 31,481,309	87.01%	\$ 0.5868	\$ 265
2016	30,388,148	76.79%	0.5373	251
2017	31,193,071	73.07%	0.5322	257
2018	34,784,342	75.53%	0.5700	285
2019	32,203,062 ⁽³⁾	68.25%	0.5058	259

(1) Excludes collections of the 1/2 of 1% sales and use tax for economic development.

(2) See "Estimated Population" under "Table 3A - Valuation and General Obligation Debt History".

(3) Partial year collections as of August 31, 2019.

FINANCIAL POLICIES

The City Council adopted the following Financial Policy on May 23, 1984, and amended the policy on February 9, 1995. The City of Abilene adheres to the Financial Policy for conducting the financial management of the City. The established long-range policies regarding financial management are to exercise a discipline which allows the City to retain a sound financial condition; strive to retain the best possible rating on bonds; provide future generations with the ability to borrow capital for construction of facilities without severe financial burden; and, give recognition to the community's needs and ability to pay. These goals are accomplished in the following manner:

- Prudent budgeting and effective budget control. The operating budgets will provide sufficient funding levels for ongoing maintenance of the infrastructure. Budget replacement of capital equipment as the need arises. (Office machines, automobiles, heavy equipment, etc.)
- The securing and/or approval of federal and state assistance will be based on established criteria. Such criteria is:
 - What benefit does the project have to the community as a whole,
 - What future impact will the City be responsible for due to the acceptance of the funding, and
 - How does the project relate to the Strategic Management Plan and/or other future plans of the organization?
- Private grants and donations will be actively pursued and will be subject to the same criteria as federal and state funds.
- Passing a share of the cost of extending utilities and improvements in subdivisions to property owners of the subdivisions rather than to the general public.

- Providing working capital in all funds sufficient to meet current operating needs.
- Funding Equipment Replacement at the required level.
- Pay as you go financing of capital improvements where feasible while planning for capital improvements on a five year basis and updated annually.
- Attempting to schedule bond issues so that an equal principal amount is retired each year over the life of the issue producing a total debt service schedule with a declining balance each year.
- The intent of this paragraph is to assure that the taxpayers of the City receive full benefit of “qualified” status on debt issued and not subsidize the interest expense of other debt issuers utilizing corporations created by the City on their behalf. Any differential in interest expense to the City between “qualified” (qualified tax-exempt obligations [“QTEO”]) and “non-qualified” tax exempt debt status that results from debt issued through corporations established by the City Council will be borne by those issuers of debt. The differential will be prorated among the issuers utilizing the corporations based on the amount of debt it issues to total debt issued by all corporation issuers during the calendar year. Any differential in the City’s cost shall be calculated by the City’s financial advisor based on market conditions on the date of the City sale of debt.
- The Minor Improvement Program will encompass basic capital needs whereby the amount of debt issued is equal to the amount of debt retired while maintaining the same tax rate for debt. The basic capital needs include streets, bridges, traffic control, parks, localized drainage/creek cleaning, and police/fire equipment. All projects will be financed through Certificates of Obligation, Contractual Obligations as appropriate, or cash funding.
- The Major Improvement Program will encompass major new construction such as large facilities, flood control, and other major infrastructure improvements. All projects will be approved through bond elections. A plan of major improvements that would require a bond election will be reviewed at least every three years. The identified needs would determine when a bond election would be needed.
- Financial accounting and reporting in accordance with methods prescribed by the Governmental Accounting Standards Board and the Governmental Finance Officers Association and making such reports available to bond rating agencies and other financially interest organizations.
- Achieving and maintaining a fund balance equivalent to three (3) months’ operating costs of the general operating budget, at 95% liquidity, which should be sufficient to provide financing for necessary projects and meet unanticipated contingencies such as lawsuits, tax roll tie-ups, severe fluctuations in sales of the City owned utilities and other fiscal emergencies.

*Basis of Accounting...*The City’s accounting system is conducted on the modified accrual basis of accounting for all governmental and expendable trust funds. Under this basis expenditures are recorded when liabilities are incurred; and, revenues are recorded when they become measurable and available as net current assets. The accrual basis of accounting is followed for the Enterprise and Internal Service Funds. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

*General Fund Balance...*The City’s policy is to achieve and maintain a General Fund balance equivalent to three months operating cost of the general operating budget, at ninety-five percent (95%) liquidity, which should be sufficient to provide financing for necessary projects and meet unanticipated contingencies such as law suits, tax roll tie-ups, and severe fluctuations in the sales of the City owned utilities and other fiscal emergencies.

*Debt Service Fund Balance...*A reasonable debt service fund balance is maintained in order to compensate for unexpected contingencies.

*Use of Bond Proceeds, Grants, etc...*Bond proceeds are used only for the equipment and construction of capital improvements for which the bonds have been authorized. The City receives various grants from federal and state governments. Some of these grants are for permanent capital improvements and some are for operating assistance such as Urban Mass Transit Administration operating and assurance grants. All grant funds are expended in accordance with the requirements of the grant regulations and are audited annually by the City’s Independent Auditors; Federal and State grants do not play a significant part in funding of the City’s operations.

*Budgetary Procedures...*At least thirty days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget, which represents the fiscal plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them. Public hearings are conducted at which all interested persons and comments concerning the budget are heard. The budget for the next fiscal year is legally enacted by the City Council through passage of an ordinance not later than the twenty-fifth day of the last month of the fiscal year.

INVESTMENTS

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

Under State law, the City is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits, other than those described in clause (7), that (i) are invested through a broker or institution with a main office or branch office in this state and selected by the City in compliance with the PFIA, (ii) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the City's account, (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States, and (iv) the City appoints as its custodian of the banking deposits, in compliance with the PFIA, the institution in clause (8)(i) above, a bank, or a broker-dealer; (9) certificates of deposit and share certificates meeting the requirements of the PFIA (i) that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8), above, or secured in accordance with Chapter 2257, Texas Government Code, or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through a broker or institution that has a main office or branch office in the State and selected by the City in compliance with the PFIA, (b) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the City appoints, in compliance with the PFIA, the institution in clause (9)(ii)(a) above, a bank, or broker-dealer as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described by clauses (1) or (12), which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank, or of the holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or an equivalent by either (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission and complies with Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are registered and regulated by the Securities and Exchange Commission that have a weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations approved in this paragraph, or (ii) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations described in clause (1), excluding obligations which the City is explicitly prohibited from investing in, and in an amount at least equal to the amount of bond proceeds invested under such contract; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, including accrued income, (ii) a loan made under the program allows for termination at any time, (iii) a loan made under the program is either secured by (a) obligations described in clauses (1) through (8) above, (b) irrevocable letters of credit issued

by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent, or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool, (iv) the terms of a loan made under the program require that the securities being held as collateral be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party designated by the City, (v) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State, and (vi) the agreement to lend securities has a term of one year or less.

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

The City is specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES. . . . Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, and the maximum average dollar-weighted maturity allowed for pooled fund groups. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Effective September 1, 2019, the investment officer of a local government is allowed to invest bond proceeds or pledged revenue only to the extent permitted by the PFIA and in accordance with (i) statutory provisions governing the debt issuance (or lease, installment sale, or other agreement) and (ii) the local government's investment policy regarding the debt issuance or the agreement.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value, and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City.

ADDITIONAL PROVISIONS. . . . Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly

average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 15 - CURRENT INVESTMENTS

As of August 31, 2019, the City's investable funds were invested in the following categories:

Investment Type	Percent of Total Investments	Purchase Price	Fair Market Value ⁽¹⁾
TexPool	31.12%	\$ 46,309,848	\$ 46,309,848
TexSTAR ⁽²⁾	35.32%	52,563,880	52,563,880
Money Markets	1.39%	2,069,829	2,069,829
Government Agency Investments	32.18%	47,888,699	48,066,796
	<u>100.00%</u>	<u>\$ 148,832,256</u>	<u>\$ 149,010,353</u>

(1) All investments will mature within 20 months and the market value of the total investment portfolio was approximately 100.1% of its purchase price.

(2) TexSTAR is a local government investment pool co-administered by Hilltop Securities Inc.

TAX MATTERS

OPINION... On the date of initial delivery of the Bonds and Certificates, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the City, will render its respective opinions with respect the Bonds and Certificates that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Obligations for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Obligations will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds and Certificates. See Appendix C -- Forms of Opinions of Bond Counsel.

In rendering its opinions, Bond Counsel to the City will rely upon (a) the City's federal tax certificate, and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Obligations and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Obligations to become includable in gross income retroactively to the date of issuance of the Obligations.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Obligations in order for interest on the Obligations to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Obligations to be included in gross income retroactively to the date of issuance of the Obligations, as applicable. The opinions of Bond Counsel are conditioned on compliance by the City with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Obligations.

Bond Counsel's opinions represent its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinions are not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Obligations.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Obligations or the projects financed or refinanced with the proceeds of the Obligations or the Refunded Obligations. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Obligations, or as to whether the Internal Revenue Service would agree

with the opinions of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the holders of the Obligations may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

FEDERAL INCOME TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT...The initial public offering price to be paid for one or more maturities of the Obligations may be less than the principal amount thereof or one or more periods for the payment of interest on the tax-exempt obligations may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Obligations"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Obligation, and (ii) the initial offering price to the public of such Original Issue Discount Obligation would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the particular series of obligations less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Obligation in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Obligation equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Obligation prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Obligations in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Obligations was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Obligations is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Obligations and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Obligations for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Obligations.

Prospective purchasers should be aware that because the first interest payment will be made more than one year after the issue date of the Bonds, the first payment may be treated as original issue discount. While such treatment of the payment will not adversely affect the excludability of the interest portion of the payment from a holder's gross income, special tax accounting treatment may apply. This tax accounting treatment would cause a portion of the interest payment to be recognized in the taxable year in which the Bonds are purchased, rather than the taxable year in which the payment is received by the holder. This treatment may accelerate the recognition of any portion of the payment which is treated as market discount and any other collateral federal income tax consequences for certain holders. Prospective purchasers should consult their tax advisors for advice regarding such consequences.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Obligations which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Obligations should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Obligations and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Obligations.

COLLATERAL FEDERAL INCOME TAX CONSEQUENCES...The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Obligations. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance

premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM RECENTLY ENACTED LEGISLATION OR FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE OBLIGATIONS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Obligations, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Obligations, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

STATE, LOCAL AND FOREIGN TAXES...Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Obligations under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

FUTURE AND PROPOSED LEGISLATION...Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Obligations under Federal or state law and could affect the market price or marketability of the Obligations. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Obligations should consult their own tax advisors regarding the foregoing matters.

INFORMATION REPORTING AND BACKUP WITHHOLDING ...Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Obligations will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

CONTINUING DISCLOSURE OF INFORMATION

In each of the Ordinances, the City has made the following agreement for the benefit of the holders and beneficial owners of the respective series of Obligations. The City is required to observe the agreements for so long as it remains obligated to advance funds to pay the Bonds or Certificates, as applicable. Under the agreements, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB").

ANNUAL REPORTS . . . The City will provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 15 and in Appendix B. The City will update and provide the information in Tables 1 through 6 and 8 through 15 within six months after the end of each fiscal year ending in and after 2019. The City will additionally provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in or after 2019. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City will file unaudited financial statements within such 12 month period and audited financial statements for the applicable fiscal year, when and if the audit report on such

statements becomes available. Financial statements will be prepared in accordance with the accounting principles described in APPENDIX B or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. The City may provide updated information in full text or may incorporate by reference documents available on EMMA or filed with the United States Securities and Exchange Commission (the “SEC”). The City will provide the updated information to the MSRB through the “EMMA” information system in accordance with Rule 15c2-12 (the “Rule”) promulgated by the SEC.

The City’s current fiscal year end is September 30. Accordingly, it must provide updated information included in Tables 1 through 6 and 8 through 15 by March 31 in each year, unless the City changes its fiscal year and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) by September 30 in each year. If the City changes its fiscal year, it will notify the MSRB of the change.

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

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. For the purposes of the above describe event notices (15) and (16), the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

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

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if

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

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five (5) years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

OTHER INFORMATION

RATINGS

The Obligations are rated "AA+" by S&P Global Ratings, a division of S&P Global Inc. ("S&P") and "AA+" by Fitch Ratings ("Fitch"). An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Obligations.

LITIGATION

It is the opinion of the City Attorney and City staff that there is no pending litigation against the City that, if decided adversely to the City, would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

LEGAL OPINIONS

The City will furnish complete transcripts of proceedings had incident to the authorization and issuance of each respective series of the Obligations, including the unqualified approving legal opinions of the Attorney General of Texas approving the

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

FINANCIAL ADVISOR

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

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

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the City, at a price equal to the initial offering prices to the public shown on page 2 of this Official Statement, less an underwriting discount of \$ _____. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased.

The Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the City, at a price equal to the initial offering prices to the public shown on page 4 of this Official Statement, less an underwriting discount of \$ _____. The Underwriters will be obligated to purchase all of the Certificates if any Certificates are purchased.

The Obligations to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Obligations, and such public offering prices may be changed, from time to time, by the Underwriters.

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

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or

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

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

MISCELLANEOUS

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

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

Mayor
City of Abilene, Texas

ATTEST:

City Secretary
City of Abilene, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

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THE CITY

The City of Abilene, County Seat of Taylor County, Texas, is primarily located in northern Taylor County with a small portion of the City located in Jones County to the north. Located 150 miles west of Fort Worth and 180 miles west of Dallas, Abilene is the economic, medical, educational and cultural center of this West Central Texas area.

POPULATION

	City of Abilene ⁽¹⁾	Taylor County ⁽²⁾
1920 Census	10,274	24,081
1930 Census	23,175	41,023
1940 Census	26,612	44,147
1950 Census	45,570	63,370
1960 Census	90,368	101,078
1970 Census	89,653	97,853
1980 Census	98,315	110,932
1990 Census	106,707	119,655
2000 Census	115,930	126,555
2010 Census	117,179	127,683
2019 Estimated	124,557	136,290

(1) With the exception of U.S. Census figures, population estimates are provided by the City of Abilene, Texas.

(2) With the exception of U.S. Census figures, population estimates are provided by Taylor County, Texas.

BUSINESS AND INDUSTRY

Manufacturing plants in Abilene and its immediate vicinity produce such products as gas welding equipment, meat products, plumbing fixture, soft drinks and soft drink containers, bakery products, vegetable oil products, poultry and livestock feeds, tire retreading products, sprockets and gears, pressure vessels, ski boats, and signs.

LABOR FORCE ESTIMATES

	Annual Averages				
	2019 ⁽¹⁾	2018	2017	2016	2015
Abilene					
Civilian Labor Force	55,723	55,710	54,823	54,048	54,058
Total Employment	54,007	53,868	52,824	51,976	52,054
Unemployment	1,716	1,842	1,999	2,072	2,004
Percent Unemployment	3.1%	3.3%	3.6%	3.8%	3.7%
Taylor County					
Civilian Labor Force	65,341	65,309	64,282	63,326	63,404
Total Employment	63,379	63,237	62,010	60,960	61,082
Unemployment	1,962	2,072	2,272	2,366	2,322
Percent Unemployment	3.0%	3.2%	3.5%	3.7%	3.7%
State of Texas					
Civilian Labor Force	14,027,575	13,848,080	13,589,208	13,347,311	13,095,837
Total Employment	13,528,932	13,314,203	13,002,828	12,731,137	12,513,692
Unemployment	498,643	533,877	586,380	616,174	582,145
Percent Unemployment	3.6%	3.9%	4.3%	4.6%	4.4%

Source: Texas Workforce Commission; subject to revision.

(1) Data through August 2019.

ECONOMIC INDICES, CITY OF ABILENE

Calendar Year	Building Permits	Water Utility Connections
2015	\$ 214,014,497	39,686
2016	199,481,455	40,132
2017	207,335,801	40,217
2018	141,269,845	40,793
2019 ⁽¹⁾	166,667,492	40,827

Source: The City.

(1) Figures as of August 31, 2019.

CITY OF ABILENE BUILDING PERMITS BY CLASSIFICATION

Year	Residential (Single-Family)		Business Industrial and Apartments	Schools and Churches	Miscellaneous, Alterations and Repairs	Total
	Number of Units	Value				
2015	303	\$ 66,041,187	\$ 66,663,879	\$ 66,104,514	\$ 15,204,917	\$ 214,014,497
2016	297	55,243,040	62,630,706	61,381,750	20,225,959	199,481,455
2017	275	61,497,646	101,782,128	31,824,501	12,231,526	207,335,801
2018	309	66,329,822	25,663,169	30,755,234	18,521,620	141,269,845
2019 ⁽¹⁾	273	52,746,065	62,230,674	21,325,750	30,365,003	166,667,492

(1) Figures as of September 17, 2019.

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TOP 25 EMPLOYERS

Company	Type of Business	Estimated Employees 2019
Dyess Air Force Base	Air Force Base	8,400
Hendrick Health System	Hospital	3,200
Abilene Independent School District	Public School	2,450
Abilene Christian University	Private University	1,900
City of Abilene	City	1,300
State Supported Living Center	Mental Health	1,225
Texas Department of Criminal Justice	Prisons	1,190
BlueCross BlueShield of Texas	Health Insurance Call Center	1,090
Abilene Regional Medical Center	Hospital	830
AbiMar Foods	Food Manufacturing	680
Taylor County	County	560
First Financial Bank	Banking and Financial Services	540
Wylie Independent School District	Public Education	510
Eagle Aviation Services	Aviation Mechanic	470
Hardin-Simmons University	Private University	425
Rentech Boiler Systems and Services	Metal Fabrication	400
Cisco College	Public College	340
Coca-Cola Refreshments	Food Manufacturing	340
Abilene Diagnostic Clinic	Primary Care Physicians	300
Teleperformance	Contract Call Center	250

Source: Abilene Industrial Foundation

INDUSTRIAL/COMMERCIAL DEVELOPMENT

In 1989, the City set a precedent for the rest of Texas when Abilenians voted to become the first community to adopt a half-cent sales tax devoted specifically to economic development. Because of new life in retail trade and industrial expansion, Abilene's economic development sales tax collections have grown from just under \$4 million in 1990 to \$11.7 million in FY 2019.

Abilene has been receptive to the changes that were necessary to pull out of the slump caused by the economic downturn of the 1980's. The direction became to continue targeting better jobs that will further stabilize and enhance Abilene's economy while improving the quality of life for its citizens. A hard lesson was learned when several of the city's major employers, like Lockheed Martin, Texas Instruments and US Brass pulled up stakes and left town. Today, any viable community must support many smaller companies to provide a stable employment and property tax base.

Thirty years ago, City Council authorized the creation of the Development Corporation of Abilene, Inc. (DCOA) pursuant to the Development Corporation Act of 1979 (Texas Civil Statutes Article 5190.6), hereinafter referred to as the "Act". The Act allows municipalities to create a nonprofit corporation that will promote the creation of new and expanded industry and manufacturing activity within the municipality and its vicinity. The DCOA is a five-member board appointed by the Mayor and operates separately from the City of Abilene as a nonprofit with its own federal tax identification number.

DCOA promotes growth and development in Abilene's industrial, commercial and educational sectors with the goal to further diversify the economy. The DCOA utilizes many assets to increase capital investment and grow primary jobs. Two business parks: Five Points Business Park in West Abilene and Access Business Park East Abilene are among these assets:

- The Five Points Business Park is located on I-20 with rail service available, enhanced water pressure and electrical capability and streetlights, and boasts such tenants as Texas Department of Transportation, Healthcare Linen, Atmos Energy, Broadwind Towers, Pactiv Industries, Prairie Dog Pet Products and FedEx. The Park has about 600 acres available for new development.
- The Access Business Park is designed for light manufacturing and corporate headquarters due to its location directly across from the Abilene Regional Airport and access to major highways. Roads and utilities were recently installed so the DCOA is looking for an anchor tenant to jumpstart the Park's development. The Park has about 120 acres available with additional acreage located nearby.

The City recently created the Abilene Convention Center Hotel Development Corporation (the “ACCHDC”) as a public, nonprofit corporation in accordance with Subchapter D of Chapter 431, Texas Transportation Code, for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City, including aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote and accomplish the development of the geographic area of the City included at or in the vicinity of the Abilene Convention Center. The City and the ACCHDC have entered into a master development agreement with a developer for the development of a downtown convention center hotel.

AGRICULTURE

Abilene is the center of a well-developed agricultural area. The major source of agricultural income is production and marketing of livestock. Principal crops are grain sorghums, wheat and cotton.

MINERAL PRODUCTION

Oil and natural gas are produced in an 18 county area surrounding Abilene.

Taylor County Statewide Onshore Oil & Gas Production
Annual Totals, 2015 - 2019

Date	Oil (BBL)	Casinghead (MCF)	GW Gas (MCF)	Condensate (BBL)
2015	385,338	135,928	26,794	44
2016	386,804	91,110	20,924	6
2017	420,809	128,118	18,176	-
2018	404,664	207,960	16,447	-
2019 ⁽¹⁾	194,849	89,268	8,866	-

Source: Texas Railroad Commission.

(1) Data through July 2019.

HIGHER EDUCATION - UNIVERSITIES AND COLLEGES

Abilene is home of three co-educational, liberal arts universities, and has extension campuses for Cisco Junior College and Texas State Technical College. Abilene Christian University, established in 1906, is closely affiliated with the Church of Christ and has an estimated enrollment of 4,460. The University is located on a campus of 208 acres, with an additional 500 acre experimental farm.

Hardin-Simmons University, originally established as Abilene Baptist College in 1891, is a coeducational, liberal arts university; the University is a church-related institution affiliated with the Baptist General Convention of Texas with estimated enrollment of over 2,200 each semester.

McMurry University is a coeducational, liberal arts college founded in 1923 by the Northwest Texas Conference of the Methodist Church and is now jointly owned and operated by the Northwest Texas and New Mexico Conferences of the United Methodist Church. The University enrolls an estimated 1,200 students each semester.

The Abilene Educational Center of Cisco Junior College, a State funded off-campus center of Cisco College District, Cisco, Texas, offers core academic programs at the junior college level leading to an associate degree and vocational-technical courses and maintains enrollment of approximately 2,800.

Texas State Technical College - Abilene Center is a State funded branch of the Texas State Technical College's Sweetwater, Texas, main campus. The college offers occupationally oriented programs in technical and vocational areas such as machining, automated office skills, electronics servicing, information management skills, drafting and design technology and others. Estimated enrollment per semester is 1,200.

The Anita Thigpen Perry Texas Tech School of Nursing and the Texas Tech School of Pharmacy have recently been located in the City as branches of the Texas Tech University Health Sciences Center and has an estimated enrollment of 560.

OTHER EDUCATIONAL INFORMATION

Abilene Independent School District, which includes approximately 90% of the City of Abilene, has a current enrollment of 16,842 and 2,534 employees including professional and other personnel.

GOVERNMENT AND MILITARY

Abilene is the location of more than 50 State and Federal offices and facilities including Dyess Air Force Base.

DYESS AIR FORCE BASE... Located in and adjacent to Abilene, is a 6,430 acre permanent base of the Air Combat Command. There are an estimated 5,400 military & civilian personnel at the base. Dyess is the home base for the 7th Wing of the Air Combat Command and the home base of the 317th Airlift Group. The Wing flies the B-1 bomber and the C-130. Annual economic impact on Abilene is in excess of \$532 million. As the primary training base for the B-1 bomber, Dyess was not affected by the base closure program of the Department of Defense.

STATE PRISON... The Texas Department of Criminal Justice operates a maximum security State prison in Abilene. Designated the French Robertson Unit - Abilene, the prison, located in north Abilene on a 314 acre site donated by the City, opened in November, 1992. The prison has four 432-bed housing groups clustered around a central support core of administration, medical, education, laundry and food service facilities. A garment factory provides approximately 270 inmate jobs and produces inmate uniforms for State prison system use. The Unit has 2,746 inmates (max capacity at 2,984) and has an estimated 1,190 employees with an annual payroll in excess of \$21 million. The City of Abilene provides water, sewer and sanitation services for the Unit at regular City commercial rates.

STATE TRANSFER FACILITY... The Texas Department of Criminal Justice operates a 2,128 inmate capacity transfer center on a site immediately east of the Robertson Unit. Designated the John W. Middleton Unit - Abilene, this transfer facility is designed to alleviate overcrowding of Texas county jails and serves as temporary housing for State inmates being processed into State prisons; inmates may be housed at a State transfer facility for not over 12 months before being moved to a State prison. The facility has an estimated 527 employees with 378 employees utilized for security. The City of Abilene provides water, sewer and sanitation services for the facility at regular City commercial rates.

HOSPITALS AND MEDICAL CARE

There are two major medical centers with a total of 850 licensed beds: Hendrick Health System and Abilene Regional Medical Center and two minor. Hendrick Medical Center operates an accredited nursing school. Hendrick Medical Center is the health services provider to the two State Department of Criminal Justice Units in Abilene.

Abilene has over 250 practicing physicians and surgeons (M.D.) and over 57 dentists. A radiology center for the treatment of malignant diseases is located in the City. West Texas Rehabilitation Center, a non-profit organization offering diagnostic, neurological and rehabilitation services to the handicapped, is located in Abilene.

RECREATION AND ENTERTAINMENT

The City of Abilene maintains numerous developed parks and six Golf Courses. The City of Abilene Convention Center and Taylor County Coliseum provide areas for community events, concerts, conventions, fairs and livestock shows. Also available to residents are Abilene Christian University, Hardin-Simmons University and McMurry University programs and events, the Morgan Jones Planetarium (owned and operated by the Abilene Independent School District), Abilene Symphony Orchestra, Abilene Community Theatre, Museums of Abilene, the Paramount Theater, City of Abilene Zoo, City of Abilene Library, the annual West Texas Fair and sporting events. Additionally available to residents and tourists is Frontier Texas!, The Grace Museum (Art Museum, History Museum, and Children's Museum), National Center for Children's Illustrated Literature (NCCIL), The Center for Contemporary Arts, Elks Arts Center, 12th Armored Division Memorial Museum, Dyess Air Force Base, Buffalo Gap Historical Village, Abilene State Park, Abilene Skate Park, Abilene Speedway, Abilene Ballet Theatre, Abilene Opera Association, Abilene Classical Chorus and Classical Youth Chorus, Texas Forts and Trail Visitor Center, Fort Phantom Hill, and Prime Time Entertainment (includes laser tag, miniature golf, electric go-carts, bumper cars, climbing wall, bowling lanes, arcade, and a coffee bar).

Abilene State Park, located 19 miles southwest of Abilene, contains 621 acres. Maintained and operated by the State of Texas, the park provides recreational and camping facilities.

CHURCHES

Abilene has over 100 churches representing all major denominations.

MEDIA

One daily newspaper.

Television and Radio - 4 network channels; cable provides multi-channel access including the Public Broadcasting System. There are several AM and FM radio stations.

UTILITY SERVICES

Water and Sewer - City of Abilene.
Electric – AEP Texas or alternatives.
Natural Gas – Atmos Energy

TRANSPORTATION

Abilene and Taylor County have a highway system which includes U.S. Interstate Highway 20, three U.S. highways, two State highways and a network of paved farm-to-market roads.

Rail transportation is furnished by the Union Pacific Railroad and the Southern Switching Company.

Airline transportation is furnished at Abilene Regional Airport with non-stop service provided primarily by Envoy (formerly known as American Eagle). Passenger enplanements for 2017 were 92,000. Airport facilities include a recently remodeled terminal, two lighted runways of 7,200' each suitable for jet aircraft and a 3,685' crosswind runway, complete taxiway system, a FAA control tower and instrument landing system and extensive general aviation services. Other major airport tenants include: Abilene Aero, which provides full service fixed base operator services including aircraft fueling and maintenance and Polasek Helicopter Services, which specializes in helicopter flight training and helicopter flying lessons. Texas State Technical College utilizes a renovated 34,000 square foot hangar at the Airport for teaching aviation maintenance technology and flight instruction. Eagle Aviation Services, Inc., a subsidiary of American Eagle, operates a major aircraft maintenance facility at the Airport. The City continues to make improvements to the airport to meet the demands of its growth.

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APPENDIX B

EXCERPTS FROM THE
CITY OF ABILENE, TEXAS
ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2018

The information contained in this Appendix consists of excerpts from the City of Abilene, Texas Annual Financial Report for the Year Ended September 30, 2018, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

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APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

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**An Ordinance Authorizing the Issuance and Sale of City of
Abilene, Texas, Combination Tax and Limited Surplus
Revenue Certificates of Obligation Bonds, Series 2019; Levying
an Annual Ad Valorem Tax and Providing for the Security for
and Payment of Said Bonds; Approving the Official Statement;
Providing an Effective Date; and Enacting Other Provisions
Relating to the Subject**



Ordinance – Authorizing the Issuance and Sale of 2019 Certificates of Obligation Bonds

- The bonds will include funds for energy savings, non-public safety portable and mobile radios, radio infrastructure and Water Utilities projects.
- The energy savings portion of the certificates provide funding for the Schneider Electric identified projects. Energy savings are guaranteed to cover all but \$107,000 of the annual debt service.
- The radio portion will complete our obligation under the City's Spillman contract for mobile and portable radios as well as radio infrastructure. This portion of the issuance will be funded by ad valorem taxes.
- Water Utility portion will finance the first year of their five year capital improvement program and will be repaid from excess revenues of the Water Utility Fund.



Projects to be Funded with General Obligation Bonds

Certificates of Obligation Bonds:

• Energy Savings	\$9,760,000
• Radios & Radio Infrastructure	2,520,000
• Water Utility CIP	<u>15,000,000</u>
	\$27,280,000



Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Mike Rains, Finance Director

SUBJECT: **23. Ordinance:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Authorizing the Issuance and Sale of City of Abilene, Texas General Obligation Refunding Bonds, Series 2019; Establishing Procedures and Delegating Authority for the Sale and Delivery of the Bonds; Providing An Effective Date; and Enacting Other Provisions Relating to the Subject *(Mike Rains)*

GENERAL INFORMATION

This ordinance will allow the City to advance refund the 2013 and 2014 Certificates of Obligation under a taxable issuance. The federal government will no longer allow nontaxable advance refundings, however, due to the low interest rate environment, a taxable refunding will still generate effective savings.

The ordinance also delegates authority to the City Manager, Assistant City Manager, or Director of Finance to act on behalf of the City in selling and delivering the bonds under certain "parameters". The "parameters" include principal amount not exceeding \$78,000,000; a net present value savings of not less than 3%; true interest cost not exceeding 5%; final maturity no later than February 15, 2040; and delegation will expire within six months.

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

Repayment of the bonds will come from annual ad valorem taxes and excess revenues of the Water Utilities Fund for the portion applicable to Water Utilities.

STAFF RECOMMENDATION

Staff recommends approval.

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Parameters Ordinance - Taxable Ref. Bonds 2019
2. Abilene GO Rfdg Bds Taxable S19 POS draft 10.29
3. Powerpoint - Ordinance Authorizing Issuance of 2019 General Obligation Refunding Bonds

ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF ABILENE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2019; ESTABLISHING PROCEDURES AND DELEGATING AUTHORITY FOR THE SALE AND DELIVERY OF THE BONDS; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS

§

COUNTIES OF TAYLOR AND JONES

§

CITY OF ABILENE

§

WHEREAS, there are presently the outstanding obligations of the City of Abilene, Texas (the “Issuer”) described in Schedule I attached hereto, collectively, the “Eligible Refunded Obligations”;

WHEREAS, the Issuer now desires to refund all or part of the Eligible Refunded Obligations, and those Eligible Refunded Obligations designated by the Pricing Officer in the Pricing Certificate, each as defined below, to be refunded are herein referred to as the “Refunded Obligations”;

WHEREAS, Chapter 1207, Texas Government Code, authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, together with any other available funds or resources, directly with a paying agent for the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the Issuer and is named in these proceedings, and such deposit, if made before the payment dates of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, further authorizes the Issuer to enter into an escrow agreement with such paying agent for the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent or trust company or commercial bank may agree;

WHEREAS, the Escrow Agreement, hereinafter authorized constitutes an escrow agreement of the kind authorized and permitted by said Chapter 1207;

WHEREAS, this City Council hereby finds and determines that it is a public purpose and in the best interests of the Issuer to refund the Refunded Obligations in order to achieve a present value debt service savings, with such savings, among other information and terms, to be included in a pricing certificate (the “Pricing Certificate”) to be executed by the Pricing Officer (hereinafter designated), all in accordance with the provisions of Section 1207.007, Texas Government Code;

WHEREAS, this City Council hereby further finds and determines that the manner in which the refunding is being executed, in that the pricing and terms of the bonds hereinafter authorized are to be determined at a future date pursuant to the provisions of this Ordinance, does not make it practicable to determine the amount of debt service loss or debt service savings that will result from the refunding of the Refunded Obligations;

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the Bonds hereinafter authorized;

WHEREAS, the Bonds hereinafter authorized are to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Chapter 1207, Texas Government Code; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The bonds of the Issuer are hereby authorized to be issued and delivered in the aggregate principal amount hereinafter provided for the public purpose of providing funds to refund a portion of the Issuer's outstanding indebtedness and to pay costs of issuance of the Bonds.

(c) Each bond issued pursuant to this Ordinance shall be designated: "CITY OF ABILENE, TEXAS, GENERAL OBLIGATION REFUNDING BOND, TAXABLE SERIES 2019," and initially there shall be issued, sold, and delivered hereunder fully registered Bonds, without interest coupons, payable to the respective registered owners thereof (with the initial bonds being made payable to the initial purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts, and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Chapter 1207, Texas Government Code, as amended, the Director of Finance, the City Manager and/or the Assistant City Manager of the Issuer (each a "Pricing Officer") are each hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds, determining which of the Eligible Refunded Obligations shall be refunded and carrying out the other procedures specified in this Ordinance, including, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations, including without limitation establishing the redemption dates for and effecting the redemption of the Refunded Obligations and obtaining municipal bond insurance for all or any portion of the Bonds and providing for the terms and provisions thereof applicable to the Bonds (including the execution of any commitment agreements, membership agreements in mutual insurance

companies, and other similar agreements), all of which shall be specified in the Pricing Certificate; provided that:

- (i) the aggregate principal amount of the Bonds authorized pursuant to this Ordinance shall not exceed \$78,000,000;
- (ii) the refunding of the Refunded Obligations must produce a net present value debt service savings of not less than 3.00%;
- (iii) the true interest cost of the Bonds shall not exceed 5.00%;
- (iv) the final maturity of the Bonds shall not be later than February 15, 2040; and
- (v) the delegation made hereby shall expire if not exercised by the Pricing Officer within 6 months of the date of adoption of the Ordinance.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate.

(c) The Pricing Officer shall select the Eligible Refunded Obligations to be refunded in accordance with the limitations set forth above.

(d) The Pricing Officer shall determine whether the Bonds will be sold by private placement or negotiated or competitive sale.

Section 3. CHARACTERISTICS OF THE BONDS.

(a) Appointment of Paying Agent/Registrar. The selection and appointment of the paying agent/registrar for the Bonds (the "Paying Agent/Registrar") shall be as provided in the Pricing Certificate. The Mayor or the Pricing Officer is authorized and directed to execute and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar in substantially the form presented at this meeting.

(b) Registration, Transfer, Conversion and Exchange. The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three (3) days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds 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. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, 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 Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(c) Authentication. Except as provided in subsection (j) of this section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(d) Payment of Principal and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds 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 Issuer's obligations with respect to payment of principal of and interest on the Bonds 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 Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance.

(f) Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer 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 Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. 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.

(g) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred-twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (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 Issuer 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 Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

(h) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser or purchasers specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof and the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsections (j) and (k) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Blanket Letter of Representations. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Bonds. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(j) Bonds Registered in the Name of Cede & Co. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer 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 transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer 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 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. 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.

(k) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A 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 Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds 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 Bonds shall designate, in accordance with the provisions of this Ordinance.

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

(m) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Bond, in the FORM OF BOND set forth in this Ordinance.

(n) Cancellation of Initial Bonds. On the closing date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the Issuer, 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 such purchaser or its designee. Upon payment for such initial Bond, the Paying Agent/Registrar shall cancel such initial Bond and deliver to DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of such Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 4. FORM OF BONDS. The form of the Bonds, 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 to the Bonds 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, and with the Bonds to be completed with information set forth in the Pricing Certificate.

(a) Form of Bond.

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF ABILENE, TEXAS GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES 2019	PRINCIPAL AMOUNT \$ _____
--------	--	---------------------------------

<u>INTEREST RATE</u>	<u>DELIVERY DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP NO.</u>
_____	_____	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

ON THE MATURITY DATE specified above, the City of Abilene, in Taylor and Jones Counties, Texas, (the "Issuer"), 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"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on _____, _____ and semiannually on each _____ and _____ thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated 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 Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of _____, _____, _____, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest

payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft 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 _____ business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment or redemption at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated _____, _____, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____ for the public purposes of refunding certain outstanding obligations of the Issuer set forth in the Pricing Certificate; and to pay the costs incurred in connection with the issuance of the Bonds.

ON _____, or on any date thereafter, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

THE BONDS scheduled to mature on _____ in the years ____ and ____ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and

sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Bond		Term Bond	
Maturity: _____, _____		Maturity: _____, _____	
<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>	<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
_____, ____	\$ _____	_____, ____	\$ _____
_____, ____	_____	_____, ____	_____
_____, ____	_____	_____, ____	_____
_____, ____ (maturity)	_____	_____, ____ (maturity)	_____

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least fifty (50) days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

AT LEAST THIRTY (30) DAYS prior to the date fixed for any redemption of Bonds 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, at least thirty (30) days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the business day prior to the mailing of such redemption notice; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. 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 Bonds or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that 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 Bond shall be redeemed, a substitute Bond or Bonds 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 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 Issuer, all as provided in the Bond Ordinance.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, 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 surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond 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 Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond 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 Bond 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 assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion 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, conversion, or exchange (i) 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, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within forty-five (45) days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond 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 Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond 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 Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Bond 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 Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, the Mayor Pro Tem of the Issuer) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)
City Secretary

(signature)
Mayor

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond 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 Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series that 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:_____.

_____,
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please print or type clearly)

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

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

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

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Bond and that this Bond has been registered this day by me.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Bond Insertions.

(i) The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

- A. immediately under the name of the Bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. ____" shall be deleted.
- B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF ABILENE, TEXAS, in Taylor and Jones Counties, Texas (the "Issuer"), 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"), on _____ in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments	Interest Rates
-------	------------------------	----------------

(Information from Pricing Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____ at the respective Interest Rate per annum specified above. Interest is payable on _____, and semiannually on each _____ and _____ thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated 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 Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The Initial Bond shall be numbered "T-1."

Section 5. INTEREST AND SINKING FUND.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Bonds. All amounts received from the sale of the Bonds as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund and all ad valorem taxes levied and collected for and on account of said Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bonds are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bonds as such principal matures (but never less than 2% of the original amount of said Bonds as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances 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 said Issuer, for each year while any of said Bonds are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Notwithstanding the requirements of this Section, if lawfully available moneys of the Issuer are on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then

the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, 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 or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes 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 Bonds 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 Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds 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) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer 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 Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds 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 Bonds, with respect

to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term “Defeasance Securities” means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; and (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

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

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

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

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

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the registered owner applying for a replacement Bond shall furnish to the Issuer 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 Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Bond 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 Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Section 1206.022, Texas Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3(b) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer and each of the Pricing Officers is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds 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 Bonds 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 Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds 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 Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Bonds is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or the City Manager, and the Mayor or the City Manager is hereby authorized to execute such engagement letter.

Section 9. RESERVED.

Section 10. SALE OF BONDS AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 2 and pursuant to the terms and provisions of a purchase agreement or purchase letter (the "Purchase Agreement") which the Pricing Officer is hereby authorized to execute and deliver and in which the purchaser or purchasers (the "Underwriters") of the Bonds shall be designated. The Bonds shall initially be registered in the name of the purchaser thereof as set forth in the Pricing Certificate.

(b) The Mayor, City Secretary or the Pricing Officer are further authorized and directed to execute and deliver for and on behalf of the Issuer copies of a Preliminary Official Statement and Official Statement, if prepared in connection with the offering of the Bonds by the Underwriters, in final form as may be required by the Underwriters, and such final Official Statement in the form and content as approved by the Pricing Officer or as manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriters. The form and substance of the Preliminary Official Statement for the Bonds and any addenda, supplement or amendment thereto, all as approved by the Pricing Officer, are hereby deemed to be approved in all respects by the City Council, and the Preliminary Official Statement is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purpose of paragraph (b)(1) of the Rule (hereinafter defined).

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Pricing Certificate (the "Insurer") a municipal bond insurance policy (the "Insurance Policy") in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the Issuer to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy as set forth in the Pricing Certificate are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

(d) The Mayor and Mayor Pro Tem, the City Secretary and the Pricing Officers of the Issuer, and each of them, 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 on behalf of the Issuer such documents, certificates and other 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 Bonds, the sale of the Bonds and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. COMPLIANCE WITH RULE 15c2-12.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six (6) months after the end of each fiscal year ending in or after 2019, financial information and operating data with respect to the Issuer of the general type included in the

final Official Statement authorized by Section 10 of this Ordinance, being the information described in the Pricing Certificate. The Issuer will additionally provide audited financial statements when and if available, and in any event, within twelve (12) months after the end of each fiscal year ending in or after 2019. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the Issuer will file unaudited financial statements within such twelve (12) month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Appendix B to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten (10) business days after the occurrence of the event) of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor trustee or change in the name of the trustee, if material;

15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the Issuer, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets of the Issuer, or if jurisdiction has been assumed by leaving the existing City Council and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer. For the purposes of the above describe event notices 15 and 16, the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(ii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer 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.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer 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 Issuer'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 Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, 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.

(iv) No default by the Issuer 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 Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer 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 Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The Issuer 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 Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (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 12. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Bonds that are the subject of a proposed

amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of such consent, and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of such consent by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Bonds, the Issuer shall rely solely upon the registration of the ownership of such Bonds on the registration books kept by the Paying Agent/Registrar.

Section 13. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the City Council.

Section 14. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Mayor or the Pricing Officer are further authorized to enter into and execute on behalf of the Issuer with the escrow agent selected and appointed in the Pricing Certificate, an escrow or similar agreement, in the form and substance as shall be approved by the Pricing Officer, which agreement will provide for the payment in full of the Refunded Obligations. In addition, the Mayor or the Pricing Officer is authorized to purchase such securities, to execute such subscriptions for the purchase of the Escrowed Securities (as defined in the agreement), if any, and to authorize such contributions for the escrow fund as provided in the agreement.

Section 15. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) Subject to execution and delivery of the Purchase Agreement with the Underwriters, the Issuer hereby directs that the Refunded Obligations be called for redemption on the dates and at such prices as set forth in the Pricing Certificate. The Pricing Officer is hereby authorized and directed to issue or cause to be issued Notice of Redemption of the Refunded Obligations, completed with information from the Pricing Certificate, to the paying agents for the Refunded Obligations.

(b) In addition, the paying agents for the Refunded Obligations are hereby directed to provide the appropriate notices of redemption and defeasance as specified by the ordinances authorizing the issuance of Refunded Obligations and are hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on their redemption dates. The Refunded Obligations shall be presented for redemption at the paying agents therefor, and shall not bear interest after the date fixed for redemption.

(c) If the redemption of the Refunded Obligations results in the partial refunding of any maturity of the Refunded Obligations, the Pricing Officer shall direct the paying agent/registrar for the Refunded Obligations to designate at random and by lot which of the Refunded Obligations will be payable from and secured solely from ad valorem taxes of the Issuer pursuant to the ordinance of the Issuer authorizing the issuance of such Refunded Obligations (the "Refunded Bond Ordinance"). The paying agent/registrar shall notify by first-class mail all registered owners of all affected bonds of such maturities that: (i) a portion of such bonds have been refunded and are secured until final maturity solely with cash and investments maintained by the Escrow Agent in the Escrow Fund, (ii) the principal amount of all affected bonds of such maturities registered in the name of such registered owner that have been refunded and are payable solely from cash and investments in the Escrow Fund and the remaining principal amount of all affected bonds of such maturities registered in the name of such registered owner, if any, have not been refunded and are payable and secured solely from ad valorem taxes of the Issuer described in the Refunded Obligation Ordinance, (iii) the registered owner is required to submit his or her Refunded Obligations to the paying agent/registrar, for the purposes of re-registering such registered owner's bonds and assigning new CUSIP numbers in order to distinguish the source of payment for the principal and interest on such bonds, and (iv) payment of principal of and interest on such bonds may, in some circumstances, be delayed until such bonds have been re-registered and new CUSIP numbers have been assigned as required by (iii) above.

(d) The source of funds for payment of the principal of and interest on the Refunded Obligations on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent pursuant to the Escrow Agreement approved in Section 14 of this Ordinance.

Section 16. APPROPRIATION. To pay the debt service coming due on the Bonds, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 17. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 18. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

(Execution Page Follows)

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,
this _____ 2019.

ATTEST:

Mayor, City of Abilene, Texas

City Secretary, City of Abilene, Texas

[CITY SEAL]

APPROVED AS TO FORM:

City Attorney, City of Abilene, Texas

Schedule I

Schedule of Refunded Obligations

City of Abilene, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013

City of Abilene, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014

PRELIMINARY OFFICIAL STATEMENT

Dated November 7, 2019

Ratings:
S&P: "AA+"
Fitch: "AA+"
(See "Other Information – Ratings" herein)

NEW ISSUE - Book-Entry-Only

Interest on the Bonds is not excludable from gross income from federal income tax purposes under existing law. See "TAX MATTERS" herein.

\$73,595,000*
CITY OF ABILENE, TEXAS
(Taylor and Jones Counties)
GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2019

Dated Date: December 1, 2019
(Interest accrues from the delivery date)

Due: February 15, as shown on page 2

PAYMENT TERMS . . . Interest on the \$73,595,000* City of Abilene, Texas, General Obligation Refunding Bonds, Taxable Series 2019 (the "Bonds") will accrue from the date of initial delivery to the underwriters named below ("Underwriters"), will be payable February 15 and August 15 of each year commencing February 15, 2020 until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the book-entry-only system described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar for the Bonds is U.S. Bank National Association, Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") including particularly, Texas Government Code, Chapter 1207, as amended, and are direct obligations of the City of Abilene, Texas (the "City"), payable from a continuing ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Bonds (the "Bond Ordinance"). In the Bond Ordinance adopted on November 7, 2019, the City Council delegated to an officer of the City, pursuant to certain provisions of Chapter 1207, authority to effect the sale of the Bonds and to establish certain terms related to the issuance and sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate," which will complete the sale of the Bonds (the Bond Ordinance and the Pricing Certificate are collectively referred to as the "Ordinance") (see "THE BONDS - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Bonds will be used to refund a portion of the City's outstanding debt set forth in Schedule I attached hereto, in order to lower the overall debt service requirements of the City, and to pay the costs associated with the issuance of the Bonds (see "PLAN OF FINANCING – Purpose").

CUSIP PREFIX: 00344N MATURITY SCHEDULE & 9 DIGIT CUSIP See Schedule on Page 2

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

DELIVERY . . . It is expected that the Bonds will be available for delivery through the facilities of DTC on December 19, 2019.

FROST BANK
SAMCO CAPITAL MARKETS, INC. **RBC CAPITAL MARKETS**

* Preliminary, subject to change.

MATURITY SCHEDULE*

Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾	Maturity (2/15)	Principal Amount	Interest Rate	Initial Yield	CUSIP ⁽¹⁾
2020	\$ 1,680,000				2031	\$ 2,830,000			
2021	640,000				2032	2,910,000			
2022	655,000				2033	2,990,000			
2023	665,000				2034	3,075,000			
2024	2,435,000				2035	3,170,000			
2025	2,490,000				2036	6,850,000			
2026	4,775,000				2037	7,065,000			
2027	4,890,000				2038	7,280,000			
2028	2,625,000				2039	7,520,000			
2029	2,685,000				2040	3,605,000			
2030	2,760,000								

(Interest to accrue from the Date of Delivery)

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE BONDS - Optional Redemption”).

* Preliminary, subject to change.

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

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

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

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

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor and the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

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

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

NEITHER THE CITY, ITS FINANCIAL ADVISOR, OR THE UNDERWRITERS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY (“DTC”) OR ITS BOOK-ENTRY ONLY SYSTEM.

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

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

TABLE OF CONTENTS

OFFICIAL STATEMENT SUMMARY.....	5
CITY OFFICIALS, STAFF AND CONSULTANTS	7
ELECTED OFFICIALS	7
SELECTED ADMINISTRATIVE STAFF	7
CONSULTANTS AND ADVISORS	7
INTRODUCTION.....	9
PLAN OF FINANCING	9
THE BONDS.....	10
TAX INFORMATION.....	15
TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT	21
TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY	22
TABLE 3A - VALUATION AND GENERAL OBLIGATION DEBT HISTORY.....	23
TABLE 3B - DERIVATION OF GENERAL PURPOSE FUNDED TAX DEBT.....	23
TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY	23
TABLE 5 - TEN LARGEST TAXPAYERS	24
TABLE 6 - TAX ADEQUACY.....	24
TABLE 7 - ESTIMATED OVERLAPPING DEBT.....	25
DEBT INFORMATION	26
TABLE 8 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS	27
TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION.....	29
TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT.....	29
TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS	29
TABLE 12 - OTHER OBLIGATIONS	30
FINANCIAL INFORMATION	34
TABLE 13 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY	34
TABLE 14 - MUNICIPAL SALES TAX HISTORY	35
TABLE 15 - CURRENT INVESTMENTS.....	39
THE WATERWORKS AND SEWER SYSTEM.....	39
TABLE 16 - MONTHLY WATER RATES.....	42
TABLE 17 - HISTORICAL WATER CONSUMPTION.....	43
TABLE 18 - TOP TEN TREATED WATER CUSTOMERS	43
TABLE 19 - SPECIAL TREATED WATER CUSTOMERS ("CONTRACT CUSTOMERS").....	43
TABLE 20 - MONTHLY SEWER RATES.....	44
TABLE 21 - DAILY AVERAGE SEWAGE FLOWS.....	44
TABLE 22 - TOP TEN SEWER CUSTOMERS	45
TABLE 23 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS.....	45
TAX MATTERS.....	46
CONTINUING DISCLOSURE OF INFORMATION.....	47
OTHER INFORMATION.....	49
RATINGS.....	49
LITIGATION	49
REGISTRATION AND QUALIFICATION OF BONDS FOR SALE	49
LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS	49
LEGAL OPINIONS	49
FINANCIAL ADVISOR	50
VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS	50
UNDERWRITING	50
FORWARD-LOOKING STATEMENTS DISCLAIMER	50
MISCELLANEOUS	51
SCHEDULE OF REFUNDED OBLIGATIONS	SCHEDULE I
APPENDICES	
GENERAL INFORMATION REGARDING THE CITY	A
EXCERPTS FROM THE CITY OF ABILENE, TEXAS ANNUAL FINANCIAL REPORT	B
FORM OF BOND COUNSEL'S OPINION.....	C

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

OFFICIAL STATEMENT SUMMARY

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

THE CITY	The City of Abilene is a political subdivision and municipal corporation of the State located in Taylor and Jones Counties. The City covers approximately 109.92 square miles. The 2010 U.S. Census population was 117,063, while the estimated 2019 population is 124,557 (see "INTRODUCTION - Description of the City" and "Appendix A – General Information Regarding the City").
THE BONDS	The Bonds are issued as \$73,595,000* General Obligation Refunding Bonds, Taxable Series 2019. The Bonds are issued as serial bonds maturing on February 15 in the years 2020 through 2040* (see "THE BONDS - Description of the Bonds").
PAYMENT OF INTEREST	Interest on the Bonds accrues from the date of initial delivery, and is payable February 15, 2020, and each February 15 and August 15 thereafter until maturity or prior redemption (see "THE BONDS - Description of the Bonds" and "THE BONDS – Optional Redemption").
AUTHORITY FOR ISSUANCE	The Bonds are issued pursuant to the general laws of the State, including particularly, Texas Government Code, Chapter 1207, as amended and an ordinance adopted by the City Council of the City on November 7, 2019 (the "Bond Ordinance"). In the Bond Ordinance, the City Council delegated to an officer of the City pursuant to certain provisions of Chapter 1207, authority to effect the sale of the Bonds and to establish certain terms related to the issuance and sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate," which will complete the sale of the Bonds (the Bond Ordinance and the Pricing Certificate are collectively referred to as the "Ordinance"). (See "THE BONDS - Authority for Issuance").
SECURITY FOR THE BONDS	The Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City (see "THE BONDS - Security and Source of Payment").
OPTIONAL REDEMPTION	The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS – Optional Redemption").
NO TAX EXEMPTION	In the opinion of Bond Counsel, the interest on the Bonds will not be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption "TAX MATTERS" herein.
USE OF PROCEEDS	Proceeds from the sale of the Bonds will be used to refund a portion of the City's outstanding debt, in order to lower the overall debt service requirements of the City, and to pay the costs associated with the issuance of the Bonds (see "PLAN OF FINANCING – Purpose").
RATINGS	The Bonds and the presently outstanding tax supported debt of the City are rated "AA+" by S&P Global Ratings ("S&P") and "AA+" by Fitch Ratings ("Fitch") without regard to credit enhancement (see "OTHER INFORMATION - Ratings").
BOOK-ENTRY-ONLY SYSTEM	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the book-entry-only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").

* Preliminary, subject to change.

PAYMENT RECORD The City has not defaulted in payment of its general obligation tax debt since 1939 when a general refunding program was consummated involving no reduction in interest rate and a rearrangement of principal maturities only. The City has never defaulted on revenue bonds.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Per Capita Taxable Assessed Valuation	General Obligation (G.O.) Debt ⁽³⁾	Per Capita G.O. Debt	Ratio G.O. Debt to Taxable Assessed Valuation	% of Total Tax Collections
2016	120,958	\$ 5,655,710,437	\$ 46,758	\$ 297,915,000	\$ 2,463	5.27%	99.52%
2017	121,407	5,861,417,197	48,279	313,900,000	2,586	5.36%	99.48%
2018	122,225	6,103,008,932	49,933	332,515,000	2,721	5.45%	99.50%
2019	124,557	6,366,829,253	51,116	316,055,000	2,537	4.96%	99.72% ⁽⁵⁾
2020	124,557	6,674,326,141	53,585	342,135,000 ⁽⁴⁾	2,747 ⁽⁴⁾	5.13% ⁽⁴⁾	N/A

- (1) Population estimates provided by the City.
- (2) As reported by the Appraisal District (defined herein) on the City's annual Reports of Property Value to the State Comptroller of Public Accounts; subject to change during the ensuing year.
- (3) Includes self-supporting debt (see Table 3B – Derivation of General Purpose Funded Tax Debt).
- (4) Excludes the Refunded Obligations and includes the Bonds. Also includes the City's General Obligation Bonds, Series 2019 in the approximate amount of \$8,280,000 and Combination Tax and Limited Surplus Revenue Certificates of Obligations, Series 2019 in the approximate amount of \$28,320,000 which are in the process of issuance. Preliminary, subject to change.
- (5) Unaudited collections through September 30, 2019.
- (6) In the process of collection. Payments are due upon taxpayer's receipt of tax statement and are delinquent if not paid prior to February 1, 2020.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Fund Balance at Beginning of Year	\$ 26,931,528	\$ 26,458,762	\$ 26,890,838	\$ 25,902,661	\$ 25,264,813
Total Revenue	94,410,912	86,766,792	82,490,878	81,194,980	79,138,835
Total Expenditures	86,557,678	84,183,987	81,777,971	78,411,524	76,056,453
Other Financing Sources (Uses) ⁽¹⁾	(6,556,726)	(2,110,039)	(1,144,983)	(1,795,279)	(2,444,534)
Fund Balance at End of Year	<u>\$ 28,228,036</u>	<u>\$ 26,931,528</u>	<u>\$ 26,458,762</u>	<u>\$ 26,890,838</u>	<u>\$ 25,902,661</u>

- (1) The City funded its CIP program during each fiscal year with cash in the General Fund.

For additional information regarding the City, please contact:

Mike Rains
Director of Finance
City of Abilene
P.O. Box 60
Abilene, Texas 79604-0060
(325) 676-6324

George Williford
Regional Managing Director
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270
(214) 953-8705

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Length of Service	Term Expires	Occupation
Anthony Williams Mayor	2 Years	May, 2020	Chief Business Services Officer, Abilene Christian University
Shane Price Councilmember (Place 1)	10 Years	May, 2021	Vice President of Development, Bookstore Manager
Jack Rentz Councilmember (Place 2)	1 Year	May, 2021	Business Owner, Rentech Boiler Services
Donna Albus Councilmember (Place 3)	1 Year	May, 2020	Retiree
Weldon W. Hurt Councilmember (Place 4)	1 Year	May, 2020	Business Owner, West Texas Pest Patrol
Kyle McAlister Councilmember (Place 5)	5 Years	May, 2022	Independent Insurance Agent
Dr. Travis Craver Councilmember (Place 6)	Newly Elected	May, 2022	Director of Chapel and Spiritual Formation, Hardin-Simmons University

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service to the City
Robert Hanna	City Manager	4 Years
Mindy Patterson	Deputy City Manager	27 Years
Michael Rice	Assistant City Manager	4 Years
Shawna Atkinson	City Secretary	Newly Appointed
Stanley Smith	City Attorney	12 Years
Tammy Roberts	Animal Services Director	Newly Appointed
Lesli Andrews	Director of Community Services	15 Years
Mike Rains	Director of Finance	11 Years
Brenda Alexander	Director of Human Resources	3 Years
Michael Warrix	Director of Planning and Development	Newly Appointed
Greg McCaffery	Director of Public Works	Newly Appointed
Don Green	Director of Transportation Services	15 Years
Rodney Taylor	Director of Water Utilities	17 Years
Annette Lerma	Health Services Director	18 Years
Tommy O'Brien	Executive Director of Water Utilities	15 Years
Stan Standridge	Chief of Police	24 Years
Cande Flores	Fire Chief	27 Years

CONSULTANTS AND ADVISORS

Auditors	Eide Bailly LLP Abilene, Texas
Bond Counsel	McCall, Parkhurst & Horton L.L.P. Dallas, Texas
Financial Advisor	Hilltop Securities Inc. Dallas, Texas

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PRELIMINARY OFFICIAL STATEMENT
RELATING TO
\$73,595,000*
CITY OF ABILENE, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2019

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of \$73,595,000* City of Abilene, Texas, General Obligation Refunding Bonds, Taxable Series 2019. Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Ordinance (herein after defined), except as otherwise indicated herein.

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

DESCRIPTION OF THE CITY . . . The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1883, and first adopted its Home Rule Charter in 1962. The City operates under the Council/Manager form of government where the mayor and six Councilmembers are elected for staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, airport, sanitation services, health and social services, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services. The 2010 U. S. Census population for the City was 117,063, while the estimated 2019 population is 124,557. The City covers approximately 109.92 square miles (see "Appendix A – General Information Regarding the City").

PLAN OF FINANCING

PURPOSE . . . The Bonds are being issued for the purpose of refunding a portion of the City's outstanding debt (the "Refunded Obligations") in order to lower the overall annual debt service requirements of the City, and to pay the costs of issuance of the Bonds. See Schedule I for a detailed listing of the Refunded Obligations and their respective redemption dates at par.

REFUNDED OBLIGATIONS . . . A description and identification of the Refunded Obligations appears in Schedule I attached hereto. The principal and interest due on the Refunded Obligations are to be paid on the scheduled payment dates and the respective redemption dates of such Refunded Obligations, from funds to be deposited pursuant to a certain Escrow Agreement (the "Escrow Agreement") between the City and U.S. Bank National Association, Dallas, Texas (the "Escrow Agent"). The Ordinance provides that from the proceeds from the sale of the Bonds and other available funds, if any, the City will deposit with the Escrow Agent an amount which, together with the Escrowed Securities (defined below) purchased with a portion of the Bond proceeds and the interest to be earned on such Escrowed Securities, will be sufficient to accomplish the discharge and final payment of the Refunded Obligations on and to their respective redemption dates. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase securities authorized by State law to defease the Refunded Obligations (the "Escrowed Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the Refunded Obligations.

, a nationally recognized accounting firm, will verify at the time of delivery of the Bonds to the Underwriters thereof the mathematical accuracy of the schedules that demonstrate the Escrowed Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Obligations on and to their respective redemption dates. Such maturing principal of and interest on the Escrowed Securities will not be available to pay the Bonds (see "OTHER INFORMATION - Verification of Arithmetical and Mathematical Computations").

* Preliminary, subject to change.

By the deposit of the Escrowed Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the City will have effected the defeasance of all of the Refunded Obligations in accordance with State law. It is the opinion of Bond Counsel that as a result of such defeasance and in reliance upon the verification report of [REDACTED], the Refunded Obligations will be outstanding only for the purpose of receiving payments from the Escrowed Securities and any cash held for such purpose by the Escrow Agent and such Refunded Obligations will not be deemed as being outstanding obligations of the City payable from taxes or other funds, nor for the purpose of applying any limitation on the issuance of debt. Thereafter, the City will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Obligations from time to time, including any insufficiency therein caused by the failure of the Escrow Agent to receive payment when due on the Escrowed Securities.

USE OF PROCEEDS . . . The proceeds from the sale of the Bonds will be applied approximately as follows:

<u>Sources of Funds</u>	
Par Amount of the Bonds	
Total Sources of Funds	<u>\$ -</u>
<u>Uses of Funds</u>	
Deposit to Escrow Fund	
Deposit to Debt Service Fund	
Underwriters' Discount and Costs of Issuance	
Total Uses of Funds	<u>\$ -</u>

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated December 1, 2019, and mature on February 15 in each of the years and in the amounts shown on page two hereof. Interest will accrue from the date of initial delivery of the Bonds, will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on February 15 and August 15, commencing February 15, 2020, until maturity or prior redemption. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the book-entry-only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, particularly, Texas Government Code, Chapter 1207, as amended, and by an ordinance adopted by the City Council on November 7, 2019 (the "Bond Ordinance"). In the Bond Ordinance, the City Council delegated to an officer of the City pursuant to certain provisions of Chapter 1207, authority to effect the sale of the Bonds and to establish certain terms related to the issuance and sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate," which will complete the sale of the Bonds (the Bond Ordinance and the Pricing Certificate are collectively referred to as the "Ordinance").

SECURITY AND SOURCE OF PAYMENT . . . The principal of and interest on the Bonds are payable from an annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property in the City.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance and based on a 90% collection rate. The City's 2019/2020 tax rate is \$0.7877 of which \$0.1808 is for debt service purposes.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

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

NOTICE OF REDEMPTION...Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the forth-fifth day preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN AND ANY OTHER CONDITION TO REDEMPTION SATISFIED, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

The Paying Agent/Registrar and the City, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Ordinance or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the City will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC Participants in accordance with its rules or other agreements with DTC Participants. Such DTC Participants may then implement a redemption of such Bonds from the Beneficial Owners. Any such selection of Bonds to be redeemed will not be governed by the Ordinance and will not be conducted by the City or the Paying Agent/Registrar. Neither the City nor the Paying Agent/Registrar will have any responsibility to any DTC Participants or the persons for whom DTC Participants act as nominees, with respect to the payments on the Bonds or the providing of notice to DTC Participants or Beneficial Owners of the selection of portions of the Bonds for redemption. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

AMENDMENTS TO THE ORDINANCE . . . In the Ordinance, the City has reserved the right to amend the Ordinance without the consent of any holder for the purpose of amending or supplementing the Ordinance to (i) cure any ambiguity, defect or omission therein that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of the Ordinance that do not materially adversely affect the interests of the holders, (iv) qualify the Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect or (v) make such other provisions in regard to matters or questions arising under the Ordinance that are not inconsistent with the provisions thereof and which, in the opinion of Bond Counsel for the City, do not materially adversely affect the interests of the holders.

The Ordinance further provides that the holders of the Bonds aggregating in principal amount 51% of the outstanding Bonds shall have the right from time to time to approve any amendment not described above to the Ordinance if it is deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the holders in original principal amount of the then outstanding Bonds, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Bonds; (ii) reducing the rate of interest borne by any of the outstanding Bonds; (iii) reducing the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds; (iv) modifying the terms of payment of principal or of interest or redemption premium on outstanding Bonds, or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment. Reference is made to the Ordinance for further provisions relating to the amendment thereof.

DEFEASANCE... The Ordinance provides for the defeasance of the Bonds when the payment of the principal of and premium, if any, on the Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent, in trust (1) money sufficient to make such payment or (2) Defeasance Securities, to mature as to principal and interest in such amounts and at such times to ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Bonds, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. The Ordinance provides that "Defeasance Securities" means: (1) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United

States of America, and (2) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the City to initiate proceedings to take any action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered certificate will be issued for each maturity of the Bonds in the aggregate principal amount of each such maturity and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit

of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participant to whose account such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

USE OF CERTAIN TERMS IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT . . . In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

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

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the City, printed Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "THE BONDS - Transfer, Exchange and Registration" below.

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

In the event the Book-Entry-Only System should be discontinued, interest on the Bonds will be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest will be paid (i) by check sent United States mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the

Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Bonds will be paid to the registered owner at the stated maturity or earlier redemption upon presentation to the designated payment/transfer office of the Paying Agent/Registrar. If the date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment will be the next succeeding day which is not such a day, and payment on such date will have the same force and effect as if made on the date payment was due. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made as described in "THE BONDS - Book-Entry-Only System," above.

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

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

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

BONDHOLDERS' REMEDIES . . . The Ordinance establishes specific events of default with respect to the Bonds. If the City defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Ordinance, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Ordinance, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Bonds if there is no other available remedy at law to compel performance of the Bonds or Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, and with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson I"), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I*, *Wasson Interests LTD. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) ("Wasson II", and together with *Wasson I*, "Wasson"), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by

a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the State's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court ruled in *Tooke v. City of Mexia* (197 S.W.3d 325 (Tex. 2006)), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in clear and unambiguous language. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, bondholders may not be able to bring such a suit against the City for breach of the Bonds or Ordinance covenants. Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its debt, but the City is not using Chapter 1371 as legal authority in connection with the issuance of the Bonds and the City has not waived sovereign immunity pursuant to Chapter 1371. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds.

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

See "Book-Entry-Only System" herein for a description of the duties of DTC with regard to ownership of Bonds. Initially, the only registered owner of the Bonds will be Cede & Co., as the DTC's nominee.

TAX INFORMATION

AD VALOREM TAX LAW . . . The appraisal of property within the City is the responsibility of the Central Appraisal District of Taylor County and the Jones County Appraisal District (jointly, the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under the Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount that would not exceed the lesser of (1) the property's market value in the most recent tax year in which the market value was determined by the appraisal district or (2) the sum of (a) 10% of the property's appraised value in the preceding tax year, plus (b) the property's appraised value the preceding tax year, plus (c) the market value of all new improvements to the property.

The value placed upon property within the Appraisal Districts is subject to review by an Appraisal Review Board within each Appraisal District, consisting of members appointed by the Board of Directors of each respective Appraisal District. The Appraisal Districts are required to review the value of property within each respective Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board of the appropriate Appraisal District.

Reference is made to the Texas Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant: (1) An exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision; (2) An exemption of up to 20% of the market value of residence homesteads, subject to a minimum exemption under this provision is \$5,000. The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 to a maximum of \$12,000; provided, however, that a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Additionally, effective January 1, 2012, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied.

Under Article VIII and State law, the governing body of a county, municipality or junior college district, may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons who are 65 years of age or older and persons who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferable to a different residence homestead and to a surviving spouse living in such homestead who is disabled or is at least 55 years of age. If improvements (other than maintenance or repairs required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax rate limitation may not be repealed or rescinded.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods in transit." "Goods in transit" is defined by Section 11.253 of the Tax Code, which is effective for tax years 2008 and thereafter, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out board motor, heavy equipment and manufactured housing inventory. Section 11.253 of the Tax Code permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods in transit during the following tax year. A taxpayer may receive only the freeport exemption or the goods in transit exemption for items of personal property.

The City may create one or more tax increment financing districts ("TIF") within the City and freeze the taxable values of real property in the TIF at the value at the time of its creation. Other overlapping taxing units levying taxes in the TIF may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIF in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIF. Taxes levied by the City against the values of real

property in the TIF in excess of the "frozen" value are not available for general city use but are restricted to paying or financing "project costs" within the TIF. The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

Cities are also authorized, pursuant to Chapter 380, Texas Local Government Code ("Chapter 380") to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grants of public funds for economic development purposes, however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the City.

2019 LEGISLATIVE SESSION. . . The 86th Legislative Session convened on January 8, 2019 and adjourned on May 27, 2019. Legislation that changes current laws affecting ad valorem tax matters including calculation of the rollback tax rate and rollback election process for maintenance tax increases, was adopted on May 27, 2019 and signed by the Texas Governor on June 12, 2019. This legislation will impact the City's future budgeting and the levy and collection of ad valorem taxes for maintenance and operations purposes. At this time, the City has not undertaken a comprehensive review of this legislation to determine the extent of this impact on its maintenance and operations budget. The City does not anticipate that this legislation will impact its ability to levy and collect ad valorem taxes for debt service purposes.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE... The following terms as used in this section have the meanings provided below:

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

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

"effective tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

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

"rollback tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.08, plus the debt service tax rate.

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

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

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

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

For the 2019 tax year, the procedures in this paragraph apply. After the assessor submits the appraisal roll, a designated officer or employee of the City is required to calculate its "rollback tax rate" and "effective tax rate". A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, and may not adopt a tax rate that exceeds the lower of its "rollback tax rate" or "effective tax rate" (as such terms are defined above) until it has held two public hearings on

the proposed increase following notice to the taxpayers and otherwise complied with the Property Tax Code. The Property Tax Code provides that if the adopted tax rate exceeds the rollback tax rate, qualified voters of the city, by petition, may require that an election be held to determine whether or not to reduce the adopted tax rate to the rollback tax rate. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the effective tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

Effective January 1, 2020, the terms rollback tax rate and effective tax rate will be replaced, respectively, with the terms “voter-approval tax rate” and “no-new-revenue tax rate”. Beginning with the 2020 tax year, the procedures in this paragraph and the following paragraphs apply. A city must annually calculate its “voter-approval tax rate” and “no-new-revenue tax rate” (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

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

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

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

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

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

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

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

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

PROPERTY ASSESSMENT AND TAX PAYMENT. . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, the penalty remains at 12%, and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest penalty is to compensate the taxing unit for revenue lost because of the delinquency. In addition, if an account is delinquent in July, an attorney's collection fee of up to 20% may be added to the total tax penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF TAX CODE...The City grants an exemption of 15% of the market value of residence homesteads; minimum exemption of \$5,000.

The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of up to \$15,000; the disabled are also granted an exemption of up to \$15,000.

The City has granted certain Historic Tax Exemptions under the Historic Tax Reduction Program.

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

The City does not tax nonbusiness personal property; and the Central Appraisal District of Taylor County collects ad valorem taxes for the City under a contract with the City.

The City has taken action to implement the tax freeze on the residence homestead of persons who are disabled and persons who are 65 years of age or older, as approved by the City's voters at an election held on November 7, 2006. The tax freeze, which applies to property that accounts for approximately 1.6% of the City's property tax revenue, may impact future property tax rates for the City. City administration does not believe that the implementation of the tax freeze will have a material adverse financial impact on the City for the September 30, 2020 fiscal year; however, City staff expects to continue to monitor the potential impact of the tax freeze on the City's financial condition.

The City does permit split payments, first half due by November 30, second half due by June 30; discounts are not allowed.

The City does tax freeport property.

The City has not taken action to tax goods-in-transit.

The City does collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted a tax abatement policy, as described below.

TAX ABATEMENT POLICY...In 1990, the City established a tax abatement policy to encourage economic development. The policy specified several criteria pertaining to job creation and property value enhancement that newly constructed real and personal property improvements had to meet in order to be considered for tax abatement; projects were eligible for abatement of a percentage of ad valorem taxes for ten years; property located within an enterprise zone could receive an additional percentage abatement of 5% - 10%. The City granted a total of four abatements during the period 1990-1992. From 1992 to March, 1997, however, no tax abatements were granted as the City's policy was to provide incentives in lieu of tax abatements from a ½ of 1% economic development sales tax that became effective in 1990.

On March 27, 1997, the City rewrote and adopted a definitive Property Tax Abatement Policy (the "Policy"). On June 14, 2001, the City Council adopted a revised definitive Policy. Specific guidelines for tax abatement benefits were established for manufacturing, distribution, retail (if located in an enterprise zone or development area) and service facilities located in Abilene and certain multi-family residential properties if located in the Abilene Reinvestment Zone Number One. Generally, tax abatements may be granted for each year only for the additional values of eligible property improvements (actual capital expenditures) to the extent that the value of the property covered by the agreement exceeds the value of the property for the year in which the abatement agreement is executed; no abatement agreement may have a term in excess of ten years from the date of execution. Abatements are to be considered under specific criteria that includes job creation and capital expenditures with resulting abatements of 15% to 100% if granted. The City currently does not have any tax abatements in effect.

TAX INCREMENT FINANCING ZONES...Reinvestment Zone Number One, City of Abilene ("Zone One") was created in 1982 by the City with the consent of other taxing units overlapping Zone One. Comprising approximately 235 acres, Zone One includes the central business district. Ad valorem taxes on incremental growth in real property values within Zone One (levied at the tax rates of each taxing unit assessing an ad valorem tax on real property in Zone One) from a base value of January 1, 1983, are used to pay costs of development of Zone One; these tax funds can be used only for public improvements in Zone One or for payment of debt service on bonds issued to provide funds for public improvements located within Zone One. Zone One was terminated January 1, 2008. Approximately \$583,547 of tax funds derived from incremental values in Zone One remain and such funds have been and are being used for public improvements in Zone One; Zone One has no bonded debt.

A Termination Agreement was executed in December 2007 between the City of Abilene and Tax Increment Finance board where by the remaining tax funds will be used for 6 specific items to include:

- 1) FY08 operating budget for the TIF Board
- 2) Destination/Way-finding signs for downtown and leading to downtown
- 3) Redevelopment of two (2) lots on Cedar Street into public parking with public restrooms
- 4) FY08 Abilene Cultural Affairs Council Cultural Incentive Program
- 5) Redevelopment Plan for Northeast & South Planning areas of downtown
- 6) Streetscape improvements on Cypress, Pine, Cedar and Walnut streets

Reinvestment Zone Number Two, City of Abilene ("Zone Two") was created on December 5, 2013 by the City. Comprising approximately 1,594 acres, Zone Two includes the Pine Street and Ambler Avenue corridors, all within the City's corporate limits. Ad valorem taxes on incremental growth in real property values within Zone Two (levied at the tax rate of the City on real property in Zone Two) from a base value of January 1, 2013 of approximately \$116.4 million, are used to pay costs of development of Zone Two; these tax funds can be used only for public improvements in Zone Two or for payment of debt service on bonds issued to provide funds for public improvements located within Zone Two. Zone Two has no bonded debt.

CHAPTER 380 AGREEMENTS...The City is currently a party to five agreements under Chapter 380 of the Local Government Code.

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TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2019/20 Market Valuation Established by the Appraisal District (excluding totally exempt property)		\$ 7,421,601,206
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead Exemptions (Local Option)	\$ 426,902,302	
Residence Homestead Exemptions (Over 65 and Disabled)	139,371,269	
Residential Homestead Value Lost on 10% Cap	9,868,885	
Productivity Loss	54,542,611	
Disabled Veterans Exemptions	110,307,524	
Pollution Control Value Lost	2,214,387	
Historic Tax Exemptions	4,068,087	(747,275,065) ⁽¹⁾
2019/20 Taxable Assessed Valuation		\$ 6,674,326,141
City Funded Debt Payable from Ad Valorem Taxes as of October 15, 2019		
Outstanding General Obligation Debt ⁽²⁾	\$ 250,285,000	
General Obligation Bonds, Series 2019 ⁽³⁾	8,280,000	
Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 ⁽³⁾	28,320,000	
The Bonds ⁽³⁾	<u>73,595,000</u>	
		\$ 360,480,000
Less: Self-Supporting Debt		
Waterworks and Sewer System General Obligation Debt ⁽⁴⁾⁽⁶⁾	235,980,000	
Airport General Obligation Debt ⁽⁵⁾⁽⁶⁾	1,310,000	
General Purpose Funded Debt Payable from Ad Valorem Taxes		\$ 123,190,000
Ratio Funded Debt to Taxable Assessed Valuation		5.40%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.85%

2019 Estimated Population - 124,557
Per Capita 2019/20 Taxable Assessed Valuation - \$ 53,585
Per Capita Funded Debt Payable from Ad Valorem Taxes - \$2,894
Per Capita General Purpose Funded Debt Payable from Ad Valorem Taxes - \$989

- (1) In addition to the exemptions described, the City has taken action to implement the tax freeze on the residence homestead of persons who are disabled and persons who are 65 years of age or older. See "TAX INFORMATION – City Application of Tax Code."
- (2) Excludes the Refunded Obligations.
- (3) Preliminary, subject to change. The General Obligation Bonds, Series 2019 and Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 are in process of issuance.
- (4) "Waterworks and Sewer System (the "System") General Obligation Debt" consists of a portion of outstanding General Obligation Refunding Bonds, Series 2011, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2012, a portion of the General Obligation Refunding Bonds, Series 2013, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015, a portion of the General Obligation Refunding and Improvement Bonds, Series 2015, a portion of the General Obligation Refunding and Improvement Bonds, Series 2016, a portion of the Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2017, a portion of the General Obligation Refunding Bonds, Series 2017, the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018, the Combination Tax and Limited Surplus Certificates of Obligation, Series 2019, which is in process of issuance, and the Bonds. The City provides for debt service on these issues from surplus Net Revenues of the System. The City has no outstanding Waterworks and Sewer System Revenue Bonds but has obligated revenues of the System under Water Supply Contracts. See Note 8, "Long-Term Obligations and Amounts Due within One Year" in the Notes to Financial Statements for the Fiscal year Ended September 30, 2018, in "APPENDIX B – EXCERPTS FROM THE CITY OF ABILENE, TEXAS ANNUAL FINANCIAL REPORT" for additional information concerning such Water Supply Contracts.
- (5) "Airport General Obligation Debt" consists of outstanding Combination Tax and Airport Revenue Certificates of Obligation, Series 2007, on which debt service is provided from operating revenues of the Airport.
- (6) It is the City's current policy to pay such self-supporting debt from the respective revenue sources; this policy is subject to change in the future, although the City has no current plans to change its policy. In the event the City changes its policy, or if such revenues are not sufficient to pay debt service on such obligations, the City will be required to levy an ad valorem tax to pay such debt service (see Tables 1 and 10 herein for more detailed information on the City's general obligation self-supporting debt).

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year September 30,					
	2020		2019		2018	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 4,040,649,789	54.44%	\$ 3,825,140,077	54.05%	\$ 3,631,508,070	53.70%
Real, Residential, Multi-Family	413,891,102	5.58%	388,679,603	5.49%	380,702,506	5.63%
Real, Vacant Lots/Tracts	79,680,962	1.07%	70,438,459	1.00%	69,535,641	1.03%
Real, Acreage (Land Only)	56,834,499	0.77%	55,764,233	0.79%	52,368,833	0.77%
Real, Farm and Ranch Improvements	41,863,053	0.56%	35,474,356	0.50%	35,120,103	0.52%
Real, Commercial and Industrial	1,637,127,780	22.06%	1,595,585,682	22.55%	1,531,887,031	22.65%
Real, Oil, Gas and Other Minerals	15,098,604	0.20%	9,505,034	0.13%	7,968,226	0.12%
Real and Tangible Personal, Utilities	198,203,957	2.67%	184,762,925	2.61%	156,588,392	2.32%
Tangible Personal, Commercial and Industrial	872,225,908	11.75%	849,758,355	12.01%	839,499,080	12.41%
Tangible Personal, Other	9,272,427	0.12%	9,702,639	0.14%	9,809,202	0.15%
Real Property, Inventory ⁽¹⁾	6,299,324	0.08%	6,877,085	0.10%	4,291,719	0.06%
Special Inventory	50,453,801	0.68%	45,189,521	0.64%	43,618,923	0.64%
Total Appraised Value Before Exemptions	\$ 7,421,601,206	100.00%	\$ 7,076,877,969	100.00%	\$ 6,762,897,726	100.00%
Less: Total Exemptions/Reductions ⁽²⁾	(747,275,065)		(710,069,178)		(673,540,962)	
Taxable Assessed Value at 10/01	\$ 6,674,326,141		\$ 6,366,808,791		\$ 6,089,356,764	
Adjustments for Errors and Corrections to Roll	-		20,462		13,652,168	
Taxable Assessed Value	<u>\$ 6,674,326,141</u>		<u>\$ 6,366,829,253</u>		<u>\$ 6,103,008,932</u>	

Category	Taxable Appraised Value for Fiscal Year September 30,			
	2017		2016	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,444,955,619	53.22%	\$ 3,306,092,698	52.96%
Real, Residential, Multi-Family	365,349,731	5.64%	347,421,030	5.57%
Real, Vacant Lots/Tracts	66,758,950	1.03%	70,207,363	1.12%
Real, Acreage (Land Only)	50,508,087	0.78%	48,005,998	0.77%
Real, Farm and Ranch Improvements	34,517,734	0.53%	33,776,939	0.54%
Real, Commercial and Industrial	1,442,262,544	22.28%	1,379,919,499	22.10%
Real, Oil, Gas and Other Minerals	7,431,467	0.11%	12,836,197	0.21%
Real and Tangible Personal, Utilities	142,255,219	2.20%	142,372,234	2.28%
Tangible Personal, Commercial and Industrial	856,364,968	13.23%	838,529,508	13.43%
Tangible Personal, Other	9,680,723	0.15%	9,172,935	0.15%
Real Property, Inventory ⁽¹⁾	6,031,331	0.09%	4,074,336	0.07%
Special Inventory	47,488,330	0.73%	50,499,631	0.81%
Total Appraised Value Before Exemptions	\$ 6,473,604,703	100.00%	\$ 6,242,908,368	100.00%
Less: Total Exemptions/Reductions	(645,060,758)		(619,231,782)	
Taxable Assessed Value at 10/01	\$ 5,828,543,945		\$ 5,623,676,586	
Adjustments to Errors and Corrections to Roll	32,873,252		32,033,851	
Taxable Assessed Value at 9/30	<u>\$ 5,861,417,197</u>		<u>\$ 5,655,710,437</u>	

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

- (1) Real properties inventories in the hands of developers or builders; each group of properties in this category is appraised on the basis of its value as a whole as a sale to another developer or builder.
- (2) In addition to the exemptions described, the City has taken action to implement the tax freeze on the residence homestead of persons who are disabled and persons who are 65 years of age or older. See "TAX INFORMATION – City Application of Tax Code."

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TABLE 3A - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	General Obligation Debt Outstanding ⁽³⁾	Ratio General Obligation Debt to Taxable Assessed Valuation	General Obligation Debt Per Capita
2016	120,958	\$ 5,655,710,437	\$ 46,758	\$ 297,915,000	5.27%	\$ 2,463
2017	121,407	5,861,417,197	48,279	313,900,000	5.36%	2,586
2018	122,225	6,103,008,932	49,933	332,515,000	5.45%	2,721
2019	124,557	6,366,829,253	51,116	316,055,000	4.96%	2,537
2020	124,557	6,674,326,141	53,585	342,135,000 ⁽⁴⁾	5.13% ⁽⁴⁾	2,747 ⁽⁴⁾

(1) Source: City of Abilene

(2) As reported by the Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Includes self-supporting debt (see "Table 3B - Derivation of General Purpose Funded Tax Debt").

(4) Includes the Bonds but excludes the Refunded Obligations. Also includes the City's \$8,280,000 General Obligation Bonds, Series 2019 and \$28,320,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 which are in process of issuance and are expected to close on December 10, 2019. Preliminary, subject to change.

TABLE 3B - DERIVATION OF GENERAL PURPOSE FUNDED TAX DEBT

Fiscal Year Ended 9/30	General Obligation Debt Outstanding	Less: Self-Supporting Waterworks and Sewer System General Obligation Debt	Less: Airport General Obligation Debt	General Purpose Funded Tax Debt
2016	\$ 297,915,000	\$ 207,730,000	2,435,000	\$ 87,750,000
2017	313,900,000	210,645,000	2,080,000	101,175,000
2018	332,515,000	202,675,000	1,705,000	128,135,000
2019	316,055,000	194,785,000	1,310,000	119,960,000
2020	342,135,000 ⁽¹⁾	225,385,000 ⁽¹⁾	895,000	115,855,000 ⁽¹⁾

(1) Includes the Bonds but excludes the Refunded Obligations. Also includes the City's \$8,280,000 General Obligation Bonds, Series 2019 and \$28,320,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 which are in process of issuance and are expected to close on December 10, 2019. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
		General Fund	Interest and Sinking Fund			
2016	\$ 0.7140	\$ 0.5306	\$ 0.1834	\$ 39,572,135	98.73%	99.52%
2017	0.7465	0.5448	0.2017	42,686,671	98.78%	99.48%
2018	0.7751	0.5648	0.2103	46,053,774	98.78%	99.50%
2019	0.7722	0.5648	0.2074	47,181,461	98.86%	99.72% ⁽¹⁾
2020	0.7877	0.6069	0.1808	51,522,194	In process of collection	

(1) Unaudited collections through September 30, 2019.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	FYE 2020 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
AEP Texas Inc.	Electric Transmission & Distribution	\$ 108,172,810	1.62%
Electric Transmission of Texas	Electric Transmission & Distribution	59,300,810	0.89%
Coca-Cola Refreshments USA Inc.	Beverage Distributor	45,355,349	0.68%
Partners Mall Abilene LLC	Mall	44,837,000	0.67%
Fehr Food Inc.	Food Service Distributor	39,665,316	0.59%
Lone Star Transmission	Electric Transmission & Distribution	34,853,800	0.52%
Atmos Energy/Mid-Tex Division	Gas Distribution	30,040,079	0.45%
Permian Express Partners	Oil & Gas	28,975,390	0.43%
Lowes Home Centers Inc.	Retail	24,825,991	0.37%
Cebridge Acquisitions	Communications	24,469,802	0.37%
		<u>\$ 440,496,347</u>	<u>6.60%</u>

GENERAL OBLIGATION DEBT LIMITATION...No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "THE BONDS - Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY

Maximum Principal and Interest Requirements, All General Obligation Debt, 2021 ⁽¹⁾	\$ 30,759,987
\$.4752 Tax Rate at 97% Collection Produces	\$ 30,764,906
Maximum Principal and Interest Requirements, General Purpose Funded Debt, 2021 ⁽²⁾	\$ 12,454,800
\$.1924 Tax Rate at 97% Collection Produces	\$ 12,456,161

(1) Includes the Bonds and self-supporting debt, excludes the Refunded Obligations. Also includes the City's \$8,280,000 General Obligation Bonds, Series 2019 and \$28,320,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 which are in process of issuance and are expected to close on December 10, 2019. Preliminary, subject to change. See "Table 1 – Valuation, Exemptions and General Obligation Debt."

(2) Excludes the Bonds, self-supporting debt and the Refunded Obligations.

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TABLE 7 - ESTIMATED OVERLAPPING DEBT

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

Taxing Jurisdiction	2019/20 Taxable Assessed Value ⁽¹⁾	2019/20 Tax Rate ⁽¹⁾	Total Tax Debt As of 10/15/2019	Estimated % Applicable	City's Overlapping Tax Debt As of 10/15/2019	Authorized But Unissued Debt As of As of 10/15/2019
City of Abilene	\$ 6,674,326,141	\$ 0.7877	\$ 360,480,000 ⁽²⁾	100.00%	\$ 360,480,000 ⁽²⁾	\$ 8,283,000 ⁽³⁾
Abilene Independent School District	4,472,743,747	1.3214	231,307,883	97.95%	226,566,071	-
Clyde Cons. Independent School District	357,110,909 ⁽⁴⁾	1.0600	22,235,000	0.40%	88,940	-
Eula Independent School District	258,953,281	1.2583	4,611,800	27.65%	1,275,163	-
Hawley Independent School District	152,894,070	1.2784	5,615,000	1.19%	66,819	-
Jones County	835,669,392	0.6748	55,555,000	4.73%	2,627,752	6,900,000
Merkel Independent School District	435,477,951	1.1855	11,095,000	0.54%	59,913	-
Taylor County	9,161,299,968	0.5609	49,015,000	80.45%	39,432,568	-
Wylie Independent School District	1,948,911,499	1.2098	54,080,000	65.42%	35,379,136	-
Total Direct and Overlapping Tax Debt					\$ 665,976,361	
Ratio of Direct and Overlapping Tax Debt to Taxable Assessed Valuation					9.98%	
Per Capita Overlapping Tax Debt					\$ 5,346.76	

(1) Source: Municipal Advisory Council of Texas.

(2) Includes self-supporting General Obligation Debt (see "Table 1 – Valuation, Exemptions and General Obligation Debt").

If the City's General Purpose Funded Debt of \$123,190,000 is included in the calculation in place of Total Tax Debt of \$360,480,000, the following results:

Total Direct and Overlapping Tax Debt	\$ 428,686,361
Ratio of Direct and Overlapping Tax Debt to Taxable Assessed Valuation	6.42%
Per Capita Overlapping Tax Debt	\$ 3,442

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DEBT INFORMATION

TABLE 8 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended	Outstanding Debt ⁽¹⁾			Bonds ⁽²⁾		Certificates ⁽³⁾		Refunding Bonds ⁽⁴⁾	
9/30	Principal	Interest	Total	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 16,665,000	\$ 9,895,591	\$ 26,560,591	\$ -	\$ -	\$ -	\$ -	\$ 1,680,000	\$ 1,410,707
2021	16,060,000	9,271,792	25,331,792	80,000	520,313	425,000	1,756,019	640,000	2,006,864
2022	14,385,000	8,683,273	23,068,273	300,000	301,875	1,170,000	1,012,925	655,000	1,993,460
2023	13,925,000	8,126,206	22,051,206	315,000	290,344	1,210,000	969,463	665,000	1,979,599
2024	11,735,000	7,607,412	19,342,412	325,000	278,344	1,260,000	924,350	2,435,000	1,945,975
2025	11,650,000	7,116,097	18,766,097	340,000	265,875	1,300,000	877,588	2,490,000	1,891,048
2026	9,795,000	6,680,574	16,475,574	350,000	252,938	1,350,000	829,175	4,775,000	1,807,033
2027	9,745,000	6,328,250	16,073,250	365,000	239,531	1,405,000	778,844	4,890,000	1,692,480
2028	12,115,000	5,908,175	18,023,175	380,000	225,563	1,460,000	726,500	2,625,000	1,601,268
2029	12,220,000	5,419,693	17,639,693	390,000	211,125	1,510,000	672,238	2,685,000	1,535,283
2030	12,135,000	4,935,021	17,070,021	410,000	196,125	1,560,000	616,138	2,760,000	1,465,569
2031	12,635,000	4,427,237	17,062,237	420,000	180,563	1,315,000	562,969	2,830,000	1,391,912
2032	13,045,000	3,895,114	16,940,114	440,000	164,438	1,365,000	512,719	2,910,000	1,314,115
2033	13,580,000	3,332,787	16,912,787	455,000	147,656	1,420,000	460,500	2,990,000	1,231,947
2034	14,030,000	2,753,165	16,783,165	470,000	130,313	1,470,000	406,313	3,075,000	1,145,965
2035	14,620,000	2,155,982	16,775,982	490,000	112,313	1,530,000	350,063	3,170,000	1,052,858
2036	10,080,000	1,638,763	11,718,763	510,000	93,563	1,590,000	291,563	6,850,000	897,548
2037	8,645,000	1,241,584	9,886,584	530,000	74,063	1,650,000	230,813	7,065,000	681,865
2038	6,420,000	913,749	7,333,749	550,000	53,813	1,710,000	167,813	7,280,000	459,518
2039	6,345,000	634,746	6,979,746	570,000	32,813	1,780,000	102,375	7,520,000	230,118
2040	4,660,000	383,000	5,043,000	590,000	11,063	1,840,000	34,500	3,605,000	56,779
2041	4,885,000	150,750	5,035,750						
2042	445,000	24,063	469,063						
2043	465,000	8,138	473,138						
	<u>\$ 250,285,000</u>	<u>\$ 101,531,158</u>	<u>\$ 351,816,158</u>	<u>\$ 8,280,000</u>	<u>\$ 3,782,625</u>	<u>\$ 28,320,000</u>	<u>\$ 12,282,863</u>	<u>\$ 73,595,000</u>	<u>\$ 27,791,905</u>

(1) "Outstanding Debt" does not include the Refunded Obligations.

(2) General Obligation Bonds, Series 2019 is in the process of issuance and is expected to close on December 10, 2019. Preliminary, subject to change.

(3) Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 is in process of issuance and is expected to close on December 10, 2019. Preliminary, subject to change

(4) Preliminary, subject to change. The average life of the issue is shown as 12.875 years and the true interest cost of the Bonds has been calculated at 2.975% for the purpose of illustration only.

Grand Total		Grand Total Requirements	Less: Waterworks and Sewer System General Obligation Debt	Less: Airport General Obligation Debt	General Purpose Funded Tax Debt	% of Principal Retired
Principal	Interest					
\$ 18,345,000	\$ 11,306,298	\$ 29,651,298	\$ 17,744,495	\$ 468,046	\$ 11,438,756	6.45%
17,205,000	13,554,987	30,759,987	17,837,437	467,750	12,454,800	
16,510,000	11,991,533	28,501,533	16,194,422	471,155	11,835,956	
16,115,000	11,365,611	27,480,611	16,174,861	-	11,305,750	23.87%
15,755,000	10,756,080	26,511,080	16,165,312	-	10,345,769	
15,780,000	10,150,607	25,930,607	15,780,894		10,149,713	
16,270,000	9,569,719	25,839,719	15,778,763		10,060,956	
16,405,000	9,039,105	25,444,105	15,780,092		9,664,013	
16,580,000	8,461,505	25,041,505	15,784,789		9,256,716	45.84%
16,805,000	7,838,339	24,643,339	15,784,348		8,858,991	
16,865,000	7,212,852	24,077,852	15,783,811		8,294,041	
17,200,000	6,562,680	23,762,680	15,778,071		7,984,609	
17,760,000	5,886,385	23,646,385	15,793,019		7,853,366	
18,445,000	5,172,891	23,617,891	15,776,944		7,840,947	71.26%
19,045,000	4,435,755	23,480,755	15,643,958		7,836,797	
19,810,000	3,671,214	23,481,214	15,651,318		7,829,897	
19,030,000	2,921,435	21,951,435	15,793,904		6,157,531	
17,890,000	2,228,324	20,118,324	15,800,724		4,317,600	
15,960,000	1,594,891	17,554,891	14,930,935		2,623,956	93.05%
16,215,000	1,000,051	17,215,051	14,953,720		2,261,331	
10,695,000	485,341	11,180,341	9,794,841		1,385,500	
4,885,000	150,750	5,035,750	5,035,750		-	
445,000	24,063	469,063	469,063		-	
465,000	8,138	473,138	473,138		-	100.00%
<u>\$ 360,480,000</u>	<u>\$ 145,388,551</u>	<u>\$ 505,868,551</u>	<u>\$ 334,704,606</u>	<u>\$ 1,406,951</u>	<u>\$ 169,756,994</u>	

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2020 ⁽¹⁾		\$ 11,438,756
Unaudited Interest and Sinking Fund Balance, 9/30/2019	\$ 1,693,331	
Budgeted Interest and Sinking Fund Tax Collections, 9/30/2020	11,444,530	
Solid Waste Transfer	31,930	
General Fund Transfer	468,050	
Collection and Paying Agent Fees	(199,470)	
Estimated Investment Income	93,550	
		<u>\$ 13,531,921</u>
Estimated Balance, 9/30/2020		\$ 2,093,165

(1) Excludes Self-Supporting Debt and the Bonds. Preliminary, subject to change.

TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT

Gross Income, Waterworks & Sewer System, Fiscal Year Ended 9/30/2018	\$ 55,318,795
Less: Net Operating Expenses, Waterworks & Sewer System, Fiscal Year Ended 9/30/2018	<u>33,548,400</u>
Balance Available for Other Purposes	\$ 21,770,395
Waterworks and Sewer System General Obligation Requirements, Fiscal Year Ended 9/30/2019	\$ 17,744,495
Percentage of Waterworks and Sewer System General Obligation Debt Self-Supporting	100.00%

TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Election Date	Purpose	Amount Authorized	Amount Previously Issued	Amount Being Issued	Authorized But Unissued
5/9/2015	Streets & Road	\$ 45,975,000	\$ 39,392,000	\$ 6,583,000 ⁽¹⁾	\$ -
5/9/2015	Civic Center	\$ 2,810,000	\$ 2,810,000	-	-
5/9/2015	Sidewalks	3,820,000	3,820,000	-	-
5/9/2015	Police & Fire	12,865,000	12,865,000	-	-
5/9/2015	Zoo	1,030,000	1,030,000	-	-
5/9/2015	Aquatic Facilities	6,000,000	6,000,000	-	-
5/9/2015	Splash Pads	2,500,000	2,500,000	-	-
5/9/2015	Parks & Recreation	1,490,000	1,490,000	-	-
5/9/2015	Airport Improvements	4,200,000	2,500,000	1,700,000	-
		<u>\$ 80,690,000</u>	<u>\$ 72,407,000</u>	<u>\$ 8,283,000</u> ⁽¹⁾	<u>\$ -</u>

(1) Preliminary, subject to change. Upon issuance of the General Obligation Bonds, Series 2019, which is in process of issuance, the City will have no authorized but unissued general obligation bonds outstanding.

ANTICIPATED ISSUANCE OF GENERAL OBLIGATION DEBT... The City does not anticipate issuing additional voted general obligation debt within the next 12 months. The City may incur non-voted debt payable from or secured by its collection of taxes and other sources of revenue, including tax notes, public property finance contractual obligations, and leases for various purposes.

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TABLE 12 - OTHER OBLIGATIONS

The City has no other obligations.

RETIREMENT PLANS

Plan Descriptions

Texas Municipal Retirement System

The City provides pension benefits for all of its full-time employees, except firefighters, through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System Plan (TMRS), one of 883 currently administered by TMRS, an agent multiple-employer public employee retirement system. The TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. Such report may be obtained on TMRS' website at www.TMRS.com.

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

Abilene Firemen's Relief and Retirement Fund

The City provides pension benefits, through a single-employer defined benefit plan, for all of its firefighters not covered by the Texas Municipal Retirement System. The Abilene Firemen's Relief and Retirement Fund (AFRRF) is established under the authority of the Texas Local Fire Fighter's Retirement Act (TLFFRA). The fund is administered by a Board of Trustees. The Board is made up of three members elected from and by the fund members, two representatives of the City of Abilene, Texas, and two citizen members. The plan was most recently amended effective February 25, 2015. Audited financial statements are issued by the Plan and can be obtained from the City of Abilene.

All eligible firefighters of the City, not covered by TMRS or any other system or plan, are required to participate in AFRRF.

Benefits

Texas Municipal Retirement System (TMRS) - This plan provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Abilene Firemen's Relief and Retirement Fund (AFRRF) - This plan provides retirement, disability, and death benefits. A member is eligible for service retirement if they have completed 20 years of credited service and attained the age of 50. A member who retires under the service retirement provision will receive a monthly benefit equal to the sum of a) standard service benefit equal to 3 percent of the member's average monthly salary multiplied by the member's number of years of credited service not in excess of 20 years and b) an additional service benefit calculated as the sum of (i) the member's years of credited service in excess of 20 but not to exceed 21.5 years, multiplied by 3.0 percent of the member's average monthly salary and (ii) \$80.00 multiplied by the member's years of service credit in excess of 21.5. A Deferred Retirement Option Plan (DROP) is available to eligible members with 23 years of service and age 53.

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The plan provisions of the City are as follows:

	Texas Municipal Retirement System	Abilene Firemen's Relief and Retirement Fund
Employee deposit rate	7%	13%
Matching ratio (City to employee)	2 to 1	
City's Contribution		19.25%
A member is vested after	5 Years	20 Years
Service Retirement Eligibility (expressed as age/years of Service)	60/5, 0/20	50/20
Updated Service Credit	100% Repeating Transfers	
Annuity increase to retirees	0% of CPI	0% of CPI

As of the most recent measurement date of the net pension liability, membership data for the pension plans are as follows:

	Texas Municipal Retirement System	Abilene Firemen's Relief and Retirement Fund
Measurement Date	December 31, 2017	October 1, 2017
Retirees and beneficiaries currently receiving benefits	802	177
Inactive employees entitled to but not yet receiving benefits	514	5
Active employees	1,031	174
Total Participants	2,347	356

Contributions

Texas Municipal Retirement System (TMRS) – Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Abilene were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.58% and 11.18% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 were \$5,597,011 and were equal to the required contributions.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The City's contribution rate for fiscal year 2017 and 2018 was 19.25% of each member's gross pay. Of this amount 1.75 percent of pay is dedicated to providing post-retirement benefit increase to inactive members, unless the contribution is needed in order to meet the funding requirements of the plan. Fund members contributed 13.2% of gross pay. Employee contributions are "picked up" by the City, as permitted under Section 414(h)(2) of the Internal Revenue Code. For this reason, a members' contributions are excluded from taxable income when paid into the fund. The City's contributions to AFRRF for the year ended September 30, 2018 were \$2,603,746 and were equal to the required contribution.

Net Pension Liability

The "Net Pension Liability" (NPL) is the difference between the "Total Pension Liability" (TPL) and the plan's "Fiduciary Net Position" (FNP). The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits related to projected salary and service, and automatic cost of living adjustments (COLA's). In addition, ad hoc COLA's are also included in the TPL to the extent they are substantively automatic. The FNP is determined on the same basis used by the pension plans.

Texas Municipal Retirement System (TMRS) - The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The City's Net Pension Liability (NPL) was measured as of September 30, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of October 1, 2017.

	Texas Municipal Retirement System	Abilene Firemen's Relief and Retirement Fund
Measurement Date	December 31, 2017	September 30, 2018
Total Pension Liability	\$ 296,487,294	\$ 109,215,314
Fiduciary Net Position	283,295,984	57,127,453
Net Pension Liability	<u>\$ 13,191,310</u>	<u>\$ 52,087,861</u>

Actuarial Assumptions

Texas Municipal Retirement System

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100%	

Abilene Firemen's Relief and Retirement Fund

The Total Pension Liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement. Update procedures were used to roll forward the total pension liability from the actuarial valuation date to the pension plan's fiscal year-end.

Inflation	2.5% per year
Overall payroll growth	4.0% per year, compounded annually
Salary Increases	Service based
Investment Rate of Return	8.00%

Discount Rate

Texas Municipal Retirement System (TMRS) - The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of

return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The discount rate used to measure the Total Pension Liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Supplemental Death Benefits Plan

The City also participates in the cost-sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employee's entire careers.

For more information concerning the City's Retirement Plans, see Appendix B, "Excerpts from the City's Annual Financial Report" - Note 7.

Other Post-Employment Benefits

The City's employee life insurance program is administered by an independent insurance company. The City collects premium payments from employees and retirees electing to participate in the program and remits these premium payments to the insurance company. Life insurance premiums collected and remitted for employees and retirees amounted to \$14,737 and \$3,610, respectively, for the year ended September 30, 2018.

Other than the City's employee life insurance program, the City provides no other post-employment benefits within the meaning of Governmental Accounting Standards Board Statement 45.

For more information concerning the City's post-employment benefits, see the financial statements of the City, and the notes thereto.

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FINANCIAL INFORMATION

TABLE 13 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Revenues:					
Taxes	\$ 79,113,365	\$ 72,495,789	\$ 69,056,784	\$ 67,980,425	\$ 58,258,617
Franchise Fees	-	-	-	-	7,177,428
Licenses and Permits	1,354,980	1,314,897	1,531,658	1,548,832	1,586,623
Fines and Forfeitures	1,489,137	1,484,462	1,461,971	1,807,461	2,193,408
Charges for Services	4,664,421	4,477,775	4,035,974	3,937,650	3,910,156
Intergovernmental Revenues	95,888	91,711	107,864	89,530	101,048
Interest and Miscellaneous	7,693,121	6,902,158	6,296,627	5,831,082	5,911,555
Total Revenues	<u>\$ 94,410,912</u>	<u>\$ 86,766,792</u>	<u>\$ 82,490,878</u>	<u>\$ 81,194,980</u>	<u>\$ 79,138,835</u>
Expenditures:					
General Government	\$ 4,861,003	\$ 4,570,773	\$ 2,293,529	\$ 1,939,342	\$ 1,889,881
Administrative Services	1,600,024	3,093,545	2,954,916	2,697,576	2,571,837
Finance	5,153,741	5,692,057	7,359,153	7,126,917	7,026,607
Planning and Development	2,130,233	2,118,591	2,269,848	3,178,177	3,087,846
Public Works	7,400,010	6,810,897	6,327,803	6,422,266	6,232,294
Facilities & Capital Improvement	3,178,690	1,385,754	-	-	-
Police	28,195,026	27,748,927	26,275,119	24,894,951	24,206,397
Fire	19,986,671	19,256,979	18,748,209	18,577,983	18,046,840
Transportation Services	2,120,644	1,941,925	1,959,062	2,022,131	1,956,764
Community Services	11,931,636	11,564,539	13,590,332	11,552,181	11,037,987
Total Expenditures	<u>\$ 86,557,678</u>	<u>\$ 84,183,987</u>	<u>\$ 81,777,971</u>	<u>\$ 78,411,524</u>	<u>\$ 76,056,453</u>
Excess (Deficit) of Revenue over Expenditures	\$ 7,853,234	\$ 2,582,805	\$ 712,907	\$ 2,783,456	\$ 3,082,382
Other Financing Sources (Uses) ⁽¹⁾	(6,556,726)	(2,110,039)	(1,144,983)	(1,795,279)	(2,444,534)
Fund Balance at Beginning of Year	<u>\$ 26,931,528</u>	<u>\$ 26,458,762</u>	<u>\$ 26,890,838</u>	<u>\$ 25,902,661</u>	<u>\$ 25,264,813</u>
Fund Balance at End of Year	<u>\$ 28,228,036</u>	<u>\$ 26,931,528</u>	<u>\$ 26,458,762</u>	<u>\$ 26,890,838</u>	<u>\$ 25,902,661</u>

(1) The City funded its CIP program with cash in the General Fund.

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TABLE 14 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. Subject to the approval of a majority of the voters in a local option election, state law also provides certain cities the option of assessing a sales and use tax for a variety of other purposes, including economic and industrial development, municipal street maintenance and repair, and sports and community venues. State law limits the maximum aggregate sales and use tax rate in any area to 8¼%. Accordingly, the collection of local sales and use taxes in the area of the City (including sales and use taxes levied by the City) is limited to no more than 2% (when combined with the State sales and use tax rate of 6¼%). On August 12, 1989, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½ of 1%) for economic development and an additional one-half of one percent (½ of 1%) for property tax reduction. Collection for the additional tax went into effect on January 1, 1990. The sales tax for economic development is collected solely for the benefit of the Development Corporation of Abilene, Inc., and may be pledged to secure payment of sales tax revenue bonds if issued by the Corporation in the future. No sales tax revenue has been pledged to secure payment of the Obligations.

Fiscal Year Ended 9/30	Total Collected ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita ⁽²⁾
2015	\$ 31,481,309	87.01%	\$ 0.5868	\$ 265
2016	30,388,148	76.79%	0.5373	251
2017	31,193,071	73.07%	0.5322	257
2018	34,784,342	75.53%	0.5700	285
2019	32,203,062 ⁽³⁾	68.25%	0.5058	259

(1) Excludes collections of the 1/2 of 1% sales and use tax for economic development.

(2) See “Estimated Population” under “Table 3A - Valuation and General Obligation Debt History”.

(3) Partial year collections as of August 31, 2019.

FINANCIAL POLICIES

The City Council adopted the following Financial Policy on May 23, 1984, and amended the policy on February 9, 1995. The City of Abilene adheres to the Financial Policy for conducting the financial management of the City. The established long-range policies regarding financial management are to exercise a discipline which allows the City to retain a sound financial condition; strive to retain the best possible rating on bonds; provide future generations with the ability to borrow capital for construction of facilities without severe financial burden; and, give recognition to the community’s needs and ability to pay. These goals are accomplished in the following manner:

- Prudent budgeting and effective budget control. The operating budgets will provide sufficient funding levels for ongoing maintenance of the infrastructure. Budget replacement of capital equipment as the need arises. (Office machines, automobiles, heavy equipment, etc.)
- The securing and/or approval of federal and state assistance will be based on established criteria. Such criteria is:
 - What benefit does the project have to the community as a whole,
 - What future impact will the City be responsible for due to the acceptance of the funding, and
 - How does the project relate to the Strategic Management Plan and/or other future plans of the organization?
- Private grants and donations will be actively pursued and will be subject to the same criteria as federal and state funds.
- Passing a share of the cost of extending utilities and improvements in subdivisions to property owners of the subdivisions rather than to the general public.
- Providing working capital in all funds sufficient to meet current operating needs.

- Funding Equipment Replacement at the required level.
- Pay as you go financing of capital improvements where feasible while planning for capital improvements on a five year basis and updated annually.
- Attempting to schedule bond issues so that an equal principal amount is retired each year over the life of the issue producing a total debt service schedule with a declining balance each year.
- The intent of this paragraph is to assure that the taxpayers of the City receive full benefit of “qualified” status on debt issued and not subsidize the interest expense of other debt issuers utilizing corporations created by the City on their behalf. Any differential in interest expense to the City between “qualified” (qualified tax-exempt obligations [“QTEO”]) and “non-qualified” tax exempt debt status that results from debt issued through corporations established by the City Council will be borne by those issuers of debt. The differential will be prorated among the issuers utilizing the corporations based on the amount of debt it issues to total debt issued by all corporation issuers during the calendar year. Any differential in the City’s cost shall be calculated by the City’s financial advisor based on market conditions on the date of the City sale of debt.
- The Minor Improvement Program will encompass basic capital needs whereby the amount of debt issued is equal to the amount of debt retired while maintaining the same tax rate for debt. The basic capital needs include streets, bridges, traffic control, parks, localized drainage/creek cleaning, and police/fire equipment. All projects will be financed through Certificates of Obligation, Contractual Obligations as appropriate, or cash funding.
- The Major Improvement Program will encompass major new construction such as large facilities, flood control, and other major infrastructure improvements. All projects will be approved through bond elections. A plan of major improvements that would require a bond election will be reviewed at least every three years. The identified needs would determine when a bond election would be needed.
- Financial accounting and reporting in accordance with methods prescribed by the Governmental Accounting Standards Board and the Governmental Finance Officers Association and making such reports available to bond rating agencies and other financially interest organizations.
- Achieving and maintaining a fund balance equivalent to three (3) months’ operating costs of the general operating budget, at 95% liquidity, which should be sufficient to provide financing for necessary projects and meet unanticipated contingencies such as lawsuits, tax roll tie-ups, severe fluctuations in sales of the City owned utilities and other fiscal emergencies.

*Basis of Accounting...*The City’s accounting system is conducted on the modified accrual basis of accounting for all governmental and expendable trust funds. Under this basis expenditures are recorded when liabilities are incurred; and, revenues are recorded when they become measurable and available as net current assets. The accrual basis of accounting is followed for the Enterprise and Internal Service Funds. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

*General Fund Balance...*The City’s policy is to achieve and maintain a General Fund balance equivalent to three months operating cost of the general operating budget, at ninety-five percent (95%) liquidity, which should be sufficient to provide financing for necessary projects and meet unanticipated contingencies such as law suits, tax roll tie-ups, and severe fluctuations in the sales of the City owned utilities and other fiscal emergencies.

*Debt Service Fund Balance...*A reasonable debt service fund balance is maintained in order to compensate for unexpected contingencies.

*Use of Bond Proceeds, Grants, etc...*Bond proceeds are used only for the equipment and construction of capital improvements for which the bonds have been authorized. The City receives various grants from federal and state governments. Some of these grants are for permanent capital improvements and some are for operating assistance such as Urban Mass Transit Administration operating and assurance grants. All grant funds are expended in accordance with the requirements of the grant regulations and are audited annually by the City’s Independent Auditors; Federal and State grants do not play a significant part in funding of the City’s operations.

*Budgetary Procedures...*At least thirty days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget, which represents the fiscal plan for the ensuing fiscal year, includes proposed expenditures and the

means of financing them. Public hearings are conducted at which all interested persons and comments concerning the budget are heard. The budget for the next fiscal year is legally enacted by the City Council through passage of an ordinance not later than the twenty-fifth day of the last month of the fiscal year.

INVESTMENTS

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

Under State law, the City is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits, other than those described in clause (7), that (i) are invested through a broker or institution with a main office or branch office in this state and selected by the City in compliance with the PFIA, (ii) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the City's account, (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States, and (iv) the City appoints as its custodian of the banking deposits, in compliance with the PFIA, the institution in clause (8)(i) above, a bank, or a broker-dealer; (9) certificates of deposit and share certificates meeting the requirements of the PFIA (i) that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8), above, or secured in accordance with Chapter 2257, Texas Government Code, or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through a broker or institution that has a main office or branch office in the State and selected by the City in compliance with the PFIA, (b) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the City appoints, in compliance with the PFIA, the institution in clause (9)(ii)(a) above, a bank, or broker-dealer as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described by clauses (1) or (12), which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank, or of the holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or an equivalent by either (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission and complies with Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are registered and regulated by the Securities and Exchange Commission that have a weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations approved in this paragraph, or (ii) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations described in clause (1), excluding obligations which the City is explicitly prohibited from investing in, and in an amount at least equal to the amount of bond proceeds invested under such contract; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, including accrued income, (ii) a loan made under the program allows for termination at any time, (iii) a loan made under the program is either secured by (a) obligations described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent, or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool, (iv) the terms of a loan made under the program require that the securities being held as collateral be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party designated by the

City, (v) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State, and (vi) the agreement to lend securities has a term of one year or less.

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

The City is specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, and the maximum average dollar-weighted maturity allowed for pooled fund groups. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Effective September 1, 2019, the investment officer of a local government is allowed to invest bond proceeds or pledged revenue only to the extent permitted by the PFIA and in accordance with (i) statutory provisions governing the debt issuance (or lease, installment sale, or other agreement) and (ii) the local government's investment policy regarding the debt issuance or the agreement.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value, and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City.

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

TABLE 15 - CURRENT INVESTMENTS

As of August 31, 2019, the City's investable funds were invested in the following categories:

Investment Type	Percent of Total Investments	Purchase Price	Fair Market Value ⁽¹⁾
TexPool	31.12%	\$ 46,309,848	\$ 46,309,848
TexSTAR ⁽²⁾	35.32%	52,563,880	52,563,880
Money Markets	1.39%	2,069,829	2,069,829
Government Agency Investments	32.18%	47,888,699	48,066,796
	100.00%	\$ 148,832,256	\$ 149,010,353

(1) All investments will mature within 20 months and the market value of the total investment portfolio was approximately 100.1% of its purchase price.

(2) TexSTAR is a local government investment pool co-administered by Hilltop Securities Inc.

THE WATERWORKS AND SEWER SYSTEM

The City of Abilene owns and operates an integrated Waterworks and Sewer System (the "System"). Water supplies from surface reservoirs are treated and distributed; sewage is collected and treated before discharge.

THE WATERWORKS SYSTEM

WATER SUPPLY

The City's water supply consists of (i) one lake owned by the City, Lake Fort Phantom Hill; (ii) Hubbard Creek Reservoir, owned by the West Central Texas Municipal Water District (the "WCT District"), (iii) O.H. Ivie Reservoir owned by the Colorado River Municipal Water District (the "CR District"), and (iv) Possum Kingdom Reservoir owned by the Brazos River Authority. These reservoirs provide the City with an annual daily average raw water safe yield capacity of 39 million gallons per day mgd.

Lake Fort Phantom Hill located in north Abilene, is a principal source of raw water. The lake has a 250 square mile drainage area on Elm Creek, a tributary of the Clear Fork of the Brazos River, and an estimated 2060 conservation storage capacity of 62,694 acre feet. Additional contribution inflows are made by diversions from Deadman Creek to the northeast and the Clear Fork of the Brazos River to the north when quantity and quality permit. Abilene's portion of the lake's estimated safe yield is 12,645 acre feet per year (11.3 mgd).

Hubbard Creek Reservoir ("Hubbard"), owned by the WCT District (member cities Abilene, Breckenridge, Albany and Anson), is situated on Hubbard Creek and Big Sandy Creek, tributaries of the Clear Fork of the Brazos River, 50 miles northeast of Abilene in Stephens County and has an estimated 2060 conservation storage capacity of 317,750 acre feet. The WCT District delivers raw water to the City through the Distribution Main Transmission System to a point near Lake Fort Phantom Hill in north Abilene; at this point, water is transmitted to the City's water treatment plants; maximum daily water volume delivery from Hubbard is 30 mgd.

The City is entitled to the following amounts of water (based on the lake level of Hubbard):

<u>Elevation</u>	<u>Volume of Water (per year)</u>
1183-1170	25,451 acre feet per year
1170-1155	20,361 acre feet per year
1155-1153	15,271 acre feet per year
1153-1150	10,180 acre feet per year
1150-1148	5,090 acre feet per year

There is no minimum "take or pay" delivery volume. Cost of water to the City is calculated from a four part formula which includes a Stand-by Charge, an Operation Charge, a (electric service) Demand Charge, and a (electric service) Pumping Charge. In addition, the City is obligated to pay operating and maintenance expenses on a parallel 36" diameter pipeline and pumping and storage facilities that were constructed in 1986-1987 which enabled water delivery capability from Hubbard to increase from

15.5 mgd to 30 mgd. In 2016 the WCT District purchased the West Central Brazos Water Distribution System (WCBWDS) for which Abilene pays its proportional share of that expense on a monthly basis. All payments to the WCT District by the City are an operating expense of the System.

O.H. Ivie Reservoir. In 1991 the 554,340 acre feet O.H. Ivie Reservoir (“reservoir”) was constructed on the Colorado River in Coleman, Concho and Runnels Counties by the CR District. The City of Abilene has contractual rights to an estimated 10,900 acre feet per year (10 mgd) of water or 16.54% of the “Safe Yield” of the reservoir. In return the City is responsible for 16.54% of annual debt service plus its share of operating expenses for the reservoir. A raw water delivery system (transmission line and pumping facility) was constructed by the City in order to transport raw water to the City’s treatment facilities. This raw water delivery system will provide up to 20 mgd; additional pumping units can be added to deliver up to 24 mgd.

Possum Kingdom Reservoir (“PK”), completed in 1941, is owned and operated by the Brazos River Authority (BRA). It is situated on the Brazos River and covers portions of young, Palo Pinto, Stephens, and Jack counties. It is approximately 90 miles northeast of Abilene. The City of Abilene currently holds Water System Availability Agreements for a total of 11,681 acre feet per year. The City completed the construction of sections of raw water pipeline and the Raw Water Roughing Facility, and in conjunction with the WCT District purchase of the WCBWDS, Abilene is now able to receive approximately 10 million gallons per day from Possum Kingdom Reservoir delivered through the WCT District pipeline system. The delivery of PK raw water is being held in reserve for extreme drought situations at this time.

WATER TREATMENT. . . There are three water treatment plants currently providing Abilene’s customers potable water. The plants have a combined peak capability of treating approximately 60 mgd.

HIGH SERVICE PUMPING FACILITIES, STORAGE FACILITIES, DISTRIBUTION SYSTEM. . . There are seven high service pump stations and 2 booster pump stations with a combined rated firm capacity of 116 mgd. The System has a total of 24,460,000 gallons of ground storage capacity and 6,750,000 gallons of elevated storage. High service pumps at the treatment plants and pump stations discharge into large water transmission mains which distribute water throughout the City utilizing five pressure planes.

SPECIAL TREATED WATER CUSTOMERS (“CONTRACT CUSTOMERS”). . . Through individual contracts, the City supplies treated water to various customers outside the City limits, including the Cities of Merkel, Tye, Clyde and Baird and several water supply corporations. In addition, the City treats raw water for the City of Hamlin. Water is also supplied to Dyess Air Force Base and Texas Department of Criminal Justice facilities inside the City limits.

THE 2019 PROJECT . . . The City of Abilene has identified eight capital improvement projects listed in four categories included in the 2020 CIP Project List. The projects are described as follows:

The Huckleberry Lift Station Improvements project is for the replacement of the existing lift station with a modern equivalent. The existing lift station is aged, poorly designed, and does not meet current design standards. The new lift station will provide for reliability, ease of maintenance, and redundancy.

The SSOI Agreement-Provision 11 Small Sewer and Manhole Rehabilitation Project will include the rehabilitation and/or replacement of sections of small to medium sized sewer mains and the rehabilitation of certain manholes. City staff worked with a professional engineer to identify piping segments and manholes in poor condition and in immediate need of repairs, and prioritized that list for the component of this project.

The Northeast Water Treatment Plant Control System (SCADA) Upgrade project is for the upgrade of the existing Supervisory Control And Data Acquisition (SCADA) system. The SCADA system is the primary means for monitoring and controlling the multitude of valves, chemical feed systems, filters, clarifiers, and other process components. It is essential in maintaining compliance with state and federal regulations. The existing system is over 25 years old, is obsolete, and repair and replacement parts are no longer available. The new system will utilize current programming and technology having modular design for ease of maintenance.

The South 14th Street 8” Replacement, Willis to Pioneer is for the replacement of an 8” water main located along the heavily traveled section of South 14th Street. The existing piping is a mix of cast iron and AC pipe. This section has a history of leaks due to piping failures. The project will include the installation of PVC piping and up to date appurtenances.

The Second Pressure Plane Improvements-Phase I project is for the construction of new piping generally along Rebecca lane in southwest Abilene. The project will begin at the existing Buffalo Gap Elevated Storage Tank and continue west and northwest to a connection with the existing 16” Dyess Supply pipeline. The greater project is for the eventual construction of a new pipelines, pump station facility, and elevated storage tank to improve the transfer of treated water into the second pressure plane, and

create additional system redundancy capabilities to move water from one end of the system to the other during critical system events.

The Lake Fort Phantom Hill Pump Station Upgrade is for the replacement of existing variable frequency drives at the Lake Fort Phantom Hill Raw Water Pump Station, and to replace one existing 16 million gallons per day (mgd) pump with a smaller 10 mgd pump to improve the operability of that pump station. This pump station is operated in conjunction with the Hubbard Creek Pipeline system and flexibility in selecting flow rates is limited by the large size of the existing pumps at the LFPH Pump Station. The existing VFD units are aged, obsolete, and have reduced reliability.

The Possum Kingdom Reverse Osmosis Concentrate Discharge Pipeline-Phase I is for the construction of 5 miles of PVC pipeline necessary for the discharge of reverse osmosis concentrate, produced by the Raw Water Roughing Facility, into Possum Kingdom Lake in accordance with the TPDES permit. The pipeline will be installed within the ROW of Young County Road 1148 between Highway 67 and the lake. The total project consisting of Phases 1 and 2 will complete the 10 miles of concentrate pipeline with a discharge point into the lake.

The 30" Raw Water Pipeline Northeast to Grimes Phase 1 project is for the rehabilitation and/or replacement of existing concrete steel cylinder pipeline that is aged and in poor condition. Historically, failures of this pipeline have resulted in several water delivery issues, and future failures could impact Abilene's treated water capacity.

Water Distribution System:

South 14 th Street 8" Replacement, Willis to Pioneer	\$ 990,000
Second Pressure Plane Improvements Phase I	\$6,600,000

Water Treatment System:

Northeast WTP Control System (SCADA) Upgrade	\$1,150,000
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Raw Water Transmission:

Lake Ft. Phantom Hill Pump Station Upgrade	\$1,980,000
Possum Kingdom RO Concentrate Discharge Line Phase I	\$2,800,000
30" Raw Water NTP to Grimes Phase I	\$3,200,000

Wastewater Collection System:

Huckleberry Lift Station Improvements	\$ 600,000
SSOI Agreement – Small Sewer & Manhole Rehab	<u>\$1,500,000</u>

TOTAL	\$18,820,000
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TABLE 16 - MONTHLY WATER RATES

	Present Rates (effective 10-1-19)
<u>Residential ⁽¹⁾</u>	
Customer Service Charge	Based on Meter Size ⁽²⁾
Volume Charge:	
First 6,000 gallons	\$3.05 per 1,000 gals.
7,000 - 15,000 gallons	5.20 per 1,000 gals.
Over 15,000 gallons	7.20 per 1,000 gals.
Plus O.H. Ivie charge	\$0.60 per 1,000 gals.
<u>Commercial ⁽¹⁾</u>	
Customer Service Charge	Based on Meter Size ⁽²⁾
Volume Charge:	
Per 1,000 gallons	\$5.20 per 1,000 gals.
Plus O.H. Ivie charge	\$0.60 per 1,000 gals.
<u>Industrial</u>	
Customer Service Charge	Based on Meter Size ⁽²⁾
Volume Charge:	
All Consumption	\$4.22 per 1,000 gals.
Plus O.H. Ivie charge	\$0.60 per 1,000 gals.
<u>Yard Meter and Construction Water</u>	
Volume Charge:	
All Consumption	\$6.16 per 1,000 gals.
Plus O.H. Ivie charge	\$0.60 per 1,000 gals.
<u>Special Treated Water Customers (Contract Customers)</u>	
Volume Charge:	
All Consumption	\$6.10 per 1,000 gals.
Plus O.H. Ivie charge	\$0.60 per 1,000 gals.

(1) Residential category applies to all domestic housing of three units or less. Commercial category applies to business operations including residential housing with four units or more. For all categories "Outside City Limits" rates are double the above rates for water consumption.

(2) Customer Service Charges:

Meter Size	Monthly Charge	Meter Size	Monthly Charge
5/8" or 3/4"	\$ 15.25	4 inch	\$ 201.25
1 inch	23.00	6 inch	373.75
1 1/2 inch	42.75	8 inch	606.75
2 inch	71.00	10 inch	818.25
3 inch	134.00	12 inch	N/A

TABLE 17 - HISTORICAL WATER CONSUMPTION

Fiscal Year Ending 09/30	Annual Treated Water Consumption (Thousand Gallons)	Daily Average (Thousand Gallons)	Peak Day (Thousand Gallons)
2015	7,342,753	20,117	30,598
2016	7,368,917	20,189	34,081
2017	7,341,818	23,727	31,159
2018	7,738,099	21,200	32,841
2019	7,545,380	20,672	35,402

TABLE 18 - TOP TEN TREATED WATER CUSTOMERS ⁽¹⁾

Customer	Fiscal Year Ended September 30, 2019	
	Annual Consumption (Thousand Gallons)	Billings
TDCJID Middleton/Roberson ⁽²⁾	306,832	\$ 1,386,880
Dyess AFB	173,992	786,443
Coca Cola Southwest Beverages	122,862	555,336
Abilene Christian University	66,127	298,894
Hendrick Medical Center	44,682	201,962
Western A.H. 406 Ltd	25,317	145,572
Abilene State Supported Living Center	22,674	102,846
Canterbury Crossing Ltd.	21,647	124,470
Taylor County Jail	20,481	92,574
Abilene Regional Medical Center	19,895	89,925
	<u>19,895</u>	<u>\$ 3,784,902</u>

(1) Excludes City of Abilene treated water consumption which is metered and billed to General Fund supported activities.

(2) Texas Department of Criminal Justice prison system facilities.

TABLE 19 - SPECIAL TREATED WATER CUSTOMERS ("CONTRACT CUSTOMERS")

Customer	Fiscal Year Ended September 30, 2019	
	Annual Water Consumption (Thousand Gallons)	Billings
Steamboat Mountain Water Supply Corporation	239,886	\$ 1,379,343
Potosi Water Supply Corporataion	132,788	753,707
Hawley Water Supply Corporation	81,740	469,999
City of Merkel	81,576	469,061
View/Caps Water Supply Corporation	78,676	443,973
Sun Water Water Supply Corporation	73,063	420,111
Hamby Water Supply Corporation	48,636	279,656
City of Tye	39,542	227,366
City of Clyde	35,615	204,786
City of Baird	33,390	191,992
	<u>844,912</u>	<u>\$ 4,839,994</u>

AVERAGE MONTHLY CONSUMPTION

For Fiscal Year Ended September 30, 2019, average monthly residential consumption was 5,146 gallons, average monthly commercial consumption was 36,461, and the average monthly industrial consumption was 352,025 gallons.

THE SEWER SYSTEM

The sewer collections system covers essentially all the City except some recently annexed areas. The System operates as a gravity flow system by three sewage lift stations. Sewage flows through 4 – 48” outfall lines to a main pump station which pumps to the wastewater reclamation plant 4.8 miles northeast of the City.

WASTEWATER RECLAMATION PLANT

The City’s wastewater reclamation plant has a permitted 22.0 mgd capacity and provides primary and secondary treatment. Final effluent is discharged to either the Clear Fork of the Brazos River (by State permit), Kirby Lake , or Fort Phantom Hill Reservoir, is used for irrigation on City farm land and/or adjoining private farm land, or as reclaimed water within the city limits of Abilene.

TABLE 20 - MONTHLY SEWER RATES⁽¹⁾

<u>Residential</u>	
Customer Service Charge	\$12.50 (minimum)
Volume Charge (Water Consumption)	
First 10,000 gallons	\$1.70 per 1,000 gallons
Over 10,000 gallons	No Charge
<u>Commercial</u>	
Customer Service Charge	\$12.50 (minimum)
Volume Charge (Water Consumption)	\$1.70 per 1,000 gallons
<u>Industrial</u>	
Customer Service Charge	\$12.50 (minimum)
Volume Charge (Water Consumption), All Use	\$1.70 per 1,000 gallons
Plus: Surcharge Rate if effective (based on type and strength of sewage):	
Biological Oxygen Demand	\$0.091/lb
Total Suspended Solids	0.067/lb
Fats, Oils and Grease	0.091/lb

(1) Effective October 1, 2019.

TABLE 21 - DAILY AVERAGE SEWAGE FLOWS

<u>Fiscal Year</u>	<u>Million Gallons Per Day</u>
2015	11.557
2016	13.001
2017	13.138
2018	13.741
2019	15716

TABLE 22 - TOP TEN SEWER CUSTOMERS

Customer	Fiscal Year Ended September 30, 2019	
	Total Billing	Volume ⁽²⁾ (Thousand Gallons)
TDCJID Middleson/Roberson ⁽¹⁾	\$ 245,465	380,482
Dyess AFB	104,395	161,824
Abilene Christian University	66,127	102,508
Hendrick Medical Center	31,277	48,491
Western A.H. 406 Ltd.	28,224	43,759
Hardin Simmons University	27,821	43,134
Coca Cola Southwest Beverages	24,572	38,098
Canterbury Crossing Ltd.	21,674	33,606
Taylor County Jail	20,481	31,757
Abilene State Supported Living Center	18,139	28,127
	<u>\$ 588,175</u>	<u>911,786</u>

(1) Texas Department of Criminal Justice prison system facilities

(2) Wastewater charges are an estimation based gallons consumed and multiplier.

TABLE 23 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2019	2018	2017	2016	2015
Revenue					
Water Service	\$ 33,509,466	\$ 41,462,515	\$ 39,641,787	\$ 34,984,930	\$ 31,181,991
Sewer Service	10,330,466	11,771,175	11,656,489	11,564,817	11,559,729
Other Operating Revenues	709,584	784,918	834,869	716,256	692,368
Non-Operating Income	1,209,160	1,300,187	1,411,277	796,562	908,013
Gross Revenues	<u>\$ 45,758,676</u>	<u>\$ 55,318,795</u>	<u>\$ 53,544,422</u>	<u>\$ 48,062,565</u>	<u>\$ 44,342,101</u>
Operating Expenses ⁽¹⁾					
Personnel Services	7,757,413	8,583,950	8,738,102	7,986,072	7,005,496
Supplies	2,381,514	3,227,407	2,670,160	3,038,483	2,533,499
Maintenance	1,493,912	2,249,694	2,048,759	1,790,069	1,515,274
Other Services and Charges	16,201,300	19,487,349	19,362,278	20,297,721	19,384,183
Total Operating Expense	<u>27,834,139</u>	<u>33,548,400</u>	<u>32,819,299</u>	<u>33,112,345</u>	<u>30,438,452</u>
Net Revenue	<u>17,924,537</u>	<u>21,770,395</u>	<u>20,725,123</u>	<u>14,950,220</u>	<u>13,903,649</u>
Water Customers	41,425	41,036	40,897	40,674	40,974
Sewer Customers	39,877	39,485	39,331	39,039	39,321

(1) Operating Expenses: excludes depreciation; includes all payments to the West Central Texas Municipal Water District and the Colorado River Municipal Water District.

Note: The City has no outstanding or authorized Waterworks and Sewer System Revenue Bonds, however, there is general obligation debt outstanding on which annual debt service is provided from revenues of the System (see "Table 10 - Computation of Self-Supporting Debt"). It is the City's policy and intention to maintain rates and charges for water and sewer service that will provide Net Revenues of the system that will fully provide for debt service on general obligation debt issued for Waterworks and Sewer System purposes over the life of the Waterworks and Sewer System general obligation debt and any additional Waterworks and Sewer general obligation debt issued in the future, including the Bonds. In the event payments are not made from such revenues, the City will be required to levy an ad valorem tax sufficient to make such payments. Monthly water rates were increased effective October 1, 2019 in implementation of this policy. See "Table 16 – Monthly Water Rates".

TAX MATTERS

GENERAL

The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Bonds and is based on the Internal Revenue Code of 1986 (the “Code”), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service (“IRS”) and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the “U.S. dollar”. This summary is further limited to investors who will hold the Bonds as “capital assets” (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term “U.S. Holder” means a beneficial owner of a Bond who or which is: (i) an individual citizen or resident of the United States, (ii) a corporation or partnership created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. As used herein, the term “Non-U.S. Holder” means a beneficial owner of a Bond that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF BONDS IN LIGHT OF THE HOLDER’S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS BEFORE DETERMINING WHETHER TO PURCHASE BONDS. THE FOLLOWING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO U.S. HOLDERS

Periodic Interest Payments and Original Issue Discount. The Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the Bonds or original issue discount, if any, accruing on the Bonds will be includable in “gross income” within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of Bonds. An owner will recognize gain or loss on the redemption, sale, exchange or other disposition of a Bond equal to the difference between the redemption or sale price (exclusive of any amount paid for accrued interest) and the owner's tax basis in the Bonds. Generally, a U.S. Holder's tax basis in the Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by

any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Bonds has been held for more than one year.

Defeasance of the Bonds. Defeasance of any Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences. Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes. Certain individuals, estates or trusts may be subject to a 3.8% surtax on all or a portion of the taxable interest that is paid on the Bonds. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the withholding or backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a Series B Bond, will not be subject to U.S. federal income or withholding tax in respect of such Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The City is required to observe the agreements for so long as it remains obligated to advance funds to pay the Bonds. Under the agreements, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB").

ANNUAL REPORTS . . . The City will provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 23 and in Appendix B. The City will update and provide the information in Tables 1 through 6 and 8 through 23 within six months after the end of each fiscal year ending in and after 2019. The City will additionally provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in or after 2019. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City will file unaudited financial statements within such 12 month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Financial statements will be prepared in accordance with the accounting principles described in APPENDIX B or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. The City may provide updated information in full text or may incorporate by reference documents available on EMMA or filed with the United States Securities and Exchange Commission (the "SEC"). The City will provide the updated information to the MSRB through the "EMMA" information system in accordance with Rule 15c2-12 (the "Rule") promulgated by the SEC.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information included in Tables 1 through 6 and 8 through 23 by March 31 in each year, unless the City changes its fiscal year and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) by September 30 in each year. If the City changes its fiscal year, it will notify the MSRB of the change.

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

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. For the purposes of the above describe event notices (15) and (16), the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

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

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the SEC Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of the SEC Rule 15c2-12 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 Bonds in the primary offering of the Bonds. If the City so amends the agreement, it has agreed to

include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

OTHER INFORMATION

RATINGS

The Bonds and the presently outstanding tax supported debt of the City are rated "AA+" by S&P Global Ratings ("S&P") and "AA+" by Fitch Ratings ("Fitch"), without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

LITIGATION

It is the opinion of the City Attorney that there is no pending litigation against the City that, if decided adversely to the City, would have a material adverse financial impact upon the City or its operations.

At the time of the initial delivery of the Bonds, the City will provide the Underwriters with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

LEGAL OPINIONS

The City will furnish a complete transcript of proceedings had incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Bond and to the effect that the Bonds are valid and legally binding obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations. Though it may represent the Financial Advisor and

the Underwriters from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by and only represents the City in the issuance of the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under captions "PLAN OF FINANCING" (exclusive of the subcaption "Use of Proceeds"), "THE BONDS" (exclusive of the last two sentences of the subcaption "Tax Rate Limitation" and the subcaptions "Book-Entry-Only System" and "Bondholders' Remedies"), "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" (exclusive of the subcaption "Compliance with Prior Undertakings") and the subcaptions "Registration and Qualification of Bonds for Sale," "Legal Opinions" (exclusive of the last sentence of the first paragraph thereof) and "Legal Investments and Eligibility to Secure Public Funds in Texas" in the Official Statement and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Ordinance. The legal fee to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Dallas, Texas.

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

FINANCIAL ADVISOR

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

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

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

TBD

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the City, at a price equal to the initial offering prices to the public shown on the inside cover page of this Official Statement, less an underwriting discount of \$_____. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds, and such public offering prices may be changed, from time to time, by the Underwriters.

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

FORWARD-LOOKING STATEMENTS DISCLAIMER

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

obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

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

MISCELLANEOUS

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

The Ordinance authorizing the issuance of the Bonds also approves the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorizes its further use in the reoffering of the Bonds by the Underwriters.

Pricing Officer
City of Abilene, Texas

SCHEDULE OF REFUNDED OBLIGATIONS***Combination Tax and Surplus Revenue
Certificates of Obligation, Series 2013**

Original Dated Date	Original Maturity (February 15)	Interest Rates	Principal Amount	Call Date	Call Price
October 15, 2013	2026	3.500%	\$ 2,240,000	2/15/2022	100%
	2027	3.500%	2,320,000	2/15/2022	100%
	2036	4.375%	3,600,000	2/15/2022	100%
	2037	4.500%	3,765,000 ⁽¹⁾	2/15/2022	100%
	2038	4.500%	3,935,000 ⁽¹⁾	2/15/2022	100%
	2039	4.500%	4,120,000 ⁽¹⁾	2/15/2022	100%
			<u>\$ 19,980,000</u>		

* Preliminary, subject to change

(1) Represents a sinking fund redemption on a 4.50% term bond maturing February 15, 2039.

**Combination Tax and Surplus Revenue
Certificates of Obligation, Series 2014**

Original Dated Date	Original Maturity (February 15)	Interest Rates	Principal Amount	Call Date	Call Price
November 1, 2014	2024	5.000%	\$ 1,780,000	2/15/2023	100%
	2025	5.000%	1,870,000	2/15/2023	100%
	2026	5.000%	1,965,000	2/15/2023	100%
	2027	5.000%	2,070,000	2/15/2023	100%
	2028	4.000%	2,165,000	2/15/2023	100%
	2029	4.000%	2,250,000	2/15/2023	100%
	2030	5.000%	2,355,000	2/15/2023	100%
	2031	5.000%	2,475,000	2/15/2023	100%
	2032	5.000%	2,605,000	2/15/2023	100%
	2033	5.000%	2,735,000	2/15/2023	100%
	2034	5.000%	2,875,000	2/15/2023	100%
	2035	5.000%	3,025,000 ⁽¹⁾	2/15/2023	100%
	2036	5.000%	3,180,000 ⁽¹⁾	2/15/2023	100%
	2037	5.000%	3,345,000 ⁽¹⁾	2/15/2023	100%
	2038	5.000%	3,515,000 ⁽¹⁾	2/15/2023	100%
	2039	5.000%	3,695,000 ⁽¹⁾	2/15/2023	100%
	2040	5.000%	3,885,000 ⁽¹⁾	2/15/2023	100%
			<u>\$ 45,790,000</u>		

* Preliminary, subject to change.

(1) Represents a sinking fund redemption on a 5.00% term bond maturing February 15, 2040.

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

THE CITY

The City of Abilene, County Seat of Taylor County, Texas, is primarily located in northern Taylor County with a small portion of the City located in Jones County to the north. Located 150 miles west of Fort Worth and 180 miles west of Dallas, Abilene is the economic, medical, educational and cultural center of this West Central Texas area.

POPULATION

	City of Abilene ⁽¹⁾	Taylor County ⁽²⁾
1920 Census	10,274	24,081
1930 Census	23,175	41,023
1940 Census	26,612	44,147
1950 Census	45,570	63,370
1960 Census	90,368	101,078
1970 Census	89,653	97,853
1980 Census	98,315	110,932
1990 Census	106,707	119,655
2000 Census	115,930	126,555
2010 Census	117,179	127,683
2019 Estimated	124,557	136,290

(1) With the exception of U.S. Census figures, population estimates are provided by the City of Abilene, Texas.

(2) With the exception of U.S. Census figures, population estimates are provided by Taylor County, Texas.

BUSINESS AND INDUSTRY

Manufacturing plants in Abilene and its immediate vicinity produce such products as gas welding equipment, meat products, plumbing fixture, soft drinks and soft drink containers, bakery products, vegetable oil products, poultry and livestock feeds, tire retreading products, sprockets and gears, pressure vessels, ski boats, and signs.

LABOR FORCE ESTIMATES

	Annual Averages				
	2019 ⁽¹⁾	2018	2017	2016	2015
Abilene					
Civilian Labor Force	55,723	55,710	54,823	54,048	54,058
Total Employment	54,007	53,868	52,824	51,976	52,054
Unemployment	1,716	1,842	1,999	2,072	2,004
Percent Unemployment	3.1%	3.3%	3.6%	3.8%	3.7%
Taylor County					
Civilian Labor Force	65,341	65,309	64,282	63,326	63,404
Total Employment	63,379	63,237	62,010	60,960	61,082
Unemployment	1,962	2,072	2,272	2,366	2,322
Percent Unemployment	3.0%	3.2%	3.5%	3.7%	3.7%
State of Texas					
Civilian Labor Force	14,027,575	13,848,080	13,589,208	13,347,311	13,095,837
Total Employment	13,528,932	13,314,203	13,002,828	12,731,137	12,513,692
Unemployment	498,643	533,877	586,380	616,174	582,145
Percent Unemployment	3.6%	3.9%	4.3%	4.6%	4.4%

Source: Texas Workforce Commission; subject to revision.

(1) Data through August 2019.

ECONOMIC INDICES, CITY OF ABILENE

Calendar Year	Building Permits	Water Utility Connections
2015	\$ 214,014,497	39,686
2016	199,481,455	40,132
2017	207,335,801	40,217
2018	141,269,845	40,793
2019 ⁽¹⁾	166,667,492	40,827

Source: The City.

(1) Figures as of August 31, 2019.

CITY OF ABILENE BUILDING PERMITS BY CLASSIFICATION

Year	Residential (Single-Family)		Business Industrial and Apartments	Schools and Churches	Miscellaneous, Alterations and Repairs	Total
	Number of Units	Value				
2015	303	\$ 66,041,187	\$ 66,663,879	\$ 66,104,514	\$ 15,204,917	\$ 214,014,497
2016	297	55,243,040	62,630,706	61,381,750	20,225,959	199,481,455
2017	275	61,497,646	101,782,128	31,824,501	12,231,526	207,335,801
2018	309	66,329,822	25,663,169	30,755,234	18,521,620	141,269,845
2019 ⁽¹⁾	273	52,746,065	62,230,674	21,325,750	30,365,003	166,667,492

(1) Figures as of August 31, 2019.

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TOP 25 EMPLOYERS

Company	Type of Business	Estimated Employees 2019
Dyess Air Force Base	Air Force Base	8,400
Hendrick Health System	Hospital	3,200
Abilene Independent School District	Public School	2,450
Abilene Christian University	Private University	1,900
City of Abilene	City	1,300
State Supported Living Center	Mental Health	1,225
Texas Department of Criminal Justice	Prisons	1,190
BlueCross BlueShield of Texas	Health Insurance Call Center	1,090
Abilene Regional Medical Center	Hospital	830
AbiMar Foods	Food Manufacturing	680
Taylor County	County	560
First Financial Bank	Banking and Financial Services	540
Wylie Independent School District	Public Education	510
Eagle Aviation Services	Aviation Mechanic	470
Hardin-Simmons University	Private University	425
Rentech Boiler Systems and Services	Metal Fabrication	400
Cisco College	Public College	340
Coca-Cola Refreshments	Food Manufacturing	340
Abilene Diagnostic Clinic	Primary Care Physicians	300
Teleperformance	Contract Call Center	250

Source: Abilene Industrial Foundation

INDUSTRIAL/COMMERCIAL DEVELOPMENT

In 1989, the City set a precedent for the rest of Texas when Abilenians voted to become the first community to adopt a half-cent sales tax devoted specifically to economic development. Because of new life in retail trade and industrial expansion, Abilene's economic development sales tax collections have grown from just under \$4 million in 1990 to \$11.7 million in FY 2019.

Abilene has been receptive to the changes that were necessary to pull out of the slump caused by the economic downturn of the 1980's. The direction became to continue targeting better jobs that will further stabilize and enhance Abilene's economy while improving the quality of life for its citizens. A hard lesson was learned when several of the city's major employers, like Lockheed Martin, Texas Instruments and US Brass pulled up stakes and left town. Today, any viable community must support many smaller companies to provide a stable employment and property tax base.

Thirty years ago, City Council authorized the creation of the Development Corporation of Abilene, Inc. (DCOA) pursuant to the Development Corporation Act of 1979 (Texas Civil Statutes Article 5190.6), hereinafter referred to as the "Act". The Act allows municipalities to create a nonprofit corporation that will promote the creation of new and expanded industry and manufacturing activity within the municipality and its vicinity. The DCOA is a five-member board appointed by the Mayor and operates separately from the City of Abilene as a nonprofit with its own federal tax identification number.

DCOA Promotes growth and development in Abilene's industrial, commercial and educational sectors with the goal to further diversify the economy. The DCOA utilizes many assets to increase capital investment and grow primary jobs. Two business parks: Five Points Business Park in West Abilene and Access Business Park East Abilene are among these assets:

- The Five Points Business Park is located on I-20 with rail service available, enhanced water pressure and electrical capability and streetlights, and boasts such tenants as Texas Department of Transportation, Healthcare Linen, Atmos Energy, Broadwind Towers, Pactiv Industries, Prairie Dog Pet Products and FedEx. The Park has about 600 acres available for new development.
- The Access Business Park is designed for light manufacturing and corporate headquarters due to its location directly across from the Abilene Regional Airport and access to major highways. Roads and utilities were recently installed so the DCOA is looking for an anchor tenant to jumpstart the Park's development. The Park has about 120 acres available with additional acreage located nearby.

The City recently created the Abilene Convention Center Hotel Development Corporation (the “ACCHDC”) as a public, nonprofit corporation in accordance with Subchapter D of Chapter 431, Texas Transportation Code, for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City, including aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote and accomplish the development of the geographic area of the City included at or in the vicinity of the Abilene Convention Center. The City and the ACCHDC have entered into a master development agreement with a developer for the development of a downtown convention center hotel.

AGRICULTURE

Abilene is the center of a well-developed agricultural area. The major source of agricultural income is production and marketing of livestock. Principal crops are grain sorghums, wheat and cotton.

MINERAL PRODUCTION

Oil and natural gas are produced in an 18 county area surrounding Abilene.

**Taylor County Statewide Onshore Oil & Gas Production
Annual Totals, 2015 - 2019**

Date	Oil (BBL)	Casinghead (MCF)	GW Gas (MCF)	Condensate (BBL)
2015	385,338	135,928	26,794	44
2016	386,804	91,110	20,924	6
2017	420,809	128,118	18,176	-
2018	404,664	207,960	16,447	-
2019 ⁽¹⁾	194,849	89,268	8,866	-

Source: Texas Railroad Commission.

(1) Data through July 2019.

HIGHER EDUCATION - UNIVERSITIES AND COLLEGES

Abilene is home of three co-educational, liberal arts universities, and has extension campuses for Cisco Junior College and Texas State Technical College. Abilene Christian University, established in 1906, is closely affiliated with the Church of Christ and has an estimated enrollment of 4,460. The University is located on a campus of 208 acres, with an additional 500 acre experimental farm.

Hardin-Simmons University, originally established as Abilene Baptist College in 1891, is a coeducational, liberal arts university; the University is a church-related institution affiliated with the Baptist General Convention of Texas with estimated enrollment of over 2,200 each semester.

McMurry University is a coeducational, liberal arts college founded in 1923 by the Northwest Texas Conference of the Methodist Church and is now jointly owned and operated by the Northwest Texas and New Mexico Conferences of the United Methodist Church. The University enrolls an estimated 1,200 students each semester.

The Abilene Educational Center of Cisco Junior College, a State funded off-campus center of Cisco College District, Cisco, Texas, offers core academic programs at the junior college level leading to an associate degree and vocational-technical courses and maintains enrollment of approximately 2,800.

Texas State Technical College - Abilene Center is a State funded branch of the Texas State Technical College's Sweetwater, Texas, main campus. The college offers occupationally oriented programs in technical and vocational areas such as machining, automated office skills, electronics servicing, information management skills, drafting and design technology and others. Estimated enrollment per semester is 1,200.

The Anita Thigpen Perry Texas Tech School of Nursing and the Texas Tech School of Pharmacy have recently been located in the City as branches of the Texas Tech University Health Sciences Center and has an estimated enrollment of 560.

OTHER EDUCATIONAL INFORMATION

Abilene Independent School District, which includes approximately 90% of the City of Abilene, has a current enrollment of 16,842 and 2,534 employees including professional and other personnel.

GOVERNMENT AND MILITARY

Abilene is the location of more than 50 State and Federal offices and facilities including Dyess Air Force Base.

DYESS AIR FORCE BASE...Located in and adjacent to Abilene, is a 6,430 acre permanent base of the Air Combat Command. There are an estimated 5,400 military & civilian personnel at the base. Dyess is the home base for the 7th Wing of the Air Combat Command and the home base of the 317th Airlift Group. The Wing flies the B-1 bomber and the C-130. Annual economic impact on Abilene is in excess of \$532 million. As the primary training base for the B-1 bomber, Dyess was not affected by the base closure program of the Department of Defense.

STATE PRISON...The Texas Department of Criminal Justice operates a maximum security State prison in Abilene. Designated the French Robertson Unit - Abilene, the prison, located in north Abilene on a 314 acre site donated by the City, opened in November, 1992. The prison has four 432-bed housing groups clustered around a central support core of administration, medical, education, laundry and food service facilities. A garment factory provides approximately 270 inmate jobs and produces inmate uniforms for State prison system use. The Unit has 2,746 inmates (max capacity at 2,984) and has an estimated 1,190 employees with an annual payroll in excess of \$21 million. The City of Abilene provides water, sewer and sanitation services for the Unit at regular City commercial rates.

STATE TRANSFER FACILITY...The Texas Department of Criminal Justice operates a 2,128 inmate capacity transfer center on a site immediately east of the Robertson Unit. Designated the John W. Middleton Unit - Abilene, this transfer facility is designed to alleviate overcrowding of Texas county jails and serves as temporary housing for State inmates being processed into State prisons; inmates may be housed at a State transfer facility for not over 12 months before being moved to a State prison. The facility has an estimated 527 employees with 378 employees utilized for security. The City of Abilene provides water, sewer and sanitation services for the facility at regular City commercial rates.

HOSPITALS AND MEDICAL CARE

There are two major medical centers with a total of 850 licensed beds: Hendrick Health System and Abilene Regional Medical Center and two minor. Hendrick Medical Center operates an accredited nursing school. Hendrick Medical Center is the health services provider to the two State Department of Criminal Justice Units in Abilene.

Abilene has over 250 practicing physicians and surgeons (M.D.) and over 57 dentists. A radiology center for the treatment of malignant diseases is located in the City. West Texas Rehabilitation Center, a non-profit organization offering diagnostic, neurological and rehabilitation services to the handicapped, is located in Abilene.

RECREATION AND ENTERTAINMENT

The City of Abilene maintains numerous developed parks and six Golf Courses. The City of Abilene Convention Center and Taylor County Coliseum provide areas for community events, concerts, conventions, fairs and livestock shows. Also available to residents are Abilene Christian University, Hardin-Simmons University and McMurry University programs and events, the Morgan Jones Planetarium (owned and operated by the Abilene Independent School District), Abilene Symphony Orchestra, Abilene Community Theatre, Museums of Abilene, the Paramount Theater, City of Abilene Zoo, City of Abilene Library, the annual West Texas Fair and sporting events. Additionally available to residents and tourists is Frontier Texas!, The Grace Museum (Art Museum, History Museum, and Children's Museum), National Center for Children's Illustrated Literature (NCCIL), The Center for Contemporary Arts, Elks Arts Center, 12th Armored Division Memorial Museum, Dyess Air Force Base, Buffalo Gap Historical Village, Abilene State Park, Abilene Skate Park, Abilene Speedway, Abilene Ballet Theatre, Abilene Opera Association, Abilene Classical Chorus and Classical Youth Chorus, Texas Forts and Trail Visitor Center, Fort Phantom Hill, and Prime Time Entertainment (includes laser tag, miniature golf, electric go-carts, bumper cars, climbing wall, bowling lanes, arcade, and a coffee bar).

Abilene State Park, located 19 miles southwest of Abilene, contains 621 acres. Maintained and operated by the State of Texas, the park provides recreational and camping facilities.

CHURCHES

Abilene has over 100 churches representing all major denominations.

MEDIA

One daily newspaper.

Television and Radio - 4 network channels; cable provides multi-channel access including the Public Broadcasting System. There are several AM and FM radio stations.

UTILITY SERVICES

Water and Sewer - City of Abilene.
Electric – AEP Texas or alternatives.
Natural Gas – Atmos Energy

TRANSPORTATION

Abilene and Taylor County have a highway system which includes U.S. Interstate Highway 20, three U.S. highways, two State highways and a network of paved farm-to-market roads.

Rail transportation is furnished by the Union Pacific Railroad and the Southern Switching Company.

Airline transportation is furnished at Abilene Regional Airport with non-stop service provided primarily by Envoy (formerly known as American Eagle). Passenger enplanements for 2017 were 92,000. Airport facilities include a recently remodeled terminal, two lighted runways of 7,200' each suitable for jet aircraft and a 3,685' crosswind runway, complete taxiway system, a FAA control tower and instrument landing system and extensive general aviation services. Other major airport tenants include: Abilene Aero, which provides full service fixed base operator services including aircraft fueling and maintenance and Polasek Helicopter Services, which specializes in helicopter flight training and helicopter flying lessons. Texas State Technical College utilizes a renovated 34,000 square foot hangar at the Airport for teaching aviation maintenance technology and flight instruction. Eagle Aviation Services, Inc., a subsidiary of American Eagle, operates a major aircraft maintenance facility at the Airport. The City continues to make improvements to the airport to meet the demands of its growth.

APPENDIX B

EXCERPTS FROM THE

CITY OF ABILENE, TEXAS

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2018

The information contained in this Appendix consists of excerpts from the City of Abilene, Texas Annual Financial Report for the Year Ended September 30, 2018, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

An Ordinance Authorizing the Issuance and Sale of City of Abilene, Texas, General Obligation Refunding Bonds, Series 2019; Establishing Procedures and Delegating Authority for the Sale and Delivery of the Bonds; Providing an Effective Date; and Enacting Other Provisions Relating to the Subject



Ordinance – Authorizing the Issuance and Delegation of Authority for Issuance for Sale of 2019 General Obligation Refunding Bonds

- This ordinance authorizes the issuance and delegation of authority for sale of general obligation refunding bonds to advance refund the 2013 & 2014 Certificates of Obligation.
- The issuance will be a taxable bond issuance (non-taxable advance refundings are now prohibited), however, with the current interest rate environment a taxable bond advance refunding will provide sufficient savings to justify the issuance.
- The ordinance will also delegate authority for the City Manager, Assistant City Manager or Director of Finance to sell the bonds under the following parameters:
 - Principal amount will not exceed \$78,000,000
 - Must have a 3% net present value debt service savings
 - True interest cost cannot exceed 5%
 - Final maturity of the bonds shall not be later than February 15, 2040
 - Delegation authority will expire within 6 months



Questions?





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Mike Warrix, Director

SUBJECT: 24. Ordinance (Final Reading) Z-2019-25: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a request from Bryan Pope, John Michael Clark, Jerold Armstrong and Abilene Auto Glass; agent C.J. Chaney, to rezone seven tracts of land from a Heavy Industrial (HI) to a Heavy Commercial (HC) District. Proposed HC zoning includes all except the south 139 feet of the east 130 feet of city block bounded by South Treadaway Boulevard; Dimmitt, Cherry and South 14th Streets, plus Lots 4 thru 6 in Block B of John Touy's Subdivision of Lot Numbers 3 and 4 in Block 208, Original Town of Abilene and located at northwest corner of Cherry and South 14th Streets *(Mike Warrix)*

GENERAL INFORMATION

The applicants are requesting to rezone from Heavy Industrial (HI) to Heavy Commercial (HC) in order to utilize the locations for a wider range of commercial activities.

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

Staff recommends approval.

BOARD OR COMMISSION RECOMMENDATION

The Planning and Zoning Commission unanimously recommends approval of this request by a vote of five (5) to zero (0).

AYES: Calk, Bixby, Noonan, Lankford, and Famble

NAYS: None

ATTACHMENTS:

1. Ordinance_cover
2. Z-2019-25 Council Ord Exhibit
3. Z-2019-25 PZC Staff Report
4. Z-2019-25 Notification Responses
5. Z-2019-25 Presentation

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING THE, "LAND DEVELOPMENT CODE" OF THE ABILENE CITY CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That Chapter 2 (Zoning Regulations) of the Land Development Code of the City of Abilene, is hereby amended by changing the zoning district boundaries as set out in Exhibit A, attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars (\$500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PART 3: That the Planning Director be, and is hereby authorized and directed to change the official Zoning Map of the City of Abilene to correctly reflect the amendments thereto. PASSED ON FIRST READING the 17th day of October, 2019.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 14th day of September, 2019, the same being more than fifteen (15) days prior to a public hearing held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m. on the 7th day of November, 2019, to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON FINAL READING THIS 7th day of November, 2019.

ATTEST:

CITY SECRETARY

MAYOR

APPROVED:

CITY ATTORNEY

ZONING CASE Z-2019-25

STAFF REPORT



REQUEST: Rezoning

APPLICANT:

Owner: Bryan Pope

Agent: CJ Chaney

HEARING DATES:

P & Z Commission:

October 1, 2019

City Council 1st Reading:

October 17, 2019

City Council 2nd Reading:

November 7, 2019

LOCATION:

- 534 S. 14th St.
- 1401, 1428, 1433 Cherry St.
- 1402, 1442, 1450 S. Treadaway



Legal description(s):

- All of Lot 9 and the west half of Lot 10 in J. McAllister Stevenson's Subdivision of Outlot Nos. 2 and 3 and the North 140 Feet of Outlot No. 4 in Block No. 209 of Abilene's Original Town.
- Lots 4,5 and 6 in Block B of John Touhy's Subdivision of Lot Numbers Three and Four in Block Number 208 of Abilene's Original Town.

PROPOSAL AND REQUESTED ACTION:

The applicants are requesting to rezone from Heavy Industrial (HI) to Heavy Commercial (HC) in order to utilize the locations for a wider range of commercial activities.

APPLICATION REVIEW:

According to Section 1.4.1.4, Criteria for Approval, of the City of Abilene Land Development Code, in making a determination regarding a requested zoning change, the Planning and Zoning Commission and the City Council may consider the following factors:

- (1) Whether the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan, including the land use classification of the property on the Future Land Use and Development Plan map, as amended;

The Future Land Use and Development Plan Map of the Comprehensive Plan designates this general area as a mixture of commercial use along S. Treadaway and S. 14th Street in close proximity to residential properties. The objective is to achieve a mix of mutually supportive and integrated residential and non-residential land uses. This proposed zone change promotes the Comprehensive Plan's goal of achieving a mixture of land uses that will encourage a variety of activities, shorten automobile trips and promote pedestrian and bicycle accessibility. Furthermore, the zone change will allow for a much wider variety of commercial activities which will encourage the Comprehensive Plan's objective of infill within older established neighborhoods.

- (2) Whether the uses permitted by the proposed change in zoning district classification and the standards applicable to such uses will be appropriate in the immediate area of the land to be reclassified.

The commercial uses permitted by the proposed zone change would be appropriate in the immediate area. Rezoning this property will provide an opportunity for a wide range of commercial activities, while reducing the intensity of activities that would typically be found within the currently existing Heavy Industrial (HI) zoning.

The subject lot has been zoned Heavy Industrial (HI) since at least 1974. The lots to the north, south and east are currently zoned Heavy Industrial (HI). One of these Heavy Industrial (HI) lots to the south is the location of a legally non-conforming single-family residence which is designated as Historic. West of the subject property is zoned Medium Density (MD) Residential and currently is the location of existing single family residences.

	Zoning	Existing Land Use
North	HI	Heavy Equipment Rental
South	HI & HI/H	Retail Space/ Single Family Residence
East	HI	Agriculture Supply Store
West	MD	Single Family Residence(s)

- (3) Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers, and other public services and utilities to the area.

The subject property has access to an existing water mains and sewer mains. Therefore water and sewer capacity should not be a limiting factor to the development of these properties.

According to the land development code good automobile accessibility within commercial districts is essential. These subject properties are located along and nearby the intersection of S. Treadaway and S. 14th Street both of which are considered major arterial roads. Traditional planning considers intersections of major arterial roads such as this to be customarily appropriate for commercial purposes. Maximizing accesses and exposure which is often necessary to promote the success of commercial uses.

STAFF COMMENTS:

According to the Future Land Use and Development Plan Map of the Comprehensive Plan, this location is designated to provide a mix of residential and commercial uses. Heavy Commercial (HC) zoning will promote a greater mix of commercial uses which include a wide range of retail opportunity nearby existing residential properties. This will achieve the Comprehensive Plan's objective of creating a mix of land use that will encourage a variety of activities, shorten automobile trips and promote pedestrian and bicycle accessibility. Additionally, the subject properties are located within the Neighborhood Empowerment Zone (78-2018), a zone designed to promote redevelopment in "economically distressed" areas. Furthermore, Heavy Commercial (HC) zoning will serve as an appropriate transitional zoning from Heavy Industrial (HI) zoning to the east and Medium Density (MD) residential zoning to the west.

STAFF RECOMMENDATION:

Staff recommends approval of the request. The rezoning request complies with Section 1.4.1.4 (Criteria for Approval). According to the Comprehensive Plan this area is designated a commercial area which is to provide a mixture of commercial uses alongside nearby residential housing.

PLANNING AND ZONING COMMISSION RECOMMENDATION:

Planning & Zoning Commission recommended approval by a vote of five in favor and zero opposed on October 1, 2019.

NOTIFICATION:

The Planning Services Division sent, with a certificate of mailing, public notices to the applicant and property owners within a 200-foot radius.

ABILENE AG FORD

Owner	Situs	Response
ABILENE AG FORD	1358 S TREADAWAY BL	
ABILENE AG SERVICE & SUPPLY INC	1449 S TREADAWAY BL	
ABILENE AUTO GLASS INC	1428 CHERRY ST	
ABILENE NEW HOLLAND LTD	1396 CHERRY ST	
ARMSTRONG JEROLD R	1442 S TREADAWAY BL	
ARMSTRONG JEROLD R	1402 S TREADAWAY BL	
CITY OF ABILENE	630 S 14TH ST	
CLARK JOHN MICHAEL	1433 CHERRY ST	
FERGUSON BYRD DENA	1410 CHERRY ST	
GAMEZ RAYMOND	1425 LOCUST ST	
GAMEZ RAYMOND GOMEZ	1412 CHERRY ST	
HILLIS INVESTMENTS INC	1502 S TREADAWAY BL	In Favor
LONE STAR GAS CO	1420 CHERRY	
MAYFIELD AMY MARCELE	1510 CHERRY ST	
MAYFIELD AMY MARCELE	1502 CHERRY ST	
MAYFIELD AMY MARCELE	625 S 14TH ST	
MAYFIELD AMY MARCELE	617 S 14TH ST	
OWENS FRANK	1401 LOCUST ST	
PEREZ MANUEL	625 DIMMITT ST	
POPE BRYAN	1401 CHERRY ST	In Favor
POPE BRYAN	534 S 14TH ST	In Favor
POPE BRYAN	626 S 14TH ST	In Favor
POPE BRYAN	628 S 14TH ST	In Favor
POPE BRYAN EDMOND	1450 S TREADAWAY BL	In Favor
QUINTANILLA SANTOS	1409 LOCUST ST	
SKINNYS INC	1458 S TREADAWAY BL	
VALLEY CREEK HOMES LLC	1402 CHERRY ST	
VINSON RANDELL DON	1357 S TREADAWAY BL	

ATTACHMENTS:

- Application
- PowerPoint



Development Application

Planning

☐ Conditional Use ☐ Easement Release ☒ Rezoning ☐ Other
☐ PDD ☐ Street Name Change ☐ Thoroughfare Abandonment ☐ PDD Amendment
 Other: _____

Project Name: _____
 Address: 534 S. 14th / 1450 S Treadaway No. of lots: 1 & 3 Acreage: _____
 Legal Description: W 1/2 of LT 10 209 550 E 1/2 LT 11 N 1/2 W 1/2 LT 9 209 of 4
OT ABL 2-3 & N 140 FT of 4 209 ABL 00111 2 ABL 213 + N 140 of 4
 Subdivision Name: South Treadaway Block: _____ Lot: _____
 Current Zoning: HI Proposed Zoning (if applicable): HC

OWNER AND AUTHORIZATION

Owner Name: Bryan Pope
 Address: 1450 S Treadaway
 City, State, Zip: Abilene TX 79602 Fax: _____
 Phone: _____ Email: bryan.pope38@yahoo.com

I am the property owner, and I certify that the information included in this application is true to the best of my knowledge. (Name) C.J. Chanay will act as my agent before the Planning and Zoning Commission.

Agent Name: C.J. Chanay
 Address: 2500 S. Willis St.
 City, State, Zip: Abilene TX 79605 Fax: _____
 Phone: 325-725-6641 Email: cj@cbcabilene.com

I hereby certify that I am the owner of the property and further certify that the information provided on this development application is true and correct. I hereby designate the aforementioned agent to act on my behalf for submittal, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

Signature Owner: [Signature] Date: 8-21-19

FOR OFFICE USE ONLY

Received: 8/21/19 Fee: \$ 1500.00 Receipt No.: 2087825
 Case No.: 2-2019-25 Reviewed By: Cheryl



Development Application

Planning

☐ Conditional Use ☐ Easement Release ☒ Rezoning ☐ Other
☐ PDD ☐ Street Name Change ☐ Thoroughfare Abandonment ☐ PDD Amendment
 Other: _____

Project Name: S Treadaway & S 14th HI to HC
 Address: 534 S 14th / 1401 Cherry / 1450 S. Treadaway No. of lots: _____ Acreage: _____
 Legal Description: See attached Addendum A
 Subdivision Name: South Treadaway Block: _____ Lot: _____
 Current Zoning: HI Proposed Zoning (if applicable): HC

OWNER AND AUTHORIZATION

Owner Name: Bryan Pope
 Address: 1450 S. Treadaway
 City, State, Zip: Abilene TX 79602 Fax: _____
 Phone: _____ Email: bryan.pope.38@yahoo.com

I am the property owner, and I certify that the information included in this application is true to the best of my knowledge. (Name) Bryan Pope will act as my agent before the Planning and Zoning Commission.

Agent Name: CJ Chaney
 Address: 2500 S. Willis St.
 City, State, Zip: Abilene TX 79605 Fax: _____
 Phone: 325-725-6641 Email: cj@cbcabilene.com

I hereby certify that I am the owner of the property and further certify that the information provided on this development application is true and correct. I hereby designate the aforementioned agent to act on my behalf for submittal, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

Signature Owner: [Signature] Date: 9-1-19

FOR OFFICE USE ONLY

Received: _____ Fee: \$ _____ Receipt No.: _____
 Case No.: _____ Reviewed By: _____



Development Application

Please answer the following question in order to assist Staff with the processing of your Zoning request.

1. Please (if necessary) provide background information for the zoning request and explain why you feel it is appropriate.

These property zonings of HI are currently restricting the development of the properties.

534 S 14th has been a salon, a retail store, an office + a taxidermy location. None of these uses are allowed in the current zoning.

1450 S. Treadaway has been an office and work shop for a general contractor. Under contractor services this business is allowed. It would also be allowed under HC.

1401 Cherry has been a storage yard for the last 10 years at least. Our current plans are for this use to continue. This use is allowed under Transportation for automobiles as a commercial use. We would request the zoning be changed to HC because this use would still be allowed but future development would be encouraged.



Development Application

RECOMMENDATIONS

The Planning & Zoning Commission (P&Z) and the City Council look to the Planning & Development Services staff to make a recommendation for the approval or disapproval of this application. We will make every effort to notify you (FAX or E-mail) of our recommendation at least one (1) week in advance of the scheduled meeting of the P&Z Commission. In the case of a rezoning, and when the public interest requires it, we may recommend a rezoning to a Planned Development District (PDD) or a classification other than the classification requested. We will notify you of our decision to propose a PDD as soon as possible after the application is filed to give you time to prepare a site plan.

PUBLIC NOTIFICATION

The public is entitled to examine this application and participate in the decision-making process. In most cases, we are required to notify all property owners within two hundred feet (200') of the boundaries of your property. To ensure the fullest possible consideration, we may also notify neighborhood groups, organizations or individuals that have a special interest in a particular issue. Except for matters that the Planning & Development Services staff have expressly agreed not to disclose (and provided the law allows us to hold the matter in confidence), then all information that we deem relevant to the review and processing of this application may become public knowledge.

PLEASE READ BEFORE SIGNING

The undersigned has read the above application and hereby certifies that the information contained therein is complete, true and correct; and does hereby request that said application be submitted to the Planning & Zoning Commission at the earliest available meeting.

I understand and acknowledge that it is my responsibility to furnish an accurate and precise legal description of the property, and only the property, that is subject of this application, and that failure to furnish such information prior to the application deadline date will delay the processing of this application. I also understand that the City must notify affected property owners of this application. In the event that I fail to submit in a timely manner any information that the City deems necessary to transmit this application to the Planning & Zoning Commission or City Council, then in lieu of dismissal I hereby request that this application be temporarily withdrawn from further consideration until such information is submitted, and I agree to pay a resubmission fee of \$120 to reimburse the City for the expense of re-notifying affected property owners. I have been informed of the tentative date and time that the Planning & Zoning Commission and City Council will hear this application, and I understand that hearings may be continued from time to time at the discretion of the Commission or Council to allow for full consideration or when the public interest requires a continuation.

SIGNED: _____

A handwritten signature in black ink, appearing to be "S. Lee", written over a horizontal line.

DATE: _____

8-21-19

City of Abilene
Accounting Dept

555 Walnut Street
Abilene, TX 79604

(325) 676-6262

08/21/2019 04:04 PM Cashier 0020
T/Ref 0002087825 Reg 0002 Tran No 7776
Cash Report: 190822-01 for 08/22/2019

01 - City of Abilene

ZONING FEES, SITE PLANS, VARIANCE REQUEST

NAME GARRETT CONSTRUCTION

DESCRIPTION REZONING FEE

Validation Number: 100158 \$1,500.00

Total \$1,500.00

Check (\$1,500.00)

Check No. 5073

Thank You for Your Payment



Development Application

Planning

- ☐ Conditional Use ☐ Easement Release ☒ Rezoning ☐ Other
☐ PDD ☐ Street Name Change ☐ Thoroughfare Abandonment ☐ PDD Amendment
Other: _____

Project Name: S Treadaway & S 14th HI to HC
Address: 1428 Cherry St.
Legal Description: See Attached Addendum A.
Subdivision Name: South Treadaway Block: _____ Lot: _____
Current Zoning: HI Proposed Zoning (if applicable): HC

OWNER AND AUTHORIZATION

Owner Name: Abilene Auto Glass Inc.
Address: 1801 S. Treadaway Blvd.
City, State, Zip: Abilene Tx 79602 Fax: _____
Phone: 325-238-3389 Email: _____

I am the property owner, and I certify that the information included in this application is true to the best of my knowledge. (Name) Abilene Auto Glass Inc. will act as my agent before the Planning and Zoning Commission. (Jeff Abernathy)

Agent Name: CJ Chaney
Address: 2500 S. Willis St.
City, State, Zip: Abilene TX 79605 Fax: _____
Phone: 325-725-6641 Email: cj@cbcabilene.com

I hereby certify that I am the owner of the property and further certify that the information provided on this development application is true and correct. I hereby designate the aforementioned agent to act on my behalf for submittal, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

Signature Owner: [Signature] Date: _____

FOR OFFICE USE ONLY

Received: _____ Fee: \$ _____ Receipt No.: _____
Case No.: _____ Reviewed By: _____



Development Application

Planning

- ☐ Conditional Use
 ☐ Easement Release
 ☒ Rezoning
 ☐ Other
- ☐ PDD
 ☐ Street Name Change
 ☐ Thoroughfare Abandonment
 ☐ PDD Amendment
- Other: _____

Project Name: S Treadaway + S 14th HI to HC
 Address: 1402 S. Treadaway / 1442 S. Treadaway
 Legal Description: See Attached Addendum A.
 Subdivision Name: South Treadaway Block: _____ Lot: _____
 Current Zoning: HI Proposed Zoning (if applicable): HC

OWNER AND AUTHORIZATION

Owner Name: Jerold Armstrong
 Address: PO Box 1229
 City, State, Zip: Abilene Tx 79604 Fax: _____
 Phone: 326-672-5676 Email: _____

I am the property owner, and I certify that the information included in this application is true to the best of my knowledge. (Name) Jerold R. Armstrong will act as my agent before the Planning and Zoning Commission.

Agent Name: CJ Chaney
 Address: 2500 S. Willis St.
 City, State, Zip: Abilene TX 79605 Fax: _____
 Phone: 325-725-6641 Email: cj@cbcabilene.com

I hereby certify that I am the owner of the property and further certify that the information provided on this development application is true and correct. I hereby designate the aforementioned agent to act on my behalf for submittal, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

Signature Owner: Jerold R. Armstrong Date: 9-3-19

FOR OFFICE USE ONLY

Received: _____ Fee: \$ _____ Receipt No.: _____
 Case No.: _____ Reviewed By: _____



Development Application

Planning

- ☐ Conditional Use ☐ Easement Release ☒ Rezoning ☐ Other
☐ PDD ☐ Street Name Change ☐ Thoroughfare Abandonment ☐ PDD Amendment
Other: _____

Project Name: S Treadway + S 14th HI to HC
Address: 1433 Cherry St
Legal Description: See Attached Addendum A.
Subdivision Name: South Treadway Block: _____ Lot: _____
Current Zoning: HI Proposed Zoning (if applicable): HC

OWNER AND AUTHORIZATION

Owner Name: John Michael Clark
Address: 1048 FM 2404
City, State, Zip: ABILENE TX 79601 Fax: _____
Phone: 325-338-6317 Email: _____

I am the property owner, and I certify that the information included in this application is true to the best of my knowledge. (Name) John Michael Clark will act as my agent before the Planning and Zoning Commission.

Agent Name: CJ Chaney
Address: 2500 S. Willis St.
City, State, Zip: Abilene TX 79605 Fax: _____
Phone: 325-725-6641 Email: cj@cbcabilene.com

I hereby certify that I am the owner of the property and further certify that the information provided on this development application is true and correct. I hereby designate the aforementioned agent to act on my behalf for submittal, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

Signature Owner: [Signature] Date: _____

FOR OFFICE USE ONLY

Received: _____ Fee: \$ _____ Receipt No.: _____
Case No.: _____ Reviewed By: _____

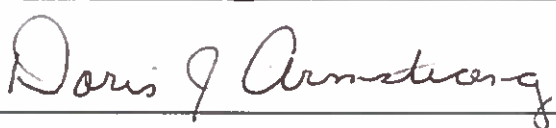
Attention City of Abilene Planning and Zoning:

We would like this letter to serve as notice that the undersigned property owners would like to make a joint request for a zoning change for our properties from HI (Heavy Industrial) to HC (Heavy commercial).

Address	Parcel ID	Owner	Legal Description
534 S. 14 th	38858	Bryan Pope	W1/2 OF LT 10 209 OT ABL 2-3 & N140 FT OF 4
1428 Cherry	19067	ABILENE AUTO GLASS INC (Abernathy)	OT ABILENE BLK 208 JOHN TOUHY 3-4 B, LOT 4-5-6
1433 Cherry St.	38621	John Michael Clark	S100 OF W1/2 LT 9 209 2/3 & N40 OF 4 OT
1401 Cherry St.	38105	Bryan Pope	N180 W1/2 LT 9 209 OT ABL 2&3 & N 140 OF 4
1402 S. Treadaway	38107	Jerold Armstrong	N37.1 OF E80' OF W/2 OF 9 209 2&3 & N140 OF 4 OT ABILENE
1442 S. Treadaway	38360	Jerold Armstrong	LT 1 REP N150 S200 E/2 LT 9 209 OT 2-3-4
1450 S. Treadaway	38487	Bryan Pope	S50 E1/2 LT 9 209 ABL OUTLT 2
1458 S. Treadaway	38735	Skinny's Inc	E1/2 OF BLK 10 209 SUB LTS 2&3 & N140
1412 Cherry St.	18837	Raymond Gomez Gamez	OT ABILENE BLK 208 JOHN TOUHY 3-4 B, LOT 3 LESS 10X12FT
1410 Cherry St.	18730	Byrd Dena Ferguson	OT ABILENE BLK 208 JOHN TOUHY 3-4 B, LOT 2
1402 Cherry St.	18621	Valley Creek Homes	OT ABILENE BLK 208 JOHN TOUHY 3-4 B, LOT 1

Attention City of Abilene Planning and Zoning:

We would like this letter to serve as notice that the undersigned property owners would like to make a joint request for a zoning change for our properties from HI (Heavy Industrial) to HC (Heavy commercial).

Address	Parcel ID	Owner	Owner Signature
534 S. 14 th	38858	Bryan Pope	
1428 Cherry	19067	ABILENE AUTO GLASS INC (Abernathy)	
1433 Cherry St.	38621	John Michael Clark	
1401 Cherry St.	38105	Bryan Pope	
1402 S. Treadaway	38107	Jerold Armstrong	
1442 S. Treadaway	38360	Jerold Armstrong	
1450 S. Treadaway	38487	Bryan Pope	
1458 S. Treadaway	38735	Skinny's Inc	
1412 Cherry St.	18837	Raymond Gomez Gamez	Believed Deceased
1410 Cherry St.	18730	Byrd Dena Ferguson	
1402 Cherry St.	18621	Valley Creek Homes	



Planning and Zoning

with Web AppBuilder for ArcGIS

1401 Cherry

Show search results for 1401...





POPE BRYAN
117 BELLA VISTA LN
TUSCOLA, TX 79562-3674

NOTICE OF PUBLIC HEARING

RE: Rezoning Application Number Z-2019-25

9/20/2019

The Planning and Zoning Commission will hold a public hearing on **Tuesday, October 1, 2019** at **1:30 PM**, in **City Council Chambers, 2nd Floor**, City Hall, N. 5th and Walnut Streets, to recommend approval or denial to City Council on a request from Bryan Pope, John Michael Clark, Jerold Armstrong and Abilene Auto Glass; agent C.J. Chaney, to rezone seven tracts of land from a Heavy Industrial (HI) to a Heavy Commercial (HC) District. Proposed HC zoning includes all except the south 139 feet of the east 130 feet of city block bounded by South Treadaway Boulevard, Dimmitt, Cherry and South 14th Streets, plus Lots 4 thru 6 in Block B of John Touy's Subdivision of Lot Numbers 3 and 4 in Block 208, Original Town of Abilene and located at northwest corner of Cherry and South 14th Streets.

This hearing is open to any interested person. Opinions, objections and/or comments relative to this matter may be expressed in writing or in person at the hearing. At the bottom of this letter is a form that you may cut off, fill out, and mail. Comments are also accepted by email as listed below. All responses must be signed.

The attached map shows the area of the request. Only that area which is bounded by the cross-hatched line on the map is being considered for rezoning. The solid boundary line around the subject area is only a notification area. If approved by the Planning and Zoning Commission or if denied and appealed to Abilene's City Council within the specified ten-day period, this case will be heard by City Council for 2nd and Final Reading with a public hearing on **November 7, 2019**, at 8:30 AM in Council Chambers on the second floor of City Hall, 555 Walnut Street.

If you have any questions, please contact Jared Smith, Planner II at (325) 676-6490 or jared.smith@abilenetx.gov

For the PLANNING & ZONING COMMISSION

Please call (325) 676-6237 if you have any questions about this notice.

CASE #: Z-2019-25

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

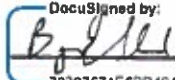
Name: POPE BRYAN
Address: 534 S 14TH ST

Mailing To: Planning and Development Services
P.O. Box 60, Abilene TX 79604-0060

Email: planning@abilenetx.gov

I am in favor ☒
Additional Comments:

I am opposed ☐

Signature: 
DocuSigned by:
70397571E6BD46A



POPE BRYAN EDMOND
117 BELLA VISTA LN
TUSCOLA, TX 79562-3674

NOTICE OF PUBLIC HEARING

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For the PLANNING & ZONING COMMISSION
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CASE #: Z-2019-25

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Name: POPE BRYAN EDMOND
Address: 1450 S TREADAWAY BL

Mailing To: Planning and Development Services
P.O. Box 60, Abilene TX 79604-0060

Email: planning@abilenetx.gov

I am in favor ☒
Additional Comments:

I am opposed ☐

Signature: 
DocuSigned by:
70397571E5BD49A



POPE BRYAN
1450 S TREADAWAY BLVD
ABILENE, TX 79602-3945

NOTICE OF PUBLIC HEARING

RE: Rezoning Application Number Z-2019-25

9/20/2019

The Planning and Zoning Commission will hold a public hearing on **Tuesday, October 1, 2019 at 1:30 PM**, in **City Council Chambers, 2nd Floor**, City Hall, N. 5th and Walnut Streets, to recommend approval or denial to City Council on a request from Bryan Pope, John Michael Clark, Jerold Armstrong and Abilene Auto Glass; agent C.J. Chaney, to rezone seven tracts of land from a Heavy Industrial (HI) to a Heavy Commercial (HC) District. Proposed HC zoning includes all except the south 139 feet of the east 130 feet of city block bounded by South Treadaway Boulevard, Dimmitt, Cherry and South 14th Streets, plus Lots 4 thru 6 in Block B of John Touy's Subdivision of Lot Numbers 3 and 4 in Block 208, Original Town of Abilene and located at northwest corner of Cherry and South 14th Streets.

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If you have any questions, please contact Jared Smith, Planner II at (325) 676-6490 or jared.smith@abilenetx.gov

For the PLANNING & ZONING COMMISSION

Please call (325) 676-6237 if you have any questions about this notice.

CASE #: Z-2019-25

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: POPE BRYAN
Address: 628 S 14TH ST

Mailing To: Planning and Development Services
P.O. Box 60, Abilene TX 79604-0060

Email: planning@abilenetx.gov

I am in favor ☒
Additional Comments:

I am opposed ☐

Signature: _____

DocuSigned by:

70397571E5BD49A



POPE BRYAN
1450 S TREADAWAY BLVD
ABILENE, TX 79602-3945

NOTICE OF PUBLIC HEARING

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9/20/2019

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If you have any questions, please contact Jared Smith, Planner II at (325) 676-6490 or jared.smith@abilenetx.gov

For the PLANNING & ZONING COMMISSION

Please call (325) 676-8237 if you have any questions about this notice.

CASE #: Z-2019-25

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: POPE BRYAN
Address: 626 S 14TH ST

Mailing To: Planning and Development Services
P.O. Box 60, Abilene TX 79604-0060

Email: planning@abilenetx.gov

I am in favor ☒
Additional Comments:

I am opposed ☐

Signature: _____

DocuSigned by:

70397571E58D49A



POPE BRYAN
1450 S TREADAWAY BLVD
ABILENE, TX 79602-3945

NOTICE OF PUBLIC HEARING

RE: Rezoning Application Number Z-2019-25

9/20/2019

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If you have any questions, please contact Jared Smith, Planner II at (325) 676-6490 or jared.smith@abilenetx.gov

For the PLANNING & ZONING COMMISSION

Please call (325) 676-6237 if you have any questions about this notice.

CASE #: Z-2019-25

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: POPE BRYAN

Address: 1401 CHERRY ST

Mailing To: Planning and Development Services
P.O. Box 60, Abilene TX 79604-0060

Email: planning@abilenetx.gov

I am in favor ☒
Additional Comments:

I am opposed ☐

Signature: _____

DocuSigned by:

A handwritten signature in blue ink, appearing to read "B. Pope", is written over a horizontal line. Below the line, the text "70397571E5BD46A" is printed.

70397571E5BD46A



HILLIS INVESTMENTS INC
PO BOX 390
ABILENE, TX 79604-0390

NOTICE OF PUBLIC HEARING

RE: Rezoning Application Number Z-2019-25

9/20/2019

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For the PLANNING & ZONING COMMISSION
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CASE #: Z-2019-25

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Name: HILLIS INVESTMENTS INC
Address: 1502 S TREADAWAY BL

Mailing To: Planning and Development Services
P.O. Box 60, Abilene TX 79604-0060

Email: planning@abilenetx.gov

I am in favor ☒
Additional Comments:

I am opposed ☐

Signature: Ronder Hillis

Case: Z-2019-25

Applicant: Bryan Pope

Agent: CJ Chaney, Caldwell Banker

Request: Rezoning - Heavy Industrial (HI) to Heavy Commercial (HC)

Location: 534 South 14th Street, 1401, 1428, 1433 Cherry Street, 1402, 1442, 1450 South Treadaway Boulevard

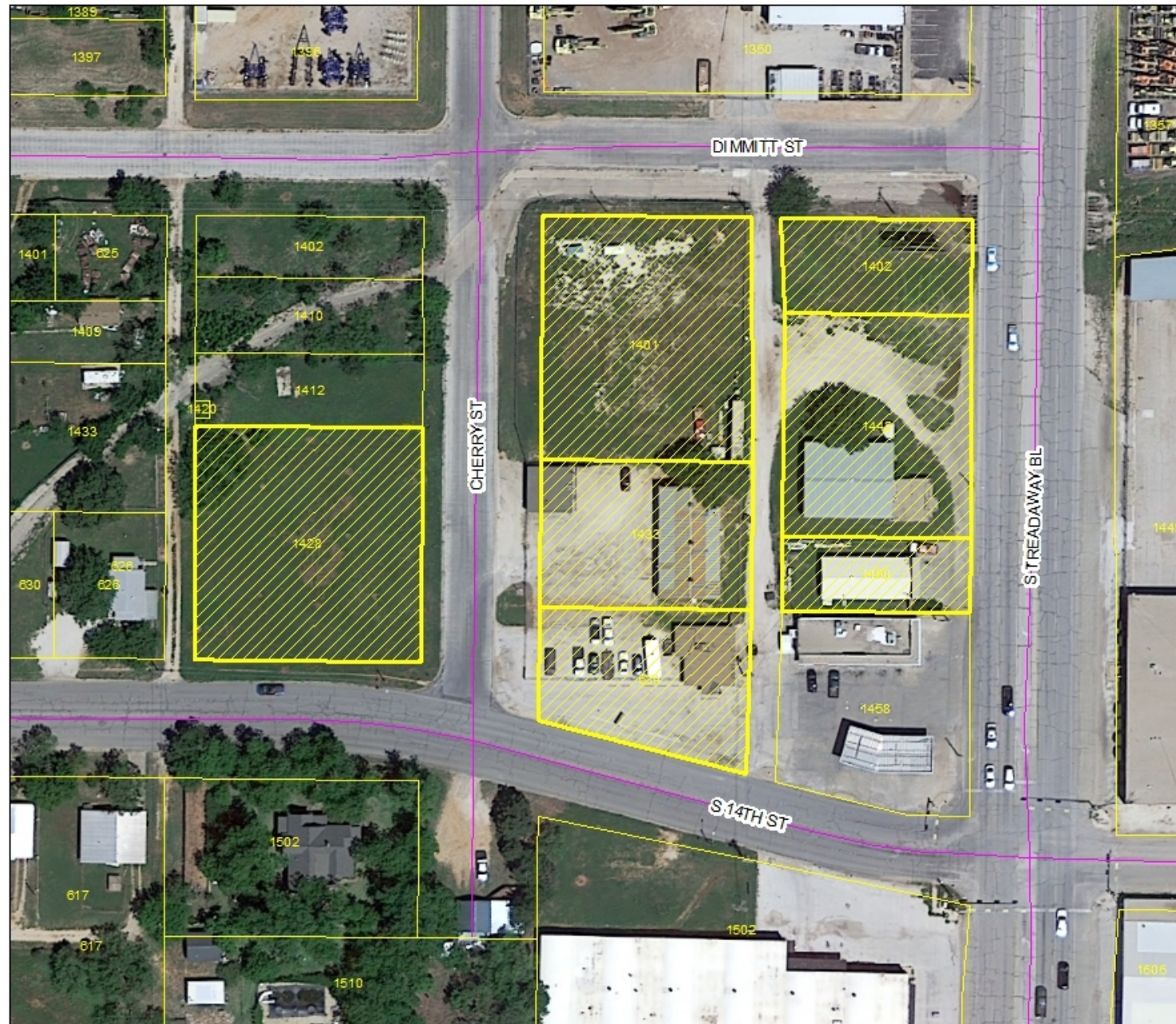
Notification: 6 in Favor, 0 Opposed

Planning & Zoning: October 1, 2019

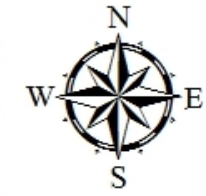
City Council Hearing: October 17, 2019
November 7, 2019



Z-2019-25 AERIAL LOCATION MAP



Aerial Map



Legend

 Z-2019-25



Z-2019-25 ZONING MAP



Z-2019-25 NOTIFICATION AREA MAP



Permitted Uses in HC Zoning

RESIDENTIAL USES:

C Hotel/Motel

ACCESSORY AND INCIDENTAL USES:

P Accessory Structure (Also see Division 4 of this article)
P Antenna, Non-Commercial/Amateur
P ATM's, Self-Serve Kiosks, and Similar Facilities
P Drive-Through Facility
TP Field Office or Construction Office (temporary)
P Freight Container
P Fuel Sales
TP Itinerant Business
P Manufacturing (incidental)
C Mobile Home (permanent security residence)
TP Mobile Home (temporary security residence)
P Mobile Home or Temporary Building (office for sales and service)
P Recycling Collection Point
C Travel Trailers (accessory to hospitals)
P/SE Wind Energy Conversion Systems

CULTURAL AND RECREATIONAL USES:

C Adult Entertainment Enterprise
P Civic, Social, and Fraternal Organization
P Cultural Facilities
P Drive-in Theater
C Motorized Racing
P Recreation – Outdoors (active)
P Recreation – Outdoors (passive)
P Recreation and Commercial Entertainment - Indoor

GOVERNMENT, HEALTH, SAFETY AND WELFARE USES:

P Ambulance Service
C Correction, Detention, or Penal Facilities
P Fire/Police Station
P Homeless/Emergency Shelter
P Hospital
P Medical/Dental Laboratory
P Military and Armed Forces Reserve Center
P Post Office
P Rehabilitation Facility
C Sanitary Landfill
P Social Service Facility

EDUCATIONAL AND RELIGIOUS USES:

P Arts School
C Cemetery, Crematorium, and Mausoleum
P Church or Place of Worship
P Educational and Scientific Research
P School: Public/Private
P Trade/Business School

LEGEND

P Permitted as a Right-of-Use (may be subject to compliance with conditions described within Section 2.4.3 of the Land Development Code)
C Permitted as a Conditional Use Permit, Requiring Approval by City Council
TP Permitted by Temporary Permit Only, Requiring Approval by Board of Adjustment

SERVICE

P/C Automobile Wash
P Contractor Services
P Funeral Home/ Mortuary/Morgue
P Kennel (With Outdoor Pens)
P Kennel (Without Outdoor Pens)
P Laundry, Dry Cleaning, Dyeing, and Linen Service (no retail customers)
P Laundry/Dry Cleaning Services & Facilities
P Office (general, professional, financial)
P Printing, Copying, Reproduction, Publishing
P Recycling Collection and Processing Center
P Repair and Maintenance Services - Automobile/Small Truck (major)
P Repair and Maintenance Services - Automobile/Small Truck (minor)
P Repair and Maintenance Services (indoor)
P Repair and Maintenance Services (outdoors)
P Repair and Maintenance Services (truck and other large vehicles)
P Scales (public)
P Storage - Self-Service Units
P Tattoo Parlor
P Taxidermist
P Veterinary Service (all size animals)
P Veterinary Service (small animals)
P Wrecker/Towing

TRADE – RETAIL USES

P Aircraft and Accessories
P ATM's, Self-Serve Kiosks, and Similar Facilities
P Fuel Sales
P Head Shop
P Liquor Store (Off Premises Consumption) (*Defined under Liquor Store*)
P Liquor Store (On Premises Consumption) (*Defined under Liquor Store*)
P Restaurant, Fast Food
P Restaurant, Standard
P Retail Sales/Rental (automobile/small truck)
P Retail Sales/Rental (indoor)
P Retail Sales/Rental (outdoors, non-vehicle)
P Retail Sales/Rental (trucks and other large vehicles and equipment)

TRADE – WHOLESALE USES

P Liquor, Wholesale/Distribution
P Wholesaling and Storage (indoor)
C Wholesaling and Storage (outdoors)

TRANSPORTATION, COMMUNICATION AND UTILITIES:

P Airport, Heliport and Flying Field Terminals - Commercial (passenger and freight)
C Antenna Tower - Commercial
P Automobile Parking Lot or Structure - Commercial
P Broadcast Studio
P Passenger Ground Transportation Terminal
P Pressure Control Station
P Public Utility Facility
C Utility Generation, Production, Treatment

RESOURCE PRODUCTION AND EXTRACTION USES:

C Petroleum or Gas Well
C Manufacturing (light)
P Urban Garden



- Consistent with *Comprehensive Plan* and *Future Land Use and Development Plan Map*
- Consistent with General Land Use and Zoning Character of Immediate Area
- Reviewed Pursuant to Section 1.4.1.4 of Land Development Code (Criteria for Approval)
- Staff Recommendation: Approval
- Planning and Zoning Commission Recommendation: Approval (October 1, 2019)



Questions





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Mike Warrix, Director

SUBJECT: **25. Ordinance (Final Reading) Z-2019-26:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a request from Lytle Creek Golf Links LLC; agent David Todd of Enprotec/Hibbs & Todd, to amend Planned Development District Number 70 (a.k.a. PD 70) to include revised building setback standards for patio homes constructed therein located at 3669 thru 3963 National Drive, which said street projects north from 1500 block of East Industrial Boulevard in southeast Abilene *(Mike Warrix)*

GENERAL INFORMATION

The request is to amend existing Planned Development District Number 70 (PD 70) to include revised building setback standards for patio homes

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

Staff recommends approval.

BOARD OR COMMISSION RECOMMENDATION

The Planning and Zoning Commission unanimously recommends approval of this request by a vote of five (5) to zero (0.)

AYES: Calk, Bixby, Noonan, Lankford, and Famble

NAYS: None

ATTACHMENTS:

1. 3- Z-2019-26 staff-recomm. PDD ordinance
2. 1- Z-2019-26 PZC Staff Report
3. Z-2019-26 Notification Response
4. 2- Z-2019-26 Presentation

ORDINANCE NO. [REDACTED]

Comment [RGG1]: Page: 1
To be filled in by the City Secretary's office.

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING THE "LAND DEVELOPMENT CODE" OF THE ABILENE CITY CODE AND CONCERNING PD-70, A PLANNED DEVELOPMENT DISTRICT, AS WELL AS ORDINANCE NUMBERS 54-1999 AND 44-2017; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART I: That the Land Development Code of the City of Abilene is hereby amended by repealing Ordinance Numbers 54-1999 and 44-2017 concerning PD 70 (a Planned Development District) and replacing them with terms and conditions set out in accompanying Exhibit "A" concerning the same said PD 70, attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Two Thousand Dollars (\$2,000.00). Each day such violation shall continue, or be permitted to continue, shall be deemed a separate offense.

PASSED ON FIRST READING the 17th day of October, A.D. 2019.

A notice of the time and place where and when said ordinance would be given a public hearing and considered for final passage was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 14th day of September, 2019, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m. on the 7th day of November, 2019, to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON SECOND AND FINAL READING THIS 7th day of November, A.D. 2019.

ATTEST:

Shawna Atkinson
City Secretary

Anthony Williams,
Mayor

APPROVED:

Stanley Smith,
City Attorney

ORDINANCE NO. _____

EXHIBIT "A"

PAGE 2

ORDINANCE NO. _____

Exhibit "A"

PART 1: Land Title. Title to land not dedicated to public use and services or for utility purposes and not otherwise designated for development purposes shall remain in the owner thereof, his heirs, assigns, lessees and successors in interest and shall not be the responsibility of the City of Abilene for any purpose.

PART 2: Development Specifications. All use and development within this Planned Development District must be undertaken in compliance with the Land Development Code of the City of Abilene, except as otherwise specifically provided herein.

PART 3: Building Specifications. All structures in this Planned Development District shall be constructed in accordance with all pertinent building and construction codes of the City of Abilene.

PART 4: Zoning. That the Land Development Code of the City of Abilene is hereby further amended by changing the zoning district boundaries, as hereinafter set forth, from: Agricultural Open Space (AO) District, to Planned Development (PD) District Number 70.

That the Planning Director be and is hereby authorized and directed to change the official Zoning Map of the City of Abilene, to correctly reflect the amendments thereto.

PART 5: Legal Description. The legal description of this Planned Development (PD) District Number 70 includes all 108+ acres encompassed within the National Golf Addition to the City of Abilene, Taylor County, Texas.

PART 6: Purpose. The purpose of this Planned Development District is to encourage appropriate development of a golf course and related uses ordinarily considered accessory and incidental thereto, as well as adjacent construction of patio homes.

PART 7: Specific Modifications: The following regulations shall govern the use and development of this Planned Development District Number 70:

- A. Use and development of land encompassed by Lot 20 in Block "B" of the National Golf Addition shall generally be governed by terms and conditions pertinent to the Agricultural Open Space (AO) zoning classification, except that the following additional uses shall be allowed therein:

golf course and golf driving range;
maintenance facilities associated with golf course;
restaurant;
retail sale of recreational equipment and clothing; and
liquor store for on-premise consumption of alcoholic beverages.

- B. Use and development of land encompassed by the following properties:

EXHIBIT "A"

PAGE 3

- Lots 101 and 102 as well as Lots 4 thru 19 in Block “B” of the National Golf Addition
- all of Block “A” of the National Golf Addition

shall generally be governed by terms and conditions pertinent to the Residential Patio Home (PH) zoning classification, except as otherwise specified below:

1. The minimum width required of patio home lots shall be 50 feet.
2. The minimum depth required of patio home lots shall be 85 feet measured from the outside edge of an access and utility easement for private street and sidewalk, to the rear boundary of each lot planned for patio home construction.
3. Streets furnishing direct access to patio home lots may be private streets perpetually maintained by a Homeowners Association, but constructed according to ordinary design and construction standards of the Public Works Department for the City of Abilene.
4. Entrances to private street segments shall be allowed to be “gated” in compliance with applicable standards, policies and codes enforced by the Abilene Fire Department.
5. Sidewalks required in front of and/or beside patio home lots may be installed directly at the back of street curb, but otherwise in accordance with applicable design and construction standards of the Public Works Department for the City of Abilene.
6. Minimum building setback required from street segments providing direct access to patio home lots shall be 15 feet, measured from outside edge of access and utility easement intended for private street and sidewalk.
7. Minimum building setback required from the north line of right-of-way for Industrial Boulevard shall be 20 feet.
8. Minimum building setback required from rear lot boundary shall be 10 feet.

C. Signage

1. For the golf course and related use(s) located within this Planned Development District, one (1) freestanding sign shall be allowed for display onto Industrial Boulevard, and such sign shall not exceed thirty-five feet in height and two hundred (200) square feet in area.
2. On land encompassed by Lot 20 in Block “B” of the National Golf Addition, where the golf course and related use(s) are specifically located, internal wall signs shall be permitted as needed.

D. Subdivision and Resubdivision

Except as may be indicated in Item B above, the subdivision and resubdivision of land in this Planned Development District shall be undertaken in conformance with Subdivision Regulations applicable at the time of subdivision or resubdivision. Amendment of this ordinance shall not be necessary for resubdivision; however, all above-described regulations regarding the use of land identified therein shall remain applicable to that land, unless such regulations are modified by amendment to this ordinance.

ZONING CASE Z-2019-26

STAFF REPORT



REQUEST: Amend existing Planned Development District Number 70 (PD 70) to include revised building setback standards for patio homes

APPLICANT:

Owner: Lytle Creek Golf Links (dba Diamondback Golf Club)

Agent: David Todd, of Enprotec/Hibbs & Todd

HEARING DATES:

P & Z Commission:
October 1, 2019

City Council 1st Reading:
October 17, 2019

City Council 2nd Reading:
November 7, 2019

LOCATION:

3669 thru 3963 National Drive, projecting north from 1500 block (north side) of East Industrial Boulevard in southeast Abilene

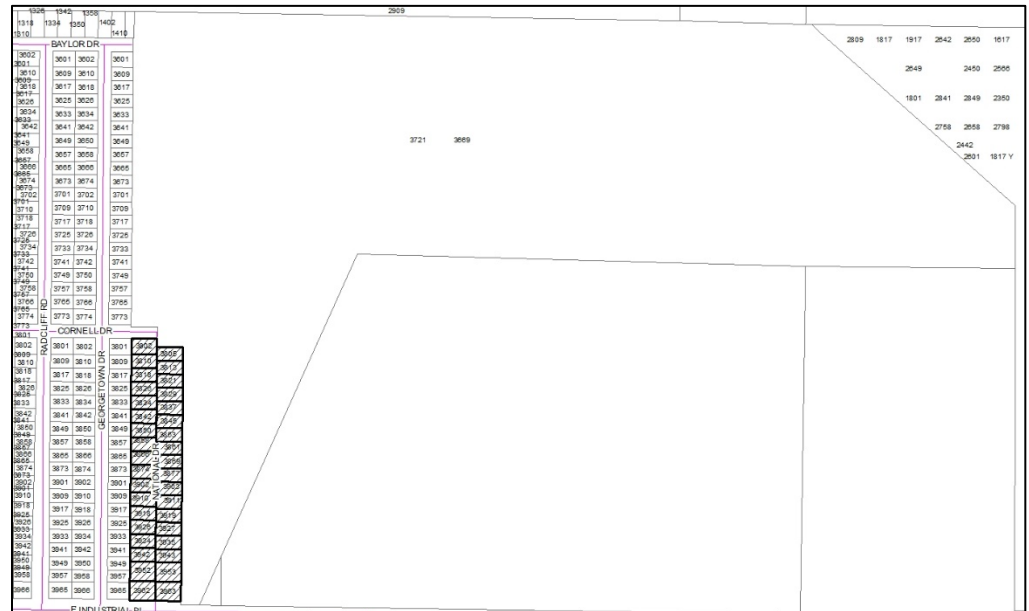
Legal description: All of National Golf Addition to the City of Abilene, Taylor County, Texas

BACKGROUND:

According to the Land Development Code, a Planned Development (PD) District is a custom-made zoning classification tailored to meet the unique demands of a particular proposed development set within a specific environment.

In 1999, Planned Development District Number 70 (PD 70) was approved, specifically allowing the following uses on approximately 93 acres bordering the north side of East Industrial Boulevard and described (legally) as all of Lytle Creek Golf Links Subdivision:

- Golf course and associated maintenance facilities
- Golf driving range
- Restaurant
- Retail sale of recreational equipment and clothing
- Sale of alcoholic beverages for on-premise consumption



In 2017, PD 70 was amended by enlarging its area to include additional vacant acreage (directly to west) and expanding the range of allowed uses to include patio homes on lots planned for no more than 85 feet in depth.*

In early 2019, a new subdivision plat was approved and recorded, encompassing all 108+ acres now embraced within PD 70. This new subdivision plat is named “National Golf Addition.” It and one Amended Plat together create 36 new patio home sites adjoining the west side of Diamondback Golf Club, with 18 patio home sites aligned along each side of a new private street named National Drive. All 36 patio home sites are at least 60 feet wide and 85 feet in depth (measured from edge of access easement for private street and sidewalk) in compliance with conditions required by PD 70, as amended.

All 36 patio home sites remain vacant.

PROPOSAL AND REQUESTED ACTION:

Owners of the 108+ acres in PD 70, including all 36 patio home sites, are requesting to amend minimum building setbacks required for patio home construction there, in ways that vary from standards ordinarily applicable to conventional Patio Home (PH) zoning districts:

1. **In PD 70, a minimum 15-foot patio home setback is proposed from 60-foot-wide access and utility easements (for private streets)** in lieu of the 15-foot setback ordinarily required from 60-foot-wide public rights-of-way commensurate with minor/subcollector streets.
2. **In PD 70, a minimum 20-foot patio home setback is proposed from right-of-way for Industrial Boulevard, an arterial street.** A minimum 30-foot setback from arterial street rights-of-way is ordinarily required in PH zoning districts.
 - a. Lytle Shores South Subdivision stretches for 1/3 mile directly west from PD 70. In Lytle Shores South, homes are consistently built just 20 feet from Industrial Boulevard’s right-of-way, conforming to standards in effect when those homes were built during 1983-84.
3. **In PD 70, a minimum 10-foot setback is proposed from rear boundaries of lots planned for patio homes.** A minimum 20-foot rear setback is ordinarily required in conventional PH zoning districts.
 - a. From 1982† until 2010, only a ten-foot-wide rear yard was minimally required for patio home construction in Abilene. This was consistent with the “patio home concept” of minimal yards required for active outdoor recreation.

APPLICATION REVIEW:

According to Section 1.4.1.4 (Criteria for Approval) in the City of Abilene Land Development Code, the Planning & Zoning Commission and City Council may consider the following factors in making a determination regarding requested zoning changes:

- (1) **Whether the proposed zoning amendment implements the policies of the adopted Comprehensive Plan, including the land use classification of the property on the Future Land Use and Development Plan map, as amended;**

City Council has already determined that patio home development in PD 70 is consistent with Abilene’s Future Land Use and Development Plan which suggests “low-density residential” use in this vicinity. Even with buildable sites only 85 feet deep, proposed patio home density in PD 70 amounts to only 8 units per acre. This is slightly more than the 7¼ units per acre maximally

* measured from edge of access and utility easement reserved for private street and sidewalk

† when zoning regulations for patio homes were first instituted in Abilene

allowed in RS-6 zoning districts, and less than 12 units per acre allowed in MD zoning districts. Proposed patio home development in PD 70 still qualifies as “low-density residential.”

(2) Whether the proposed zoning amendment will be appropriate in the immediate area of the subject property.

One potential concern is the minimum 10-foot rear yards proposed on patio home sites in PD 70, as they abut existing conventional single-family home sites directly to the west in an RS-6 District. These existing single-family home sites are required to have minimum 20-foot rear yards to ensure a certain degree of “usable outdoor recreation space” on each lot. The existing home sites there typically have actual rear yards ranging in depth from 25 to 50 feet. This may be in marked contrast to abutting patio homes planned in PD 70, some of which will have rear yards as few as 10 feet deep, as proposed. In and of itself, **this variation should have no substantial impact on long-term comfort and value of abutting residences**, so long as all such housing remains remotely similar in overall density. The distinction may be more of lifestyle preference, rather than anything more critical.

Another potential concern is the proposed setting of the southernmost two patio homes (in PD 70) only 20 feet from right-of-way on Industrial Boulevard, an arterial street. Since the mid-1980’s, at least a 30-foot building setback has routinely been required from arterial street rights-of-way. In this case, however, existing homes in an adjoining subdivision (Lytle Shores South) are consistently set back just 20 feet from right-of-way on Industrial Boulevard. This was the standard in effect when these homes were built during the early 1980’s. Two patio homes planned adjacent to Industrial Boulevard (in PD 70) will be no closer to that street than 14 existing homes stretched for 1/3 mile directly west and on that same north side of Industrial Boulevard.

	Zoning	Existing Land Use
North	AO	vacant land
South	AO	vacant land across Industrial Blvd.
East	AO	Diamondback Golf Course
West	RS-6	single-family residences

(3) Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers, and other public services and utilities to the area.

Proposed amendments will **not** allow any more homes in PD 70 than the existing terms of PD 70 already permit. Proposed amendments should thereby have **no** impact on public infrastructure in this area of Abilene.

STAFF COMMENTS:

As described in the above analysis, proposed amendments to setbacks of planned patio home construction (in PD 70) are expected to have little or no substantial impact on existing nearby residential development. Furthermore, proposed amendments will make planned patio home construction even more consistent with existing nearby development.

STAFF RECOMMENDATION:

City staff recommends approving requested amendments to Planned Development District Number 70 (PD 70) as described above and on accompanying draft ordinance.

PLANNING AND ZONING COMMISSION RECOMMENDATION:

The Planning & Zoning Commission will consider these requested amendments, during a meeting scheduled for Tuesday, October 1, 2019.

NOTIFICATION:

The Planning Services Division sent, with certificate of mailing, public notices to the applicant and to all owners of property within a 200-foot radius of the subject property.

Owner	Situs	Response
ALLEN PEARLINE	3910 GEORGETOWN DR	
BARRETT STACY APPLETON	3933 GEORGETOWN DR	
BONILLA ERIC A	3966 GEORGETOWN DR	
BROYLES RONNIE F	3918 GEORGETOWN DR	
CASTANON RICHARD	3834 GEORGETOWN DR	
COCHRAN JOSHUA H & KIMBERLY J	3874 GEORGETOWN DR	
CRUSE TAYLOR & CHRISTEN	3826 GEORGETOWN DR	
CUTBIRTH MARILYN HARLEAN	3818 GEORGETOWN DR	
DAVIS LIVING TRUST	3949 GEORGETOWN DR	
DAVIS LIVING TRUST	3902 GEORGETOWN DR	
DAVIS RUSTY L & VADA R	3817 GEORGETOWN DR	
DEARING CODY	3957 GEORGETOWN DR	
DRENNON MARGARET	3757 GEORGETOWN DR	
FALKNER SHARON D	3849 GEORGETOWN DR	
FISH JAMES & REGINA LORENE REED	3810 GEORGETOWN DR	
FRENCH GARY D & SHERRIE I	3773 GEORGETOWN DR	
GARRISON STEPHEN & ALICIA	3865 GEORGETOWN DR	
GUIDERA WILLIAM N &	3774 GEORGETOWN DR	
HARWELL BRADY P	3926 GEORGETOWN DR	
HERMAN AMBER	3841 GEORGETOWN DR	
HSU HERN O HELEN	3958 GEORGETOWN DR	
JOHNSON STACYE	3934 GEORGETOWN DR	
KAERWER FLOYD & TONYA L	3825 GEORGETOWN DR	
KING MARY RUTH	3809 GEORGETOWN DR	
LAURANCE RONNALD & IRENE	4001 GEORGETOWN DR	
LYTLE CREEK GOLF LINKS LLC		In Favor
LYTLE CREEK GOLF LINKS LLC		In Favor
LYTLE CREEK GOLF LINKS LLC	3952 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3721 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3669 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3963 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3802 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3810 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3818 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3826 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3834 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3842 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3850 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3858 NATIONAL DR	In Favor

LYTLE CREEK GOLF LINKS LLC	3866 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3874 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3902 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3910 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3918 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3926 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3934 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3942 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3962 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3953 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3943 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3935 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3927 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3919 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3911 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3903 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3877 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3869 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3861 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3853 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3845 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3837 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3829 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3821 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3813 NATIONAL DR	In Favor
LYTLE CREEK GOLF LINKS LLC	3805 NATIONAL DR	In Favor
LYTLE LAKE WATER DISTRICT	1509 Y E INDUSTRIAL BL	
LYTLE LAKE WATER DISTRICT	1933W E INDUSTRIAL BL	
MC KINNEY TANIA	3802 GEORGETOWN DR	
MEDINA MICHAEL	3850 GEORGETOWN DR	
MIZE TOMMY R	3833 GEORGETOWN DR	
PAR VENTURE HOLDINGS LLC PROJECT SERIES 3873	3873 GEORGETOWN DR	
PARIS WILLIAM & ANDREA	3917 GEORGETOWN DR	
PERRY W CRAIG	3842 GEORGETOWN DR	
PRACHYL ALLEN & MARCELLA	3901 GEORGETOWN DR	
RANDALL JEFFREY AUSTIN	3857 GEORGETOWN DR	
REYNOLDS JAMES EDWARD	3909 GEORGETOWN DR	
RICHARDSON SHERYL LEANNE	3942 GEORGETOWN DR	
ROSS TOMMY & DAYNA	3801 GEORGETOWN DR	
SCHNEIDER KYLE C	4009 GEORGETOWN DR	
SMITH KENNETH	3941 GEORGETOWN DR	
SQUYRES ANDREW & CHELSEA	3965 GEORGETOWN DR	
STONEHENGE INVESTMENTS LLC	3925 GEORGETOWN DR	
TURQUOISE DOG PROPERTIES LLC	3866 GEORGETOWN DR	

WEST WILLIAM STEVEN		
WHISENHUNT BRANTON E & CYNTHIA A	1350 PRINCETON ST	
WOLVERTON INVESTMENTS LLC	3858 GEORGETOWN DR	
WRUBLE KIMBERLY C	3950 GEORGETOWN DR	
ZEISSEL CEISSIA SKILES	3765 GEORGETOWN DR	

ATTACHMENTS:

- Application
- PowerPoint

Planning

☐ Other PDD Amendment

Other: _____

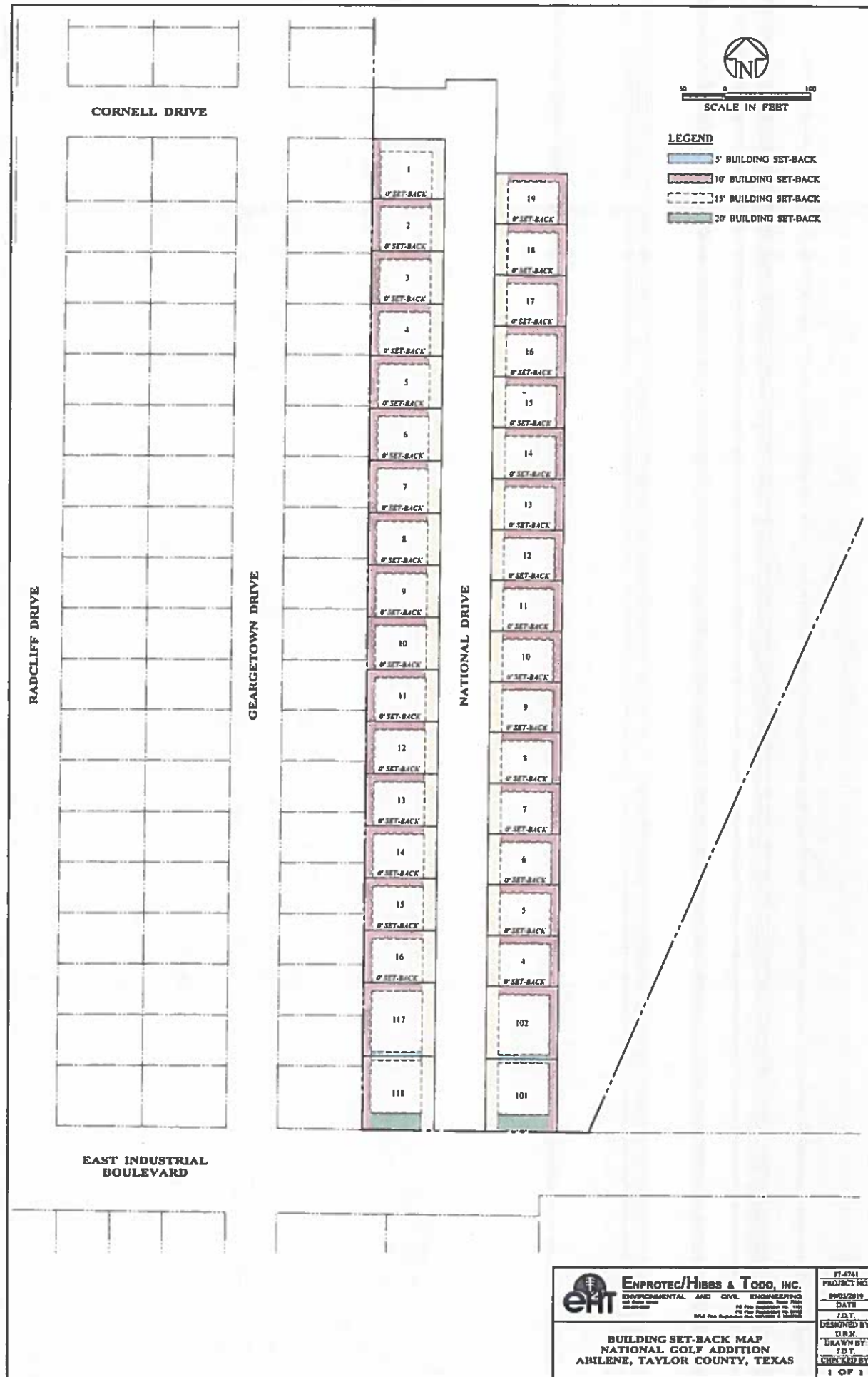
Setbacks as per Site Plan

Email:

Phone: 698-5560 Email: david.toldo@e-ht.com

Signature Owner: _____ Date: 9/3/19

Reviewed By: Tarod Smith





NOTICE OF PUBLIC HEARING

RE: Rezoning Application Number Z-2019-26

9/20/2019

The Planning and Zoning Commission will hold a public hearing on **Tuesday, October 1, 2019** at **1:30 PM**, in **City Council Chambers, 2nd Floor**, City Hall, N. 5th and Walnut Streets, to recommend approval or denial to City Council on a request from Lytle Creek Golf Links LLC; agent David Todd of Enprotec/Hibbs & Todd, to amend Planned Development District Number 70 (a.k.a. PD 70) to include revised building setback standards for patio homes constructed therein. Legal description being all of National Golf Addition to the City of Abilene, Taylor County, Texas and located at 3669 thru 3963 National Drive, which said street projects north from 1500 block of East Industrial Boulevard in southeast Abilene.

This hearing is open to any interested person. Opinions, objections and/or comments relative to this matter may be expressed in writing or in person at the hearing. At the bottom of this letter is a form that you may cut off, fill out, and mail. Comments are also accepted by email as listed below. All responses must be signed.

The attached map shows the area of the request. Only that area which is bounded by the cross-hatched line on the map is being considered for rezoning. The solid boundary line around the subject area is only a notification area. If approved by the Planning and Zoning Commission or if denied and appealed to Abilene's City Council within the specified ten-day period, this case will be heard by City Council for 2nd and Final Reading with a public hearing on **November 7, 2019**, at 8:30 AM in Council Chambers on the second floor of City Hall, 555 Walnut Street.

If you have any questions, please contact Jared Smith, Planner II at (325) 676-6490 or jared.smith@abilenetx.gov

For the PLANNING & ZONING COMMISSION

Please call (325) 676-6237 if you have any questions about this notice.

CASE #: Z-2019-26

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Mailing To: Planning and Development Services
P.O. Box 60, Abilene TX 79604-0060

Name:
Address: 3829 NATIONAL DR

Email: planning@abilenetx.gov

I am in favor ☒ I am opposed ☐
Additional Comments:

of all 32 tracts

Signature:


for
Lytle Creek Golf Links

NOTIFICATION AREA MAP

REZONING REQUEST

Case:	Z-2019-26
Applicant:	Lytle Creek Golf Links, LLC
Agent:	David Todd, EHT
Request:	Amend Setback Requirements Planned Development Zoning District 70 (PD 70)
Location:	3669 through 3963 National Drive
Notification:	38 in Favor, 0 Opposed
Planning & Zoning:	October 1, 2019
City Council:	October 17, 2019 November 7, 2019



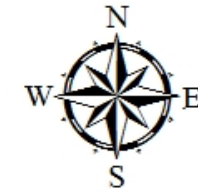
Z-2019-26 ZONING MAP



Z-2019-26 NOTIFICATION AREA MAP



Notification Map



Legend

- 200' Buffer
- Z-2019-26

- 38- In Favor- ●
- 0- Opposed- ●



- Consistent with *Comprehensive Plan* and *Future Land Use and Development Plan Map*
- Consistent with General Land Use and Zoning Character of Immediate Area
- Reviewed Pursuant to Section 1.4.1.4 of Land Development Code (Criteria for Approval)
- Staff Recommendation: Approval
- Planning and Zoning Commission Recommendation: Approval (October 1, 2019)



Questions





**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO:

FROM:

SUBJECT: **26. The City Council of the City of Abilene reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by the noted Texas Government Code Sections:**

GENERAL INFORMATION

The City Council of the City of Abilene reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by the noted Texas Government Code Sections:

A. 551.071 (Consultation with Attorney)

1. City of Abilene, Texas v. Aurora Bumgarner; 104th Judicial District Court, Taylor County, Texas; filed November 17, 2011
2. Chad Carter v. City of Abilene, Texas; Cause No. 10138-D, In the 350th Judicial District Court, Taylor County, Texas, filed June 17, 2014
3. Susan Lewis King & Austin King MD vs Ken Paxton, Attorney General of Texas and the City of Abilene, Cause No. D-1-GN-16-001160, filed March 16, 2016
4. Ruby Flores and Cory Almanza v. Jesus Verastegui, Alfredo Verastegui, Rosalva Verastegui, and City of Abilene, Cause No. 49368-A, 42nd District Court, Abilene, Taylor County, Texas, filed April 13, 2016
5. Robert Steven Reitz v. City of Abilene, Texas, et al., Case No. 1:16-cv-00181-BL; In the U.S. District Court, Northern District of Texas, Abilene Division, filed October 10, 2016
6. Officer Patrick Sumrall and City of Abilene, Case No. 01-18-000-8653; Appeal of Indefinite Suspension to Arbitration, filed February 6, 2018
7. Tracy Kennedy and Richard Kennedy v. Katie Snell, Richard Perez, Thomas Bryant, John Doe 1, and John Doe 2; Case No. 1:18-cv-162, In the United States District Court, Northern District of Texas, Abilene Division, filed October 16, 2018
8. Alfredo Valencia v. Corey Davis and City of Abilene; Case No. 1:19-cv-00017-C; In the United States District Court, Northern District of Texas, Abilene Division, filed February 4, 2019.

9. City of Abilene v. Patrick Sumrall; Cause No. 27,733-B, In the 104th Judicial District Court, Taylor County, Texas, filed May 28, 2019
10. Ovation Services, LLC v. Blanca Cortez, et al.; Case No. 11875-D; In the 350th Judicial District Court, Taylor County, Texas; filed July 15, 2019
11. City of Abilene v. 3118 South 22nd Street, Abilene, Texas, et al.; Cause No. 11968-D, In the 350th Judicial District Court, Taylor County, Texas; filed October 11, 2019
12. Maria Ramirez v. The City of Abilene; Cause No. 27880-B, In the 104th Judicial District Court, Taylor County, Texas; filed October 22, 2019

B. 551.072 (Deliberations about Real Property)

1. Clyde Water
2. Use of Eminent Domain for Cedar Creek Waterway

C. 551.073 (Deliberations about Gifts and Donations)

D. 551.074 (Personnel Matters)

1. City Council may consider appointment, employment, compensation, reassignment, duties, discipline, or dismissal of public officers or employees, City Manager, City Attorney, Municipal Court Judge, City Secretary, and City Board and Commission Members
2. City of Abilene Boards and Commissions may be discussed, as needed for (re)appointment

E. 551.076 (Deliberations about Security Devices)

F. 551.087 (Business Prospect/Economic Development)

1. Abilene Convention Center Hotel Project
2. 1166 N 2nd Street
3. Windsor Hotel

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

None



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Honorable Mayor & Members of City Council

FROM: Shawna Atkinson, City Secretary

SUBJECT: 27. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Casting a Vote to Nominate a Member to the Taylor County Appraisal District Board of Directors (*Shawna Atkinson*)

GENERAL INFORMATION

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution Taylor County
2. Taylor County Presentation Slide

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, CASTING OUR VOTES FOR THE TAYLOR COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS

WHEREAS, the Texas Property Tax Code allows tax jurisdictions to cast votes for a single nominee or up to five nominees to serve on the Board of the Central Appraisal District of Taylor County for a term of office of two years beginning January 1, 2020;

WHEREAS, the City of Abilene desires to cast votes to nominate a person to said board;

AND WHEREAS, said tax unit recognizes the importance of cost-effective operations of the Appraisal District;

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

SECTION 1: The City Council of the City of Abilene hereby resolves to cast our votes for the following individual for a position on the Board of Directors of the Taylor County Appraisal District:

Jessica Cantu

PASSED AND APPROVED THIS THE 7th DAY OF NOVEMBER, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

Resolution:

Casting a Vote to Nominate a Member to the
Taylor County Appraisal District Board of Directors:

- Jessica Cantu



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: **Honorable Mayor and Members of the City Council**

FROM: **Shawna Atkinson, City Secretary**

SUBJECT: **28. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Casting a Vote to Nominate a Member to the Jones County Appraisal District Board of Directors *(Shawna Atkinson)***

GENERAL INFORMATION

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. Resolution Jones County
2. Jones County Presentation Slide

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, CASTING
OUR VOTES FOR THE JONES COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS**

WHEREAS, the Texas Property Tax Code allows tax jurisdictions to cast votes for a single nominee or up to five nominees to serve on the Board of the Central Appraisal District of Jones County for a term of office of two years beginning January 1, 2020;

WHEREAS, the City of Abilene desires to cast votes to nominate a person to said board;

AND WHEREAS, said tax unit recognizes the importance of cost-effective operations of the Appraisal District;

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

SECTION 1: The City Council of the City of Abilene hereby resolves to cast our votes for the following individual for a position on the Board of Directors of the Jones County Appraisal District:

Seaton Higginbotham

PASSED AND APPROVED THIS THE 7th DAY OF NOVEMBER, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

Resolution:

Casting a Vote to Nominate a Member to the
Jones County Appraisal District Board of Directors:

- Seaton Higginbotham



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Honorable Mayor & Members of City Council

SUBJECT: 29. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving an Economic Development Agreement with the Abilene Convention Center Hotel Development Corporation for the Development of the Downtown Hotel (Robert Hanna)

GENERAL INFORMATION

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. 237-2019
2. 2019 Resolution Approve Eco Dev Agmt Amendment with Ab Conv Center Hotel Dev Corp
3. Eco Dev Agree Presentation

RESOLUTION NO. 237-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE AN ECONOMIC DEVELOPMENT AGREEMENT WITH THE ABILENE CONVENTION CENTER HOTEL DEVELOPMENT CORPORATION

WHEREAS, the Abilene Convention Center Hotel Development Corporation intends to construct a downtown convention center hotel on North 6th Street, Abilene, Taylor County, Texas, upon vacant land to be leased from the City located across the street from the current Abilene Convention Center complex (the “Project Area”); and

WHEREAS, the governing body of the City of Abilene adopted Resolution 49-2016 creating an Economic Development Program authorized by Chapter 380 of the Texas Local Government Code; and

WHEREAS, the governing body of the City of Abilene adopted Resolution 78-2018 creating the Abilene Neighborhood Empowerment Zone No. 1 (“Zone”) authorized by Chapter 378 of the Texas Local Government code, establishing certain economic development incentive programs with the zone; and

WHEREAS, the Abilene Convention Center Hotel Development Corporation, City of Abilene, and Garfield Public/Private LLC (“Garfield”) entered into a Master Development Agreement dated October 7, 2019, whereby the Abilene Convention Center Hotel Development Corporation, City of Abilene, and Garfield agreed to develop and construct a downtown convention center hotel to be owned by the Abilene Convention Center Hotel Development Corporation and an attached new convention center facility to be owned by the City of Abilene; and

WHEREAS, pursuant to the terms of the Master Development Agreement, the City agreed to provide a cash contribution to the Abilene Convention Center Hotel Development Corporation in an amount of no less than \$2,520,000, to be used by the Abilene Convention Center Hotel Development Corporation for payment of its portion of the development phase of the downtown convention center hotel project; and

WHEREAS, pursuant to the terms of the Master Development Agreement, \$1,000,000 of the total cash contribution from the City to the Abilene Convention Center Hotel Development Corporation will be deferred until commencement of the construction phase of the downtown convention center hotel; and

WHEREAS, the economic development payment to the Abilene Convention Center Hotel Development Corporation shall be repaid to the City at such time that any bond debt incurred by

the Abilene Convention Center Hotel Development Corporation has been repaid in full, and from available net operating income, if any; and

WHEREAS, the City desires to enter into this Agreement with the Abilene Convention Center Hotel Development Corporation in order to implement the economic development program developed by the City to enhance and expand the City's commercial economic and employment base to the long term interest and benefit of the City and the State of Texas; and

WHEREAS, the City has determined that making an economic development grant to the Abilene Convention Center Hotel Development Corporation in accordance with this Agreement will further the objectives of the City, will benefit the City and the City's inhabitants, will increase the quality of life of the City, will foster and promote additional economic development and will protect and safeguard the public health, safety and welfare of its residents; and

WHEREAS, the Abilene Convention Center Hotel Development Corporation desires to acquire the Project Area for re-development within the Zone, and the property is located within the City of Abilene Neighborhood Empowerment Zone No. 1; and

WHEREAS, it is anticipated that the re-development of the Project Area by constructing a downtown convention center hotel will have a direct and positive economic benefit to the City; and

WHEREAS, the City hereby finds that this Agreement embodies an eligible "project" and clearly promotes economic development in the City and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and is in the best interests of the City; and

WHEREAS, the City hereby finds that this Agreement promotes infill development within the neighborhood empowerment zone and, as such, meets the requisite under Chapter 378 of the Texas Local Government Code and is in the best interests of the City.

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

Part 1: The City Council authorizes the City Manager to execute an Economic Development Agreement with the Abilene Convention Center Hotel Development Corporation for design and construction of a downtown convention center hotel.

Part 2: That is Resolution takes effect immediately upon its adoption.

ADOPTED THIS 7TH DAY OF NOVEMBER, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ABILENE AND ABILENE CONVENTION CENTER HOTEL DEVELOPMENT CORPORATION

This Economic Development Agreement (“Agreement”) is effective as of the ____ day of _____, 2019 (“Effective Date”), by and between the ABILENE CONVENTION CENTER HOTEL DEVELOPMENT CORPORATION, a local government corporation ("Developer"), and the CITY OF ABILENE, TEXAS, a home rule city and municipal corporation ("City"), for the purposes and considerations stated below.

RECITALS

WHEREAS, the Developer intends to construct a downtown convention center hotel on North 6th Street, Abilene, Taylor County, Texas, upon vacant land to be leased from the City located across the street from the current Abilene Convention Center complex (the “Project Area”); and

WHEREAS, the governing body of the City of Abilene adopted Resolution 49-2016 creating an Economic Development Program authorized by Chapter 380 of the Texas Local Government Code; and

WHEREAS, the governing body of the City of Abilene adopted Resolution 78-2018 creating the Abilene Neighborhood Empowerment Zone No. 1 (“Zone”) authorized by Chapter 378 of the Texas Local Government code, establishing certain economic development incentive programs with the zone; and

WHEREAS, the Developer, City and Garfield Public/Private LLC (“Garfield”) entered into a Master Development Agreement dated October 7, 2019, whereby Developer, City and Garfield agreed to develop and construct a downtown convention center hotel to be owned by Developer and an attached new convention center facility to be owned by the City; and

WHEREAS, pursuant to the terms of the Master Development Agreement, the City agreed to provide a cash contribution to the Developer in an amount of no less than \$2,520,000, to be used by the Developer for payment of its portion of the development phase of the downtown convention center hotel project; and,

WHEREAS, pursuant to the terms of the Master Development Agreement, \$1,000,000 of the total cash contribution from the City to Developer would be deferred until commencement of the construction phase of the downtown convention center hotel; and

WHEREAS, the City desires to enter into this Agreement with the Developer in order to implement the economic development program developed by the City to enhance and expand the City’s commercial economic and employment base to the long term interest and benefit of the City and the State of Texas; and

WHEREAS, the City has determined that making an economic development grant to the Developer in accordance with this Agreement will further the objectives of the City, will benefit the City and the City's inhabitants, will increase the quality of life of the City, will foster and promote additional economic development and will protect and safeguard the public health, safety and welfare of its residents; and

WHEREAS, the Developer desires to acquire the Project Area for re-development within the Zone, and the property is located within the City of Abilene Neighborhood Empowerment Zone No. 1; and

WHEREAS, it is anticipated that the re-development of the Project Area by constructing a downtown convention center hotel will have a direct and positive economic benefit to the City; and

WHEREAS, the City hereby finds that this Agreement embodies an eligible "project" and clearly promotes economic development in the City and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and is in the best interests of the City; and

WHEREAS, the City hereby finds that this Agreement promotes infill development within the neighborhood empowerment zone and, as such, meets the requisite under Chapter 378 of the Texas Local Government Code and is in the best interests of the City.

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged it is hereby agreed as follows:

I. AUTHORITY

- 1.01 The Agreement is authorized by state law, including but not limited to Chapters 378 and 380 of the Texas Local Government Code, and is within the authority of the City and constitutes a legal and binding obligation of the City.
- 1.02 The Developer's execution and performance of this Agreement constitutes a valid and binding obligation of the Developer.
- 1.03 The factual recitals and findings set forth above are found to be true and correct for all purposes, and are incorporated into this Agreement.

II. TERM

- 2.01 This Agreement shall be effective as of the date of execution of both parties. This Agreement shall remain in full force and effect until each party hereto has completed their respective obligations hereunder (“Term”).

III. ECONOMIC DEVELOPMENT PROGRAM

- 3.01 Pursuant to Chapter 380 of the Texas Local Government Code, the City shall contribute the sum of Two Million Five Hundred Twenty and No/100 Dollars (\$2,520,000) towards the Developer’s design and construction costs of the Project Area, to allow the Developer to redevelop the property into a property that will directly provide a positive economic benefit to the City of Abilene.
- 3.02 The sum of \$1,520,000 shall be paid to Developer upon execution of this Agreement, and the remaining \$1,000,000 shall be paid to Developer at commencement of the Construction Phase of the downtown convention center hotel as described in the Master Development Agreement.

IV. DEVELOPER’S OBLIGATIONS AND DUTIES

- 4.01 The Developer shall lease the Project Area and construct a downtown convention center hotel pursuant to the Master Development Agreement within five (5) year from the date of this Agreement.
- 4.02 The Developer, when all of its bond issuance obligations have been repaid, shall repay to the City, from its net operating income as available, the funds paid to Developer in section III above.

V. CITY OBLIGATIONS AND DUTIES

- 5.01 Pay the Economic Incentives to Developer pursuant to the terms and conditions of this Agreement.

VI. DEFAULT

- 6.01 If any party should default upon any terms or obligations with respect to this Agreement (“**Defaulting Party**”), the other party (“**Complaining Party**”) shall provide written notice of the default and shall reasonably include the actions required to cure such default. If the Defaulting Party cures the default within thirty (30) days after notice of default is received (“**Cure Period**”), or commences to cure default within said thirty (30) days and diligently

pursues the cure to its conclusion, then this Agreement shall continue as if no default occurred.

- 6.02 In the event that the Defaulting Party fails to cure the default as required by Section 7.01 above, the Complaining Party may, by action or proceeding at law or in equity, be awarded damages and/or specific performance for such default, including reasonable attorney's fees and costs.

VII. GENERAL PROVISIONS

- 7.01 **DEVELOPER COVENANTS AND AGREES TO AND DOES, TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, HEREBY FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES FROM ALL CLAIMS, SUITS OR CAUSES OF ACTION OF ANY NATURE WHATSOEVER WHETHER REAL OR ASSERTED, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES TO PERSONS OR PROPERTY, INCLUDING DEATH, RESULTING FROM OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE CONSTRUCTION OF THE PUBLIC IMPROVEMENTS. IN ADDITION, DEVELOPER COVENANTS TO INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, SUITS OR CAUSES OF ACTION OF ANY NATURE WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF INJURIES OR DAMAGES TO PERSONS OR PROPERTY, INCLUDING DEATH, RESULTING FROM THE FAILURE OF DEVELOPER OR ITS CONTRACTORS AND SUBCONTRACTORS TO PROPERLY SAFEGUARD THE WORK, ON ACCOUNT OF ANY ACTS, INTENTIONAL OR OTHERWISE, NEGLIGENCE OR MISCONDUCT OF DEVELOPER, ITS CONTRACTORS, SUBCONTRACTORS, AGENTS, SERVANTS OR EMPLOYEES.**

- 7.02 If any provision of this Agreement, or a portion thereof, or the application thereof to any person or circumstances shall to any extent be held invalid, inoperative or unenforceable, the remainder of this Agreement, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby. It shall not be deemed that any such invalid provision affects the consideration for this Agreement, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 7.03 This Agreement shall be construed in accordance with the laws of the State of Texas. Venue for any action brought under this Agreement shall be in Taylor County, Texas.

- 7.04 Developer shall not assign this Agreement without the express written consent of the City.
- 7.05 Nothing in this Agreement shall be construed to make the parties hereto partners or joint venturers or render any of said parties liable for the debts or obligations of any other of said parties.
- 7.06 Except as otherwise expressly provided herein, this Agreement may only be amended, modified or terminated by a declaration in writing, executed and acknowledged by all the parties to this Agreement.
- 7.07 This Agreement constitutes the entire agreement of the parties with respect to the matters set forth herein, and supersedes all prior discussions and agreements between the parties.
- 7.08 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.
- 7.09 In the event any legal proceeding is commenced to enforce or interpret provisions of this Agreement, the prevailing party in any such legal action shall be entitled to recover its reasonable attorney's fees and expenses incurred by reason of such action.

AGREED:

DEVELOPER

ABILENE CONVENTION CENTER HOTEL DEVELOPMENT CORPORATION

By: _____

Name: Norm Archibald

Its: President

CITY OF ABILENE

ATTEST:

Robert Hanna, City Manager

Shawna Atkinson, City Secretary

APPROVED AS TO FORM:

Stanley Smith, City Attorney

STATE OF TEXAS)
) ACKNOWLEDGEMENT
COUNTY OF TAYLOR)

This instrument was acknowledged before me on the ____ day of _____, 2019, by Norm Archibald, in his capacity as President of Abilene Convention Center Hotel Development Corporation.

Notary Public in and for
the State of Texas

STATE OF TEXAS)
) ACKNOWLEDGEMENT
COUNTY OF TAYLOR)

This instrument was acknowledged before me on the _____ day of _____, 2019, by Robert Hanna, in his capacity as City Manager of the City of Abilene, a Texas home-rule municipality, on behalf of said municipality.

Notary Public in and for
the State of Texas

Resolution:

Approving an Economic Development Agreement with
the Abilene Convention Center Hotel Development
Corporation for the Development of a Downtown Hotel



**City Council
Agenda Memo**

City Council Meeting Date: 11/7/2019

TO: Robert Hanna, City Manager

FROM: Honorable Mayor & Members of City Council

SUBJECT: 30. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving an Economic Development Agreement with Silverthorne Properties for 1166 North 2nd Street (Robert Hanna)

GENERAL INFORMATION

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

BOARD OR COMMISSION RECOMMENDATION

ATTACHMENTS:

1. 2019 Resolution Approve Eco Dev Agmt Amendment with Silverthorne Properties 1166 N 2nd
2. 1166 N 2nd Draft Agreement - Clean
3. Silverthorn Properties Scope-Estimate
4. Eco Dev Agree Presentation

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS
AUTHORIZING THE CITY MANAGER TO EXECUTE AN ECONOMIC
DEVELOPMENT AGREEMENT WITH SILVERTHORNE PROPERTIES**

WHEREAS, Silverthorne Properties has acquired fee simple ownership of 1166 N 2nd Street, Abilene, Taylor County, Texas, located in downtown Abilene (the “Property”); and

WHEREAS, Silverthorne Properties desires to develop the Property, being approximately 11,200 square feet of mixed use development (the “Development”); and

WHEREAS, the governing body of the City of Abilene adopted Resolution 49-2016 creating an Economic Development Program authorized by Chapter 380 of the Texas Local Government Code; and

WHEREAS, the City desires to enter into an Economic Development Agreement with Silverthorne Properties in order to implement the economic development program developed by the City to enhance and expand the City’s commercial economic and employment base to the long term interest and benefit of the City and the State of Texas; and

WHEREAS, the City shall pay to Silverthorne Properties, as an economic incentive, the lump sum payment (the “Payment”) in the amount of Twenty Five Thousand and no/100 dollars (\$25,000) upon (1) Silverthorne Properties’ completion of abatement of asbestos and façade improvements identified and listed in the Agreement, and (2) the issuance of a Certificate of Occupancy by the City and submittal of receipts showing a total expenditure by Silverthorne Properties of at least \$115,000 for the 1166 N 2nd Street development; and

WHEREAS, the City has determined that making an economic development payment to Silverthorne Properties in accordance with the Agreement will further the objectives of the City, will benefit the City and the City’s inhabitants, will increase the quality of life of the City, will foster and promote additional economic development and will protect and safeguard the public health, safety and welfare of its residents; and

WHEREAS, it is anticipated that the development of the Property will have a direct and positive economic benefit to the City; and

WHEREAS, the City hereby finds that this Agreement embodies an eligible “project” and clearly promotes economic development in the City and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and is in the best interests of the City.

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

Part 1: The City Council authorizes the City Manager to execute an Economic Development Agreement with Silverthorne Properties for the development of 1166 North 2nd Street in downtown Abilene.

Part 2: That is Resolution takes effect immediately upon its adoption.

ADOPTED THIS 7TH DAY OF NOVEMBER, 2019.

ATTEST:

Shawna Atkinson, City Secretary

Anthony Williams, Mayor

APPROVED:

Stanley Smith, City Attorney

ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ABILENE AND SILVERTHORNE PROPERTIES

This Economic Development Agreement (“Agreement”) is effective as of the ____ day of _____, 2019 (“Effective Date”), by and between Silverthorne Properties, (“Developer”), and the CITY OF ABILENE, TEXAS, a home rule city and municipal corporation (“City”), for the purposes and considerations stated below.

RECITALS

WHEREAS, the Developer has acquired fee simple ownership of 1166 N 2nd Street, Abilene, Taylor County, Texas, located in downtown Abilene, and being further described in Exhibit “A” (the “Project Area”); and

WHEREAS, the governing body of the City of Abilene adopted Resolution 49-2016 creating an Economic Development Program authorized by Chapter 380 of the Texas Local Government Code; and

WHEREAS, the City desires to enter into this Agreement with the Developer in order to implement the economic development program developed by the City to enhance and expand the City’s commercial economic and employment base to the long term interest and benefit of the City and the State of Texas; and

WHEREAS, the Developer desires to develop approximately 11,200 square feet of mixed use development (the “Development”), and more particularly described on **Exhibit A – Project Area**, which is attached and incorporated herein as part of this Agreement (the “Property”); and

WHEREAS, the City hereby finds that this Agreement embodies an eligible “project” and clearly promotes economic development in the City and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and is in the best interests of the City; and

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

I. AUTHORITY

- 1.01 The Agreement is authorized by state law, including but not limited to Chapter 380 of the Texas Local Government Code, and is within the authority of the City and constitutes a legal and binding obligation of the City.

- 1.02 The Developer's execution and performance of this Agreement constitutes a valid and binding obligation of the Developer.
- 1.03 The factual recitals and findings set forth above are found to be true and correct for all purposes, and are incorporated into this Agreement.

II. DEFINITIONS

- 2.01. **Company** means any use that generates municipal tax revenue, physically located in the Project Area, and open to the general public for the purpose of business office, or retail purposes..
- 2.02. **Certificate of Occupancy** means the final, unconditional certificate of occupancy issued by the City to a Company.
- 2.03. **Opening Date** means the day that a Company has completed construction, the City has issued a Certificate of Occupancy, and the Company is open for business to the general public.
- 2.04. **Program** means the economic development program identified in Article IV herein and established by the City pursuant to this Agreement.
- 2.05. **Developer** means Silverthorne Properties, its successors or assigns.

III. TERM

- 3.01 This Agreement shall be effective as of the date of execution of both parties. This Agreement shall remain in full force and effect until the earlier of: (A) each party hereto has completed their respective obligations hereunder; or (B) one year from the Opening Date of the first Company ("**Term**").

IV. ECONOMIC DEVELOPMENT PROGRAM

- 4.01 The City shall pay to the Developer one lump sum payment (the "Payment") in the amount of Twenty Five Thousand and no/100 dollars (\$25,000) upon (1) the Developer's completion of abatement of asbestos and façade improvements identified and listed on **Exhibit B – Improvements**, and (2) the issuance of a Certificate of Occupancy by the City

and submittal of receipts showing a total expenditure by Developer of at least \$115,000 for the 1166 N 2nd Street development.

V. DEVELOPER'S OBLIGATIONS AND DUTIES

- 5.01 The Developer shall perform, or cause to be performed, the construction of the improvements set forth in **Exhibit B – “Improvements”** on or before the expiration of this agreement.
- 5.02 The Developer shall obtain a certificate of occupancy from the city on or before the expiration of this agreement.
- 5.03 The Developer shall submit receipts showing expenditures of at least One Hundred Fifteen Thousand and no/100 dollars (\$115,000) towards the “Improvement” on or before the expiration of this agreement.
- 5.04 The Developer shall construct, at its expense, the improvements identified on **Exhibit B – “Improvements”** in accordance with all applicable laws and regulations.

VI. CITY OBLIGATIONS AND DUTIES

- 6.01 Pay the Economic Incentives to Developer pursuant to the terms and conditions of this Agreement.

VII. DEFAULT

- 7.01 If any party should default upon any terms or obligations with respect to this Agreement (“**Defaulting Party**”), the other party (“**Complaining Party**”) shall provide written notice of the default and shall reasonably include the actions required to cure such default. If the Defaulting Party cures the default within thirty (30) days after notice of default is received (“**Cure Period**”), or commences to cure default within said thirty (30) days and diligently pursues the cure to its conclusion, then this Agreement shall continue as if no default occurred.

- 7.02 In the event that the Defaulting Party fails to cure the default as required by Section 7.01 above, the Complaining Party may, by action or proceeding at law or in equity, be awarded damages and/or specific performance for such default, including reasonable attorney's fees and costs.

VIII. GENERAL PROVISIONS

- 8.01 **DEVELOPER COVENANTS AND AGREES TO AND DOES HEREBY FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES FROM ALL CLAIMS, SUITS OR CAUSES OF ACTION OF ANY NATURE WHATSOEVER WHETHER REAL OR ASSERTED, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES TO PERSONS OR PROPERTY, INCLUDING DEATH, RESULTING FROM OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE CONSTRUCTION OF THE PUBLIC IMPROVEMENTS. IN ADDITION, DEVELOPER COVENANTS TO INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, SUITS OR CAUSES OF ACTION OF ANY NATURE WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF INJURIES OR DAMAGES TO PERSONS OR PROPERTY, INCLUDING DEATH, RESULTING FROM THE FAILURE OF DEVELOPER OR ITS CONTRACTORS AND SUBCONTRACTORS TO PROPERLY SAFEGUARD THE WORK, ON ACCOUNT OF ANY ACTS, INTENTIONAL OR OTHERWISE, NEGLIGENCE OR MISCONDUCT OF DEVELOPER, ITS CONTRACTORS, SUBCONTRACTORS, AGENTS, SERVANTS OR EMPLOYEES.**
- 8.02 If any provision of this Agreement, or a portion thereof, or the application thereof to any person or circumstances shall to any extent be held invalid, inoperative or unenforceable, the remainder of this Agreement, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby. It shall not be deemed that any such invalid provision affects the consideration for this Agreement, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 8.03 This Agreement shall be construed in accordance with the laws of the State of Texas. Venue for any action brought under this Agreement shall be in Taylor County, Texas.
- 8.04 Developer shall not assign this Agreement without the express written consent of the City.

- 8.05 Nothing in this Agreement shall be construed to make the parties hereto partners or joint venturers or render any of said parties liable for the debts or obligations of any other of said parties.
- 8.06 Except as otherwise expressly provided herein, this Agreement may only be amended, modified or terminated by a declaration in writing, executed and acknowledged by all the parties to this Agreement.
- 8.07 This Agreement constitutes the entire agreement of the parties with respect to the matters set forth herein, and supersedes all prior discussions and agreements between the parties.
- 8.08 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.
- 8.09 In the event any legal proceeding is commenced to enforce or interpret provisions of this Agreement, the prevailing party in any such legal action shall be entitled to recover its reasonable attorney's fees and expenses incurred by reason of such action.

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FOLLOWS.]

AGREED AND EXECUTED:

DEVELOPER

SILVERTHORNE PROPERTIES

By: _____

Name: _____

Its: _____

CITY OF ABILENE

ATTEST:

Robert Hanna, City Manager

Shawna Atkinson, City Secretary

APPROVED AS TO FORM:

Stanley Smith, City Attorney

[illegible]

This instrument was acknowledged before me on the _____ day of _____, 2019, by _____, in his or her capacity as _____ of SILVERTHORNE PROPERTIES.

Notary Public in and for
the State of Texas

STATE OF TEXAS)
) ACKNOWLEDGEMENT
COUNTY OF TAYLOR)

This instrument was acknowledged before me on the _____ day of _____, 2019, by Robert Hanna, in his capacity as City Manager of the City of Abilene, a Texas home-rule municipality, on behalf of said municipality.

Notary Public in and for
the State of Texas

Exhibit A – Project Area

OT ABILENE TIF #1, BLOCK 9, LOT E80 OF LTS 7-8-9

Exhibit B – “Improvements”

The attached quote from GSE Properties and Construction shall serve as the improvements required to be completed.



Silverthorn Properties
Nathan Hathorn
310 N. Willis St. Suite 200
Abilene, Texas 79603

Dear Silverthorn Properties:

The following scope of work is for the demo of 1166 North 2nd. Abilene Texas 79601. The scope is summarized into following phased actions. Each bullet point under the phase represents individual task that will need to be completed before the next step is completed. Although some steps may be done simultaneously in order to complete the job in a timely manner, the intent is so all parties have a clear understanding of the task and that any deviation from this scope will be brought to owners attention and will require an approved and fully funded change order.

- Phase 1
 - Obtain approval of the floor plans.
 - Obtain approval of the door and windows for front of building.
 - Obtain approval of the awning design for front of building from owner
 - Submit drawings to city for approval (This will be required before any work is to begin).
 - Pull any associated permits that are needed for work. All sub-contractors will be responsible for their own permits
- Phase 2
 - Pre site cleanup for asbestos abatement is to be completed.
 - Schedule and coordinate Pre abatement notifications 10 business days prior to Demo
 - Schedule and coordinate Abatement Contractors and interior demo of building.
 - Removal of metal on front of building.
 - Coordinate and meet with 3 sub-contractors for roof repairs needed for leak on west side of roof. Present bid to owner for repairs
- Phase 3
 - Demo front of buildings
 - Power wash and clean front brick.

- Prep building for new electric for front lighting.
 - Prep building for new awning
 - Pre-fab/build awning off site and prep for install
 - Build out front to meet new specs for awning, doors and windows.
 - Install of new awning, doors and windows.
 - Prep, prime, paint and finish out exterior of building for new build outs.
- Phase 4
 - Complete demo of interior of building and prep for build out on new client on west side of building.
 - Demo of interior wood framing
 - Demo of interior plumbing
 - Demo of interior electrical
 - Demo of drop-down ceilings
 - Clean and haul off all demo materials
 - Demo of front area of metal ceiling, retain all ceiling materials for repairs in other parts of the structure
 - Saw cut, demo, and prep floor for new plumbing install as per lay out
 - Demo any plaster on interior walls for “look” of existing new build out.
 - Remove any floor and coverings left after asbestos removal
 - Demo any sub structure that is needed for new build outs.
- Phase 5
 - Coordinated demo of items from Clients existing location and prep for change over to new build out on west side of building.
 - Finalize plans/drawing for build out and coordinate bids with subcontractors for new construction on build out.
 - Meet with city officials and planning and zoning and fire marshal for all needed items to do the build out.

Approved By:



Greg Elliott
Director of Operation

Approved By:

Nathan Hawthorn
Owner

GSE Properties & Construction, LLC
 PO Box 121
 Clyde, TX 79510 US
 817-965-2509
 gseconstructiontx@outlook.com



Estimate

ADDRESS

Mr Nathan Hathorn
 Silverthorn Properties
 310 N. Willis St.
 Suite 200
 Abilene, Texas 79603

ESTIMATE # 19212

DATE 09/13/2019

EXPIRATION DATE 11/01/2019

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
09/13/2019	Construction Labor	Initial Site clean up prior to Asbestos Abatement	1	1,500.00	1,500.00T
09/13/2019	Disposal	Disposal/Dumpster Fee	1	175.00	175.00T
09/13/2019	Construction Labor	Notification fees, Estimate only	1	750.00	750.00T
09/13/2019	Sales - Consulting	On site supervisor for abatement	7	650.00	4,550.00T
09/13/2019	Demolition Labor	AML to do full asbestos abatement as per the scope provided by EH&T	1	21,500.00	21,500.00T
09/13/2019	Disposal	Diposal of Asbestos waste	1	4,000.00	4,000.00T
09/13/2019	Sales - Consulting	State Fee for Health services, Estimate only	1	2,000.00	2,000.00T
09/13/2019	Demolition Labor	Demo, Demo of front of building. Remove the metal and old wooden awning that is on the building. Uncover old brick and remove all lath boards that are installed. remove block windows and associated trim from building. Remove old doors and prep openings for install of new ADA compliance front doors and any fire exits as per code. treat and clean the brick to match the older brick in the area. Remove graffiti from building.	1	5,000.00	5,000.00T
09/13/2019	Disposal	Disposal/Dumpster Fee	1	1,500.00	1,500.00T

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
09/13/2019	Construction Labor	Wall Framing, Install of new framing for new transit widows to match decor of older buildings in the area. Install new door jambs and ADA compliant doors and hardware. coordinate walkthrough with fire marshal's office for approved exit openings for the 3 new occupants.	1	3,500.00	3,500.00T
09/13/2019	NI-Materials	Framing materials	1	1,224.65	1,224.65T
09/13/2019	NI-Materials	new doors with hardware	3	3,600.00	10,800.00T
09/13/2019	Construction Labor	Install of new windows with the use of a lift and scaffold. frame and trim out to match decor of existing buildings in the area.	1	4,500.00	4,500.00T
09/13/2019	NI-Materials	New transit windows	12	429.00	5,148.00T
09/13/2019	NI-Materials	Trim for windows	1	2,129.68	2,129.68T
09/13/2019	Construction Labor	Welding, Frabricate and install a new metal awning to match the era in which the building was built.	1	10,000.00	10,000.00T
09/13/2019	NI-Materials	Metal for awning , structural steal and metal deck for cover. All associated trim and screws. sucker rod and turn buckles.	1	13,248.91	13,248.91T
09/13/2019	Construction Labor	Paint of trim, walls, doors and awning to match owner specified colors.	1	6,500.00	6,500.00T
09/13/2019	NI-Materials	Primer by the gallon	55	22.99	1,264.45T
09/13/2019	NI-Materials	Paint by the gallon	125	32.99	4,123.75T
09/13/2019	NI-Materials	Budget for sidewalk blockage, scaffold and permitting for work to be done on front of building.	1	5,000.00	5,000.00T

This Agreement is based solely on the observations Contractor was able to make with the structure in its current condition at the time this Agreement was bid. If additional concealed conditions are discovered once work has commenced which were not visible at the time the proposal was bid, Contractor will stop work and point out these unforeseen concealed conditions to Owner so that Owner and Contractor can execute a Change Order as specified in the scope of work for any Additional Work.

SUBTOTAL	108,414.44
TAX	8,944.19
TOTAL	\$117,358.63

Thanks for your business!
GSE Properties & Construction, LLC

Accepted By

Accepted Date

Resolution:

Approving an Economic Development Agreement with
Silverthorne Properties for 1166 North 2nd Street