



Notice is hereby given of a Regular Meeting of the Nacogdoches City Council to be held **June 7, 2016, beginning at 5:30 p.m.** in the Council Chambers of City Hall, 202 E. Pilar Street, Nacogdoches, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action.

PLEASE LIMIT PRESENTATIONS TO THREE MINUTES
(UNLESS PRIOR APPROVAL IS OBTAINED)

1. Call to order.
2. Open Forum.
3. Items to be removed from Consent Agenda.
4. **CONSENT AGENDA:** Items included under Consent Agenda require little or no deliberation by Council. Approval of Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations as reflected in the minutes of this meeting.
 - A. Consider approval of minutes from May 17, 2016 regular session.
 - B. Consider rescinding award for gym floor in the C.L. Simon Recreation Center.

REGULAR AGENDA:

5. **Public Hearing:** Consider request for zone change from A, Agricultural and PD, Planned Development to B-1, Local Business for parts of Lots 44-D, 44-F, 44-I, and 44-M and Reserved Lot A, Block 1, Village Gate Subdivision, City Block 54, located at the intersection of Park Street and Northeast Stallings Drive. Submitted by Andrew Middlebrook. ZON2016-01 (Municipal Services Director)
6. Consider ordinance authorizing issuance of tax notes for public safety radio system. (City Manager)
7. Consider approval of Deep East Texas Self Insurance Fund proposed renewal of Workers' Compensation coverage for the next three (3) years beginning October 1, 2016. (Human Resources Director)
8. Consider purchase of new gym floor at C. L. Simon Recreation Center. (Community Services Director)
9. Consider annual appointment of Mayor Pro Tempore and Vice Mayor Pro Tempore. (City Manager)

For the convenience of the audience, Council may conduct Executive Session deliberation in the first floor conference room, Room 112, of City Hall. Reconvening open session for action, if any, on Executive Session items will be in City Council Chambers. Regular Session agenda items appropriate for Executive Session

consideration may be moved into Executive Session for deliberation, but not action, upon proper announcement at the meeting by the presiding officer.

10. **EXECUTIVE SESSION:**

- A. Deliberation regarding Economic Development negotiations under Local Government Code Section 551.087 as follows:
1. Discuss or deliberate regarding commercial or financial information the City received from business projects the City body seeks to have locate in the City of Nacogdoches and with which the City is conducting economic development negotiations; and
 2. Deliberate the offer of a financial or other incentive to business prospects described by Subdivision 1 above.
11. Open for action, if any, on Item 10-A-1.
12. Open for action, if any, on Item 10-A-2.
13. Adjourn.



Jan Vinson, City Secretary



This agenda is posted as required under G. C. Section 551.041. For more information or a copy of the Open Meetings Act, please contact the Attorney General of Texas at 1-800-252-8011; the City Secretary at 936/559-2506 or visit the City of Nacogdoches web site at www.ci.nacogdoches.tx.us.

Nacogdoches City Council Chambers are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (936) 559-2506 or FAX (936) 559-2912 for further information.

CERTIFICATION

I certify the notice of meeting was posted in the directory outside of City Hall, 202 E. Pilar Street, Nacogdoches, Texas on June 1, 2016 at 5:00 p.m. and remained posted until meeting convened.

Jan Vinson, City Secretary

ITEM/SUBJECT: CONSENT AGENDA - Consider approval of minutes from regular session of May 17, 2016.

SUMMARY/BACKGROUND:

FINANCIAL:

- There is no financial impact associated with this item
 Item is budgeted: (____ - ____ - ____) In the amount of \$_____
 Item is not budgeted (Budget Amendment required; please attach BA ordinance)
Amount: \$_____ GL Account #: _____
 Item is estimated to generate additional revenue: _____

CITY CONTACT: Jan Vinson, City Secretary
936-559-2506
vinsonj@ci.nacogdoches.tx.us

ATTACHMENTS: Minutes

MINUTES
Regular Session
Nacogdoches City Council
May 17, 2016 – 5:30 p.m.
City Council Room – City Hall
202 E. Pilar Street

DRAFT

Regular Session:

Those Present:

Mayor Roger Van Horn, Council Members Shelley Brophy, Roy Boldon, Mike Keller and City Attorney Jeff Davis.

Council Member Norton had excused absences.

1. **Mayor Van Horn called meeting to order at 5:30 p.m.**
2. **Open Forum.**

Alec Johnson shared his views on HB40 and Public Trust Doctrine with City Council.

3. **Proclamation for Travel and Tourism Week.**
4. **Items to be removed from Consent Agenda.**

None.

5. **CONSENT AGENDA:** Items included under Consent Agenda require little or no deliberation by Council. Approval of Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations as reflected in the minutes of this meeting.
 - A. Consider approval of minutes from April 19, 2016 regular session.
 - B. Quarterly Investment Report for quarter ending March 31, 2016.
 - C. Consider tax resale authorization for property described as: Being Lot 5-A, Block 57, City of Nacogdoches, Nacogdoches County, TX; more fully described in Volume 315, Page 327 Deed Records of Nacogdoches County, TX. (17-057-0005-010000)
 - D. Consider tax resale authorization for property described as: Being Lot 24, Block 61, in the Harvey Austin Subdivision located in the Sylvester Moreland Survey; more fully described in Volume 366, Page 165 Nacogdoches County, Texas. (18-026-6100-024000)
 - E. Consider rescinding award of Hurricane Ike/Dolly Recovery 2.2, Phase 2 Water and Public Facility Generator Project and dismissing all bids.
 - F. Consider approval of financial advisory agreement with Hilltop Securities.
 - G. Consider granting 20 foot wide utility easement and right-of-way to Oncor Electric.

Council Member Brophy moved to approve consent agenda as presented. Motion seconded by Council Member Keller and unanimously passed.

REGULAR AGENDA:

6. **Public Hearing:** Consider request for zone change from A, Agricultural and PD, Planned Development to B-1, Local Business for parts of Lots 44-D, 44-F, 44-I, and Reserved Lot A, Block 1, Village Gate Subdivision, City Block 54, located at the intersection of Park Street and Northeast Stallings Drive. Submitted by Andrew Middlebrook. ZON2016-01 (Municipal Services Director)

Municipal Services Director Larissa Philpot presented zone change request submitted by Andrew Middlebrook for property at the intersection of Park Street and Northeast Stallings Drive currently zoned Agricultural and Planned Development. The southeast corner of said intersection is zoned Planned Development along with the Village Gate Subdivision. The lots southwest, northeast and northwest of the intersection are zoned Agricultural. The development plan adopted in 2001 shows the southeast corner of Park Street and Northeast Stallings Drive to be Commercial. Ms. Philpot suggested all four corners of intersection be rezoned B-1 as they meet the zoning ordinances definition of a B1 Local Business District.

Planning and Zoning Commission recommends rezoning three of the lots; northwest corner, northeast corner and southwest corner, and denied request to rezone the southeast corner of the intersection.

Minutes unofficial until approved by City Council

Ms. Philpot also reported the Village Gate Homeowners Association expressed concern that every resident of the subdivision did not receive notification of public hearings. The Zoning Ordinance requires property owners within 200 feet of a request be notified, therefore not all property owners in the subdivision received notification from the City as they are more than 200 feet from the area requested to be rezoned. The homeowners association would like more time to review the request and asked the public hearing be postponed to a later date.

Andrew Middlebrook, property owner, stated he has a buyer for the southwest corner lot at the intersection of Parks and Northeast Stallings Drive. Mr. Middlebrook anticipates closing on the property before the next City Council meeting therefore he asked Council to rezone the southwest corner lot tonight. The potential buyer plans to build commercial office space at the location.

Council Member Keller moved to postpone Item 6 until the next City Council meeting. Motion seconded by Council Member Boldon and unanimously passed. No public hearing was held.

7. Public Hearing: Consider request for Specific Use Permit to operate boarding house, in B-1, Local Business zoning district, for property located at Lot 9, Langford Place Subdivision, City Block 50 located at 201 Wettermark Street. Submitted by Katie Easley. SUP2016-002 (Municipal Services Director)

Municipal Services Director Larissa Philpot reported 201 Wettermark is zoned B-1, Local Business and has always been a multifamily property. Owner Katie Easley plans to operate a boarding house at this location, renting by the bedroom. Planning and Zoning Commission unanimously voted to approve the Specific Use Permit as presented. There were no comments for or against the request therefore the Public Hearing was closed.

Council Member Boldon made a motion to approve Specific Use Permit as presented. Motion seconded by Council Member Brophy and unanimously passed.

8. Public Hearing: Consider application for taxicab franchise submitted by Lewis Mora to operate one (1) taxicab in Nacogdoches.

Lewis Mora, Taxicab Franchise applicant, works out of town and was not able to attend. City Secretary Jan Vinson introduced Nac Cab Manager Sam Jamison who presented City Council with information regarding the application for taxicab franchise. Mr. Jamison explained Nac Cab has purchased a vehicle and plans to service the elderly, transport people to and from doctor appointments/hospital and SFASU students. Nac Cab believes an additional taxicab service in Nacogdoches is needed and would fulfill public convenience. There were no comments for or against the request therefore the Public Hearing was closed.

Council Member Boldon moved to approve the Taxicab Franchise Application as presented. Motion seconded by Council Member Brophy and unanimously passed.

9. Consider budget amendment to install lighting at soccer fields.

Community Services Director Brian Bray introduced Wally Crittenden, Nacogdoches Youth Soccer Association Director of Competitive Soccer and SFASU Head Soccer Coach. Mr. Crittenden presented request for lighting soccer fields and impact it will have on travel, tourism and sales tax revenue in the City. Nacogdoches Convention and Visitor's Bureau donated \$6,500 toward seeding and preparing the soccer fields, and bleachers are being donated.

Musco Sports Lighting quoted \$350,000 for a complete turnkey lighting project which would include lighting three fields. This project was awarded a \$50,000 grant from the U.S. Youth Soccer Foundation to be specifically applied to Musco Sports Lighting products with an additional \$50,000 in donations and the City to fund the remainder. Musco Sports Lighting has offered a 10 year financing package to include no money down and no payment for one year.

City Manager Jim Jeffers reported monies would be paid from the City's General Fund if budget amendment is approved. It may be prudent to pay the City's portion, \$250,000, in one lump sum payment or it may be in the City's best interest to finance the money depending on interest rate and return. With Council's permission the City would investigate funding options and bring findings back before City Council.

Both competitive soccer leagues and NYSA will benefit from lighting the soccer fields and competitive soccer teams will pay field usage fee to Nacogdoches Parks and Recreation.

Council Member Keller moved to approve budget amendment as presented subject to financing options. Motion seconded by Council Member Boldon and passed by the following vote:

Aye: Mayor Van Horn, Council Members Boldon and Keller
Nay: Council Member Shelley Brophy

10. Receive presentation regarding the Nacogdoches Discussion Series.

Municipal Services Director Larissa Philpot and Main Street/Communications Director Amy Mehaffey presented an update on Nacogdoches Discussion Series and plans for future meetings. The Nacogdoches Discussion Series allows the community to get engaged, creating an environment where citizens can discuss issues.

No action necessary.

11. Consider purchase of new gym floor in the C.L. Simon Recreation Center.

Two years ago the Parks and Recreation Department began looking at replacing the nineteen year old gym sport court floor, which had a lifespan of ten years. Community Services Director Brian Bray requested bid award to PTI Sports and Recreation Construction for \$52,000 to install an Omnisport floor. The funding for gym floor replacement is a budgeted item as part of the FY 2015-2016 budget.

Council Member Brophy moved to approve gym floor as presented. Motion seconded by Council Member Boldon and unanimously passed.

12. Consider approval of Developer Agreement with HGT Group for reimbursement of a sanitary sewer line extension on Northeast Stallings Drive.

Assistant City Engineer Case Opperman reported the agreement with HGT Group extends a new six inch sewer line from an existing manhole near the intersection of Northeast Stallings Drive and Park Street. The extension will be approximately 925 linear feet of gravity sewer, 500 feet of which will be reimbursable under the agreement and the additional 425 feet will be funded by the developer. Funding of this project will be made through a line item transfer within the Utility Fund CIP 30-179-03.

Council Member Keller moved to approve the Development Agreement with HGT Group as presented. Motion seconded by Council Member Boldon and unanimously passed.

City Council went into Executive Session at 7:01 p.m.

13. EXECUTIVE SESSION:

A. Deliberation regarding Economic Development negotiations under Local Government Code Section 551.087 as follows:

- 1. Discuss or deliberate regarding commercial or financial information that the City has received from business projects that the City body seeks to have locate in the City of Nacogdoches and with which the City is conducting economic development negotiations; and**
- 2. Deliberate the offer of a financial or other incentive to business prospects described by Subdivision 1 above.**

City Council reconvened open session at 7:09 p.m.

14. Open for action, if any, on Item 13-A.

No Action.

15. Adjourn.

Mayor Van Horn adjourned meeting at 7:10 p.m.

Mayor Roger Van Horn
City Council
City of Nacogdoches

ATTEST:

Jan Vinson, City Secretary

PRESENTER: Brian W. Bray, Director of Community Services Engineer

ITEM/SUBJECT: CONSENT AGENDA - Consider rescinding award for gym floor in the C.L. Simon Recreation Center and dismissing all related bids.

SUMMARY/BACKGROUND: On May 17, 2016, City Council awarded a bid to PTI Sports and Recreation Construction for installation of a new floor in the C.L. Simon Recreation Center Gym. Although multiple bids were obtained prior to the above stated award, while preparing the Purchase Order, staff identified a problem with the process used to receive bids. Staff followed the bid process for projects under \$50,000 however bids came back in excess of \$50,000. Without formal bid documents, accepting a bid in excess of \$50,000 does not meet the State's requirements for procurement procedures. After reviewing the issue with the City Attorney, it is apparent the project will require dismissal of the award and dismissal of all related bids obtained as of the date of the award.

FINANCIAL:

- There is no financial impact associated with this item
- Item is budgeted: (____ - ____ - ____) In the amount of \$_____
- Item is not budgeted (Budget Amendment required; please attach BA ordinance)
Amount: \$_____ GL Account #: _____
- Item is estimated to generate additional revenue: _____

CITY CONTACT: Brian W. Bray, Director of Community Services
(936) 559-2935
brayb@ci.nacogdoches.tx.us

ATTACHMENTS: Bid Summary Form



City of Nacogdoches, Texas Bid Tabulation Sheet

DATE: 4/20/2016

REQUISITION NUMBER: 122042016

DEPARTMENT: Recreation Department

Item No.	Qty.	UOM	Description	BIDDER A		BIDDER B		BIDDER C		BIDDER C	
				Unit Cost	Extension	Unit Cost	Extension	Unit Cost	Extension	Unit Cost	Extension
1	1		Recreation Gym Floor Replacement	\$52,000.00		\$52,199.00		\$43,741.44		\$62,095.98	
2											
3											
4											
5											
TOTAL:				\$52,000.00		\$52,199.00		\$43,741.44		\$62,095.98	

BIDDER A:

Company Name: PTI Sports and Recreation Construction
 Contact: Jordan Robertson
 Phone: 936-756-7529
 Address: 248 Woodsy Hollow, Goodrich, TX 77335

BIDDER B:

Company Name: NAH Sports Flooring, LLC
 Contact: Reggie Hill
 Phone: 713-956-2700
 Address: 3528 East T.C Jester BLVD, Houston, TX 77018

BIDDER C:

Company Name: Vector Concepts
 Contact: Cecil Lindsey
 Phone: 972-399-1303
 Address: 9010 N. Royal Lane Suite 110, Irving, TX 75063

BIDDER D:

Company Name: Vector Concepts
 Contact: Cecil Lindsey
 Phone: 972-399-1303
 Address: 9010 N. Royal Lane Suite 110, Irving, TX 75063

This product does not meet the qualifications requested by staff

Tabulated by: Jessica Ward

Dated: 4/20/2016

PRESENTER: Larissa Philpot, Director of Municipal Services

ITEM/SUBJECT: PUBLIC HEARING - Consider the request for a zone change from A, Agricultural and PD, Planned Development to B-1, Local Business for parts of Lots 44-D, 44-F, 44-1, and 44-M, and Reserved Lot A, Block 1, Village Gate Subdivision, City Block 54, located at the intersection of Park Street and Northeast Stallings Drive. This request has been made by Andrew Middlebrook. ZON2016-01.

SUMMARY/BACKGROUND: The zoning ordinance defines a B-1 Local Business District as:

Intended to accommodate those business activities supplying the day-to-day commercial needs of nearby residents. The types and intensities of uses allowed in this district are limited so as to not adversely affect neighboring residential areas.

The northeast, northwest, and southwest corners of this intersection are zoned Agricultural, which is a holding district which were rural or undeveloped at the time they were annexed into the city and held under this zoning designation until such time as they are needed for urban purposes in conformity with the comprehensive plan and orderly growth of the city. The comprehensive plan recommends commercial development for these properties and also recommends the establishment of neighborhood scale retail and service establishments in or near major new residential developments at the city's edge. The zoning change for these three properties represents an urbanization of the area through careful planning, as intended by the zoning ordinance and comprehensive plan.

The southeast corner of this intersection is zoned PD, Planned Development. This planned development, adopted in 2001, designated this property for commercial purposes. The zoning change for this property is simply a conversion to a commercial planned development which would require development plan and site plan approval through the Planning and Zoning Commission and City Council, to a local business district zoning. This rezoning simplifies the development of the property by removing the requirements for Planning and Zoning and City Council approval of the development plan and site plan, while still maintaining protection of the residential areas through the limited commercial uses allowed in a B-1 local business district.

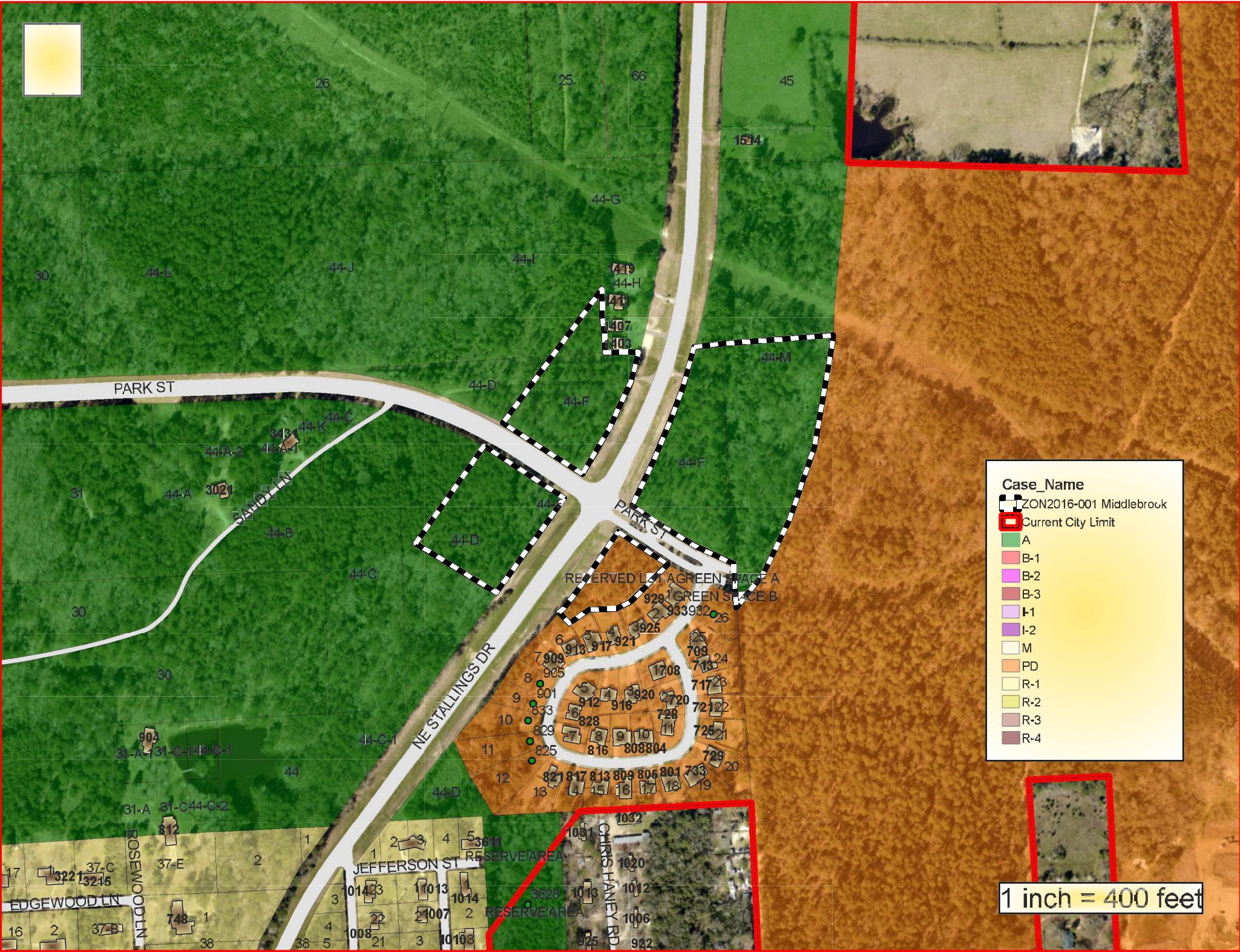
The Planning and Zoning Commission voted to recommend approval of the rezoning of the northeast, northwest, and southwest corners of the intersection (the properties currently zoned Agricultural), and to recommend denial of the request to rezone the southeast corner of the intersection (the property currently zoned Planned Development). The vote was not unanimous. Commissioners Turner, McKnight, and Mills voted for the motion. Commissioner Swearingen voted against the motion.

FINANCIAL:

- There is no financial impact associated with this item
 Item is budgeted: (____ - ____ - ____) In the amount of \$_____
 Item is not budgeted (Budget Amendment required; please attach BA ordinance)
Amount: \$_____ GL Account #: _____
 Item is estimated to generate additional revenue: _____

CITY CONTACT: Larissa Philpot, Director of Municipal Services
philpotl@ci.nacogdoches.tx.us
936-559-2572

ATTACHMENTS: Zoning map
Aerial photo
Land use schedule highlighting the uses permitted in a B-1 Local
Business District



Case_Name

- ZON2016-001 Middlebrook
- Current City Limit
- A
- B-1
- B-2
- B-3
- I-1
- I-2
- M
- PD
- R-1
- R-2
- R-3
- R-4

1 inch = 400 feet

LAND USE SCHEDULE

(*) Signifies Uses with Special Guidelines

(*Italic*) Signifies a Defined Term

AG	Residential				Permitted Use <small>P=Permitted, A=Accessory Use, S=SUP</small>	Commercial				Industrial		Parking
	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement
AGRICULTURAL USES												
P	P	P	P	P	<i>Farm, Ranch, Garden or Orchard</i>		S			P	P	No Requirement
P	P	P	P	P	<i>Farm or Ranch for live stock and Animal Specialties</i>		S			P	P	No Requirement
P					<i>Feed Store and Tack for live Stock - No</i>		P			P	P	1 for each 1000 sf
S					<i>Livestock Auction Pens or Sheds</i>						P	1 for each 1000 sf of auction area
S					<i>Poultry Hatchery</i>						P	1 for each 300 sf of office space
S					<i>Stables (Commercial)</i>						P	1 per each 2 stalls
RESIDENTIAL USES												
Household Units												
P	P	P	P	P	<i>Home Occupation</i>	P	P	P	P			N/A
				P	<i>Multifamily - Apartments</i>	S	P	P	P			1 for each bedroom + 5% additional for visitors
			P	P	<i>Single Family Attached</i>							2 for each dwelling unit
P	P	P	P	P	<i>Single Family Detached</i>							2 for each dwelling unit
			P	P	<i>Single Family Zero Lot Line</i>							2 for each dwelling unit
			P	P	<i>Two Family Dwelling</i>							2 for each dwelling unit
Special Unit Types												
P	P	P	P	P	<i>Industrialized Housing*</i>							2 for each dwelling unit
					<i>Industrialized Building</i>	P	P		P	P	P	2 for each dwelling unit
					<i>Manufactured Home</i>							N/A
					<i>Mobile Home (House Trailer, Camp)</i>							N/A
				S	<i>Manufactured Home Park</i>		S					2 for each lot, plot, or stand
				S	<i>Mobile Home Park</i>		S					N/A
				S	<i>Travel Trailer/ RV Park</i>	S	S			S		1 for each lot, plot or stand
Lodging/Group Quarters												
S	S	S	S	P	<i>Bed and Breakfast* - 4 or Less Patrons</i>	P	P	P	P			1 for each guest room or residence
				P	<i>Bed and Breakfast* - 5-8 Patrons</i>	S	P	P	P			1 for each guest room or residence
				P	<i>Boarding or Rooming House</i>	S	P	P	S			1 for each guest room or residence
S	S	S	S	P	<i>Accessory Apartment*</i>	P	P	P	P			1 for each bedroom
S	S	S	S	P	<i>Convent or Monastery</i>	S	P	P	S			1 for each 3 residents, minimum 2
S				P	<i>Family Group Home</i>	S	P	P	P			2 spaces, and 0.3 for each client
P	P	P	P	P	<i>Family Home</i>	P	P	P	P			2 for each dwelling unit
P	P	P	P	P	<i>Foster Home</i>	P	P	P	P			2 for each dwelling unit
P	A	A	P	P	<i>Guest House (Detached)</i>	P	P	P	P			1 for each bedroom
S			S	S	<i>Half-way House - Criminal</i>	S	P	P	S			1 for each bedroom
					<i>Hotel or Motel</i>	S	P	P	P	P		1 for each guest room + 5% additional for visitors
S				P	<i>Orphanage</i>	S	P	P	S			1 for each employee on largest shift
				P	<i>Retirement Home</i>	P	P	P	P			1 for each bedroom
A	A	A	A	A	<i>Pool House</i>	A	A	A	A			N/A

LAND USE SCHEDULE

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<i>Residential</i>					Permitted Use <small>P=Permitted, A=Accessory Use, S=SUP</small>	<i>Commercial</i>				<i>Industrial</i>		Parking
AG	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement
AMUSEMENT /RECREATION USES												
General Recreation												
					<i>Amusement, Commercial - Indoors*</i>		P	P		P		1 for each 100 sf
					<i>Amusement, Commercial - Outdoors Billiard Parlor or Pool Hall*</i>		S	S				1 for each 1000 sf of site area
					<i>Billiard Parlor or Pool Hall*</i>		P	P		P		1 for each 100 sf
S					<i>Carnival or Circus (Temporary)</i>		S	S		S	S	1 for each 1000 sf of site area
S	S	S	S	S	<i>Country Club (Private Membership)</i>	S	P	P		P	S	3 for each game court, 5 for each golf green, and 1 for each 250 sf of assembly area, 25% of required parking may be on a pervious surface
S					<i>Fairground*</i>			P		P	P	1 for each 1000 sf of site area, parking surface may be pervious
P	S	S	S	S	<i>Golf Course (Public or Private)</i>	P	P			P	P	5 for each golf green
P	S	S	S	P	<i>Golf Driving Range</i>	P	P			P	P	1 for each tee box + 1 for each employee on largest shift
				A	<i>Health Club or Studio</i>	P	P	P	P	P	A	3 for each game court, and 1 for each 200 sf of remaining area
					<i>Ice or Roller Skating Rink*</i>	S	P	P		P	P	1 for each 100 sf of skating area
					<i>Night Club or Dance Hall*</i>		P	P		P		1 for each 100 sf
A	A	A	P	P	<i>Pool House</i>	P	P	P	P			N/A
S					<i>Race Track</i>		S			P		1 for each 4 seats and 1 for each employee on largest shift
S	S	S	S	A	<i>Recreation Club or Area (Private)*</i>		P	P		P		3 for each game court and 1 for each 200 sf of remaining area
S	S	S	S	A	<i>Recreation Facility (Public)</i>	P	P	P	P	P		3 for each game court and 1 for each 200 sf of remaining area
					<i>Teen Club*</i>	S	P	P				1 for each 100 sf
				A	<i>Tennis Court (Lighted)</i>	S	P	P		P		4 per court and 1 for each 4 fixed seats
A	A	A	A	P	<i>Tennis Court (No Lights)</i>	P	P	P		P		4 per court and 1 for each 4 fixed seats
					<i>Theater - Movie or Live (Enclosed)</i>	S	P	P		P		1 for each 2 fixed seats
Adult Recreation												
					<i>Adult Arcade*</i>						P	1 for each 100 sf
					<i>Adult Book Store or Video Store*</i>						P	1 for each 250 sf
					<i>Adult Cabaret*</i>						P	1 for each 100 sf
					<i>Adult Motel*</i>						P	2 for each guest room
					<i>Adult Motion Picture Theater*</i>						P	1 for each 2 fixed seats
					<i>Adult Theater*</i>						P	1 for each 2 fixed seats
					<i>Escort Agency*</i>						P	1 for each 300 sf
					<i>Nude Model Studio*</i>						P	1 for each 300 sf
					<i>Sexual Encounter Center*</i>						P	1 for each 100 sf

LAND USE SCHEDULE

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Residential					Permitted Use <small>P=Permitted, A=Accessory Use, S=SUP</small>	Commercial				Industrial		Parking
AG	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement
					INSTITUTIONAL, UTILITY and GOVERNMENTAL USES							
					Government / Utility							
P	P	P	P	P	<i>Government Facility</i>	P	P	P	P	P	P	As determined by City Planner
P				P	<i>Library, Art Gallery or Museum (Public)</i>	P	P	P	P	P		1 for each 500 sf, 5 minimum
					<i>Post Office</i>	S	P	P	P	P		1 for each 300 sf of office and customer service area, 5 minimum
					<i>Postal Distribution Facility</i>		P			P	P	1 for each 1000 sf
S					<i>Radio or TV Trans. Station (Commercial)</i>	S	P	P	P	P	P	1 for each 1000 sf
S	S	S	S	S	<i>Radio Tower (Non-Commercial)*</i>	P	P	P	P	P	P	No requirement
P	P	P	P	P	<i>Relocatable Educational Facility</i>	P	P	P	P	S		No requirement
S	S	S	S	S	<i>Radio, TV, Microwave, or Cellular Transmission Tower (Comm.)*</i>	P	P	P	P	P	P	No requirement
A	A	A	A	A	<i>Satellite Dish*</i>	P	P	P	P	P	P	As determined by City Planner
P	S	S	S	S	<i>Utility Facilities (Major)</i>	S	P	P	P	P	P	As determined by City Planner
P	P	P	P	P	<i>Utility Lines and Transmission</i>	P	P	P	P	P	P	As determined by City Planner
					Schools / Organizations							
P	S	S	S	S	<i>College or University</i>	S	P	P	P	S	S	1 for each 2 students and staff
P	P	P	P	P	<i>Daycare - 3 or less Attendees</i>	P	P	P	P	P		As determined by the City Planner
S	S	S	P	P	<i>Daycare - 4-6 Attendees</i>	P	P	P	P	P		1 for each 10 pupils
S			S	S	<i>Daycare Center - 7 or more Attendees</i>	S	P	P	P	P		1 for each 10 pupils
S					<i>School - Vocational</i>	S	P	P	P			1 for each student + 1 for each staff
P	P	P	P	P	<i>School, K-12 (Public or Private)</i>	P	P	P	P	S		1/25 elementary, 1/18 junior high, 1/5 high school
P	P	P	P	P	<i>Church or Place of Worship</i>	P	P	P	P	P		1 for each 2.5 seats in sanctuary
S					<i>Club, Private</i>	P	P	P	P	P	S	1 for each 200 sf
	S	S	S	P	<i>Community Center - Private</i>	P	P	P	P	P		1 for each 250 sf of assembly area
P	S	S	P	P	<i>Community Center - Public</i>	P	P	P	P	P		1 for each 250 sf of assembly area
				S	<i>Fraternity / Sorority House</i>	S	S					1 for each resident, and 6 for each 100 sf of assembly area
					<i>Lodge or Fraternal Organization</i>	S	P	P	S	P	P	1 for each 100 sf

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AG	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement
OFFICE AND PROFESSIONAL												
Office - General												
					Advertising Agency		P	P	P			1 for each 300 sf
					Architectural / Engineering Services	P	P	P	P	P		1 for each 300 sf
					Banks and Financial Institutions	P	P	P	P	P		1 for each 300 sf
					<i>Banks with Drive In Facilities</i>	S	P	P	P	P		1 for each 300 sf
					Legal Services	P	P	P	P			1 for each 300 sf
					<i>Offices - General or Professional</i>	P	P	P	P	P	P	1 for each 300 sf
Medical / Healthcare												
S					<i>Animal Hospital or Clinic</i>		P	P		P	P	1 for each 300 sf
S					<i>Animal Hospital or Clinic w/ Outside Pens</i>					S	P	1 for each 300 sf
					<i>Animal Pound (Public or Private)</i>					S	P	1 for each 300 sf
					<i>Emergency Ambulance Service</i>		P	P	P	P		2 for each ambulance
				S	<i>Hospice</i>	P	P	P	P	S		1 for each 6 beds + 1 for each employee on largest shift
					<i>Hospital - Acute Care</i>	S	P	P	P	P		In accordance with statutory regulations of Texas Department of Health
					<i>Hospital - Chronic Care</i>	S	P	P	P			In accordance with statutory regulations of Texas Department of Health
					<i>Medical or Dental Office or Clinic</i>	P	P	P	P	P		1 for each 200 sf
					<i>Medical or Dental Office or Clinic with In-House Lab</i>							1 for each 150 sf
				P	<i>Nursing/Convalescent Home</i>	S	P	P	P			1 for each 6 beds + 1 for each employee on largest shift
					<i>Psychiatric Hospital or Institution</i>				P			1 for each 6 beds + 1 for each employee on largest shift
S					<i>Veterinary Office (No Hosp. or Clinic)</i>	P	P	P	P	P	P	1 for each 300 sf

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AG	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement	
					Business or Personal Services								
S					Auction - Goods & Equipment (Indoors)		P	P		P	P	1 for each 250 sf	
					Beauty Parlor/Barbershop	P	P	P	P	P		1 for each 250 sf	
					<i>Cabinet and Woodwork Shop (Custom)</i>	S	P	P		P		1 for each 300 sf	
P				P	<i>Caretaker/Security Quarters</i>	P	P	P	P	A	A	1 per bedroom	
S	S	S	S	S	<i>Cemetery or Mausoleum</i>	P	P	P	P	P	P	2 spaces	
					Communications/Electronics Equipment - Installation and Repair	S	P	P		P		1 for each 250 sf	
					Conventions, Trade Shows or Exhibits	S	P	P	S	S		1 for each 1000 sf of public area	
					Exterminator Service	S	P			P	P	1 for each 300 sf	
					Exterminator Service Storage					P	P	1 for each 1000 sf	
					Household Appliance and Equipment Repair	S	P	P		P	P	1 for each 250 sf	
					Information Processing		P	P	P	P		1 for each 300 sf	
					Laundry/Dry Cleaning - <4,000 s.f. w/ Customer Service		P	P	P	P		1 for each 300 sf	
					Laundry/Dry Cleaning - >4,000 s.f.				A	P	P	1 for each 300 sf	
					Laundry/Dry Cleaning - Drop Off/Pick Up	P	P	P	P	P		1 for each 250 sf	
				A	<i>Laundry/Dry Cleaning - Self Service</i>	P	P	P	P	P		1 for each 250 sf	
					Locksmith	P	P	P		P	P	1 for each 300 sf	
					Mailing Service (Private)	P	P	P	P	P		1 for each 300 sf	
					Mortuary or Funeral Home		P	P	P	P	P	1 for each 100 sf	
					Photocopying or Duplicating Services	S	P	P	P	P	P	1 for each 250 sf	
					Photographic Studio	P	P	P		P		1 for each 300 sf	
					<i>Sewing and Millinery (Custom)</i>	P	P	P		P		1 for each 250 sf	
					Shoe Repair	P	P	P		P		1 for each 250 sf	
					<i>Studio - Art, Drama, Dance, Music - Performing Arts</i>	P	P	P		P		1 for each 200 sf	
					Tailor Shop	P	P	P	S	P		1 for each 250 sf	
					Tattoo Salon/ Piercing Studio	S	S	S	S	P		1 for each 250 sf	
					Taxidermist		S	S		P	P	1 for each 250 sf	
P	P	P	P	P	Temporary Field or Construction Office	P	P	P	P	P	P	N/A	
					Temporary Retail Use	S	S	S	S	S		1 for each 250 sf of site area	
					Travel Agency	P	P	P	P			1 for each 300 sf	
					Upholstery Shop or Furniture Repair (non-Auto)		P	P		P	P	1 for each 250 sf	
					Food and Beverage Services								
					<i>Club (Private)</i>	S	P	P	S	S	P	1 for each 100 sf	
					Catering Service	S	P	P	P	P	P	1 for each 300 sf	
					<i>Eating Place w/ Drive-thru</i>		P	S		P	P	1 for each 100 sf	
					<i>Eating Place w/o Drive-thru</i>	P	P	P	P	P	P	1 for each employee on largest shift (min. 4 spaces)	
					Food Preparation or Food Service	P	P	P	P	P	P	1 for each 100 sf	
					Liquor By the Drink*	S	P	P	S	S	P	1 for each 100 sf	
					Microbrewery		S	S		P	P	As determined by City Planner	

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AG	R-1	R-2	R-3	R-4		<small>P=Permitted, A=Accessory Use, S=SUP</small>	B-1	B-2	B-3	MD	I-1	I-2
					Retail							
					Alcohol Sales - Off Premise Consumption	P	P	P		P	P	1 for each 250 sf
					<i>Antique Shop</i>	P	P	P		P		1 for each 250 sf
					Art Dealer	P	P	P				1 for each 250 sf
					Art Gallery	P	P	P				1 for each 500 sf
					Bait or Tackle Shop	S	P	P		P		1 for each 250 sf
					Bakery Shop	P	P	P	P	P		1 for each 250 sf
					Bicycle Sales or Repair	P	P	P		P		1 for each 250 sf
					Book or Stationery Shop	P	P	P	P			1 for each 250 sf
					<i>Building Material Sales (Outside Storage)</i>		P			P	P	1 for each 250 sf
					Camera or Photographic Supply Shop	P	P	P	P	P		1 for each 250 sf
					Cloth or Fabric Store	S	P	P				1 for each 250 sf
					Clothing Store	P	P	P	P			1 for each 250 sf
					Confectionery Shop	P	P	P	P			1 for each 250 sf
					Consignment Shop	P	P	P		P		1 for each 250 sf
					<i>Convenience Store</i>	P	P	P				1 for each 250 sf
					Department Store		P	P				1 for each 250 sf
					<i>Drapery Shop</i>	S	P	P				1 for each 250 sf
					Drug Store or Pharmacy	P	P	P	P			1 for each 250 sf
					<i>Farmers Market - Outdoor</i>	S	P	P		P	P	2 for each vendor stall
					<i>Flea Market - Outdoor</i>	S	P	P		P	P	1 for each 1000 sf of site area
					Florist Shop	P	P	P	P			1 for each 250 sf
					Furniture Sales - New (Indoor Only)	S	P	P		P		1 for each 1000 sf
P					<i>Garden Shop & Plant Sales</i>	S	P	P		P	P	1 for each 1000 sf of site area
					Grocery	P	P	P				1 for each 250 sf
					Hardware Store	S	P	P		P		1 for each 250 sf
					Hobby, Handicraft or Art Supplies	P	P	P	P			1 for each 250 sf
					Lawnmower Sales or Repair	S	P	P		P		1 for each 250 sf
					Major Appliance Sales (Indoor)	S	P	P		P		1 for each 1000 sf
					Manufactured Home Dealer (Sales Only)		S			P	P	1 for each 5000 sf of site area
					Monument Sales Yard		P	P		P	P	1 for each 250 sf
					Optical Shop	P	P	P	P			1 for each 250 sf
					Paint and Wallpaper Store	P	P	P	S	P		1 for each 250 sf
					<i>Pawn Shop*</i>		P			P		1 for each 250 sf
					<i>Pet Shop</i>	S	P	P		P		1 for each 250 sf
					Plumbing Shop (Retail & Wholesale)		P	P		P	P	1 for each 250 sf
					Retail or Convenience Store with Gasoline	P	P	P	P	P	P	1 for each 250 sf
					Sporting Goods		P	P				1 for each 250 sf
					Swimming Pool Sales & Supply		P	P		P	P	1 for each 250 sf
					Used Merchandise (Inside)	S	P	P		P		1 for each 250 sf

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AG	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement
					TRANSPORTATION, AUTOMOBILE and MARINE USES & SERVICES							
					Automobile Related							
					Auto Brake, Muffler, Glass, Seat Covers or Tire Sales & Service		P			P	P	1 for each 200 sf of retail area + 1 for each bay
					Auto Dealer - Primarily New/Used Autos		P			P		1 for each 200 sf of retail area + 1 for each bay
					Auto Dealer - Primarily Used Autos		P			P		1 for each 250 sf
					Auto Interior Shop		P			P		1 for each 250 sf of retail area + 1 for each bay
					Auto Paint/Body Repair		S			P	P	1 for each 250 sf of retail area + 1 for each bay
					Auto Rental		P	P		P		1 for each 250 sf
					Auto Repair - General		P			P	P	1 for each 250 sf of retail area + 1 for each bay
					Auto Storage or Auction					P	P	Auction 1 for each 500 sf of site area. Storage - N/A
					Auto Supply - Used Parts Store with no On-Site Salvage		P	S		P	P	1 for each 250 sf
					Auto Supply Store for New and Rebuilt Parts		P	P		P		1 for each 250 sf
					Auto Wrecker Service		A	A		P		1 for each 250 sf of office area
					Auto/Truck Parts and Accessories		P	P		P		1 for each 250 sf
					Car Wash		P			P	P	1 per wash bay
					Drag Strip or Commercial Racing						P	1 for each 4 fixed seats
					Parking - Accessory to Another Use		A	A	A	A	A	N/A
					Parking - Commercial Lot or Garage		P	P	P	P		N/A
					Lube/Oil Change		P			P	P	2 for each oil change bay + 1 for each employee on largest shift
					<i>Service Station</i>		S	P		P	P	2 for each repair bay + 1 for each employee on largest shift
					State Vehicle Inspection		P			P	P	1 for each 300 sf of office and customer service area

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AG	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement
					Bus or Truck Related							
					Bus or Truck Parking or Storage		S	S		P	P	N/A
					Bus Station and Terminal		S	S		S		As determined by City Planner
					Truck Stop, Including Gas Sales		P			P	P	1 for each 250 sf
					Truck/Heavy Equipment Driving School		S			P	P	2 for each student during peak hour
					Truck/Recreation Vehicle Sales					P		1 for each 300 sf
					Truck/Trailer Rental		P			P	P	1 for each 300 sf
					Trucking Company		S			P	P	1 for each 300 sf
					Railroad or Airport Related							
					Airport or Landing Field		S			S	S	As determined by City Planner
					Railroad Freight Depot		S			P	P	1 for each 1000 sf
					Railroad Passenger Station		P			P		As determined by City Planner
					Railroad Yard & Shops					P	P	1 for each 1000 sf or 1 for each employee, whichever is greater
					Vehicle - General							
					Boat Dealer - Sales Only		P			P		1 for each 300 sf
					Boat Repair or Storage		P			P		1 for each 250 sf customer service area plus 1 per each bay
					Go Cart Track					S	P	1 for each 2000 sf of site area
					Motorcycle Sales or Service		P			P		1 for each 250 sf office area + 1 per each 1000 sf service area
					Transfer/Storage Terminal		S			P	P	1 for each 1000 sf
					Vehicle Maintenance - Private		A	A		P	P	N/A
					Vehicle Wash - Private		A	A		P	P	N/A

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	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement
					WHOLESALE TRADE and STORAGE USES							
					Wholesale Trade							
					Apparel, Piece Goods, Notions - Wholesale		P	P		P		1 for each 1000 sf
					Groceries/Related Products - Wholesale		P	P		P		1 for each 1000 sf
					Heavy Machinery Sales					P	P	1 for each 1000 sf
					Lumber Sales - Wholesale					P	P	1 for each 1000 sf
					Paper or Paper Products - Wholesale		P	P		P	P	1 for each 1000 sf
					Petroleum Products Storage & Wholesale		S			P	P	1 for each 1000 sf
					Tool or Equipment Rental - Indoor		P	P		P	P	1 for each 300 sf
					Tool or Equipment Rental - Outdoor		P	S		P	P	1 for each 5000 sf of site area
					Storage							
					<i>Contractor or Maintenance Yard</i>			P		P	P	As determined by the City Planner
					Hazardous Gases/Chemicals Storage					S	P	As determined by the City Planner
					Mini Warehouse	S	S			P	P	1 for each 300 sf of office area. Units must have ample space for temporary parking in drive area
					<i>Open Storage (No Enclosure)</i>					P	P	As determined by the City Planner
					<i>Open Storage (Screened)</i>			P	S	P	P	As determined by the City Planner
					<i>Warehouse/Storage (Inside)</i>			P	P	P	P	1 for each 1000 sf
					<i>Wrecking, Junk, Salvage or Reclamation Yard</i>					S	S	1 for each 300 sf of office area

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AG	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement
					MANUFACTURING and MINING USES							
					Food-Related Products							
					Animal or Poultry Slaughtering						P	1 for each 1000 sf
					Bakery Products; Manufacturing					P	P	1 for each 1000 sf
					Beverage Manufacturing						P	1 for each 1000 sf
					Bottling or Canning of Soft Drinks & Carbonated Water					P	P	1 for each 1000 sf
					Bottling Works					P	P	1 for each 1000 sf
					Canned, Frozen, and Preserved Fruits, Vegetables and Other Foods						P	1 for each 1000 sf
					Dairy Products - Processing or Manufacturing					P	P	1 for each 1000 sf
					Fats and Oils Manufacturing or Processing					S	P	1 for each 1000 sf
					<i>Grain Mill Products; Processing and Manufacturing</i>						P	1 for each 1000 sf
					Ice Manufacturing					P	P	1 for each 1000 sf
					Meat Products; Processing or Manufacturing - Not Including Slaughtering					P	P	1 for each 1000 sf
					Sugar and Confectionery Products, Manufacturing					P	P	1 for each 1000 sf
					Sugar Manufacturing						P	1 for each 1000 sf

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AG	R-1	R-2	R-3	R-4		B-1	B-2	B-3	MD	I-1	I-2	Requirement
Articles and Equipment												
					Apparel Manufacturing					P	P	1 for each 1000 sf
					Broom & Brush Manufacturing					P	P	1 for each 1000 sf
					Cabinet & Woodworking Manufacturing		P			P	P	1 for each 1000 sf
					<i>Chemical and Allied Products Manuf.</i>					P		1 for each 1000 sf
S					Concrete or Asphalt Batch Plant - Temp.	S	S			S	P	N/A
					Costume Jewelry, Novelties, Buttons & Misc. Notions Mfg.					P	P	1 for each 1000 sf
					<i>Fabricated Metal Products Manufacturing</i>					S	P	1 for each 1000 sf
					Fur Dressing & Dying					P		1 for each 1000 sf
					Jewelry, Silverware & Plateware Mfg.					P	P	1 for each 1000 sf
					Laboratory - Medical or Dental		P	P	P	P	P	1 for each 1000 sf
					Laboratory - Scientific Testing		P	P	P	P	P	1 for each 1000 sf
S					Land Fill (Private or Municipal)						S	1 for each 200 sf of building area
					Light Manufacturing/Assembly		S	S		P	P	1 for each 1000 sf
					Linoleum, Asphalt - Felt Base & Other Hard Surfaced Floor Covering Mfg.						P	1 for each 1000 sf
					Machine Shop					P	P	1 for each 1000 sf
					Match Manufacturing					P		1 for each 1000 sf
					Musical Instruments & Parts Mfg.					P	P	1 for each 1000 sf
					<i>Paper and Allied Products Manufacturing</i>					P		1 for each 1000 sf
					Pens, Pencils & Other Office & Artists' Materials Mfg.					P	P	1 for each 1000 sf
					Printing Publishing and Allied Industries		P	P		P	P	1 for each 1000 sf
					<i>Professional, Scientific & Controlling Instruments; Photographic & Optical Goods; Watches & Clocks Mfg.</i>					P	P	1 for each 1000 sf
					<i>Rubber and Misc. Plastics Manufacturing</i>						P	1 for each 1000 sf
					Salvage and Reclamation (Enclosed)					P	P	1 for each 1000 sf
					Sign & Advertising Display Manufacturing					P	P	1 for each 1000 sf
					<i>Textile Mill Product Manufacturing</i>						P	1 for each 1000 sf
					<i>Tobacco Products Mfg.</i>						P	1 for each 1000 sf
					Toys, Amusement, Sporting & Athletic Goods Mfg.						P	1 for each 1000 sf
					Welding Shop					P	P	1 for each 1000 sf
Natural Resources												
					<i>Lumber and Wood Products Manufacturing</i>						P	1 for each 1000 sf
S	S	S	S	S	Oil & Gas Extraction	S	S		S	S	P	N/A
S	S	S	S	S	Oil & Gas Field Services	S	S		S	S	P	1 for each 200 sf of building
					<i>Petroleum Refining and Related Industries</i>						P	1 for each 1000 sf
					<i>Primary Metal Products Manufacturing</i>						P	1 for each 1000 sf
					Petroleum Products Storage and Warehouse		S			P	P	1 for each 1000 sf
					<i>Stone, Clay, Glass & Concrete Products Manufacturing</i>						P	1 for each 1000 sf
S	S	S	S	S	Stone, Sand, Gravel & Mineral Extraction	S	S		S	S	S	N/A
					Stone, Sand, Gravel or Earth Sales and Storage					S	P	1 for each 5000 sf of site area

PRESENTER: Jim Jeffers, City Manager

ITEM/SUBJECT: Consider ordinance authorizing issuance of tax notes for public safety radio system.

SUMMARY/BACKGROUND: April 19, 2016 City Council approved entering into a contract with Lower Colorado River Authority to replace the City's current public safety radio system at a total cost of \$1,690,000 with monthly operating fees at \$8,075. The current radio system servicing the City is obsolete and in need of replacement. A new, upgraded system will service all City operations, will be upgradeable and expandable into the future and contains full interoperability with local, state and federal agencies in case of wide-spread emergencies. One option to fund the radio system is to borrow money on a seven year note which will have a debt service of approximately \$300,000 annually with an estimated interest rate of 1.750% and an issuance cost of \$41,000 which may require property tax rate increase of approximately \$.02 to service.

Hilltop Securities, Financial Advisor, has called for bids to establish best interest rate on said loan. The amortization schedule is as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2017	\$265,000	2020	\$285,000
2018	\$275,000	2021	\$290,000
2019	\$280,000	2022	\$295,000

FINANCIAL:

- There is no financial impact associated with this item
- Item is budgeted: (____ - ____ - ____) In the amount of \$_____
- Item is not budgeted (Budget Amendment required; please attach BA ordinance)
Amount: \$_____ GL Account #: _____
- Item is estimated to generate additional revenue: _____

CITY CONTACT: Jim Jeffers, City Manager
936-559-2506
jeffers@ci.nacogdoches.tx.us

ATTACHMENTS: Ordinance

ORDINANCE NO. 1707-6-16

AN ORDINANCE authorizing the issuance of "CITY OF NACOGDOCHES, TEXAS, TAX NOTES, SERIES 2016"; specifying the terms and features of said notes; levying a continuing direct annual ad valorem tax for the payment of said notes; and resolving other matters incident and related to the issuance, sale, payment, and delivery of said notes, including the approval and execution of a Paying Agent/Registrar Agreement and a Purchase Letter; and providing an effective date.

WHEREAS, pursuant to Texas Government Code, Chapter 1431, as amended, the City Council of the City of Nacogdoches, Texas (the "City") is authorized and empowered to issue anticipation notes to pay contractual obligations to be incurred (i) for the construction of any public work; (ii) for the purchase of materials, supplies, equipment, machinery, buildings, lands and rights-of-way for the City's authorized needs and purposes; and (iii) for professional services rendered in relation to such projects and purposes and the financing thereof; and

WHEREAS, in accordance with the provisions of Texas Government Code, Chapter 1431, as amended, the City Council hereby finds and determines that anticipation notes should be issued and sold at this time to finance the costs of paying contractual obligations to be incurred for (i) the purchase of equipment, to wit: a public safety radio system for the City and (ii) professional services rendered in relation to such projects and purposes and the financing thereof; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NACOGDOCHES:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Notes of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$1,690,000, to be designated and bear the title "CITY OF NACOGDOCHES, TEXAS, TAX NOTES, SERIES 2016" (hereinafter referred to as the "Notes"), for the purpose of paying contractual obligations to be incurred for (i) the purchase of equipment, to wit: a public safety radio system for the City and (ii) professional services rendered in relation to such projects and purposes and the financing thereof, in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1431, as amended.

SECTION 2: Fully Registered Obligations - Note Date - Authorized Denominations - Stated Maturity - Interest Rate. The Notes shall be issued as fully registered obligations only, shall be dated June 15, 2016 (the "Note Date"), shall be in denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof, and shall become due and payable on September 1, 2022 (the "Stated Maturity").

The Notes shall bear interest on the unpaid principal amounts from the date of delivery to the initial purchasers (the "Delivery Date") at the rate of _____% per annum. Interest on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day months, and such interest shall be payable on March 1 and September 1 in each year, commencing March 1, 2017, until maturity or prior redemption.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Notes, due and payable by reason of maturity or otherwise, shall be payable only to the registered owners or holders of the Notes (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America which, at

the time of payment, is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

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

Principal of and premium, if any, on the Notes shall be payable at the Stated Maturity, only upon presentation and surrender of the Notes to the Paying Agent/Registrar at its designated offices, initially in _____, _____, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Notes shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the fifteenth day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where either the Paying Agent/Registrar or the Designated Payment/Transfer Office is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption. (a) Optional Redemption. The Notes shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$1,000 or any integral multiple thereof, on September 1, 20____ or any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least forty-five (45) days prior to a redemption date for the Notes (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem the Notes and the date of redemption therefor. The decision of the City to exercise the right to redeem Notes shall be entered in the minutes of the governing body of the City.

(b) Mandatory Redemption. The Notes shall be subject to mandatory redemption prior to maturity at the price of par plus accrued interest to the mandatory redemption date on the respective dates and in principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2017	\$ ____,000
September 1, 2018	\$ ____,000
September 1, 2019	\$ ____,000
September 1, 2020	\$ ____,000
September 1, 2021	\$ ____,000
September 1, 2022	\$ ____,000

Approximately forty-five (45) days prior to each mandatory redemption date for the Notes, the Paying Agent/Registrar shall select by lot the numbers of the Notes to be redeemed on the next following September 1 from moneys set aside for that purpose in the Interest and Sinking Fund (as hereinafter defined). Any Note not selected for prior redemption shall be paid on the date of the Stated Maturity.

The principal amount of the Notes required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Notes which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Notes plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions set forth in paragraph(a) of this Section and not theretofore credited against a mandatory redemption requirement.

(c) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Notes, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, or by such other method as the Paying Agent/Registrar shall deem appropriate and effective, to each Holder of the Notes to be redeemed in whole at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

(d) Conditional Notice of Redemption. With respect to any optional redemption of the Notes, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Notes to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional

upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Notes and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Notes have not been redeemed.

All notices of redemption shall (i) specify the date of redemption for the Notes, (ii) identify the Notes to be redeemed, (iii) state the redemption price, (iv) state that the Notes shall become due and payable on the redemption date specified, and the interest thereon shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Notes shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender of the Notes. If a Note is subject by its terms to prior redemption and has been called for redemption and notice of redemption has been duly given as hereinabove provided, such Note shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Note at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

SECTION 5: Registration - Transfer - Exchange of Notes - Predecessor Notes. A Security Register relating to the registration, payment, and transfer or exchange of the Notes shall at all times be kept and maintained by the Paying Agent/Registrar. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Notes issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Note may be transferred or exchanged for Notes of other authorized denominations by the Holder, in person or by his or her duly authorized agent, upon surrender of such Note to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his or her duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Note (other than the Initial Note referenced in Section 7 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Notes of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Note or Notes surrendered for transfer.

At the option of the Holder, Notes may be exchanged for other Notes of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Notes surrendered for exchange, upon surrender of the Notes to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Notes are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Notes to the Holder requesting the exchange.

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

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

Notes cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Notes," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Note or Notes registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Notes" shall include any mutilated, lost, destroyed, or stolen Note for which a replacement Note has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 10 hereof and such new replacement Note shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Note.

SECTION 6: Execution - Registration. The Notes shall be executed on behalf of the City by the Chairman under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Note Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Notes to the initial purchaser(s) and with respect to Notes delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note either a certificate of registration substantially in the form provided in Section 8C, manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 8D, manually executed by an authorized officer, employee, or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified, registered, and delivered.

SECTION 7: Initial Note. The Notes herein authorized shall be initially issued as a single fully registered note in the total principal amount referenced in Section 1 hereof and numbered T-1 and, the Initial Note shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Note shall be the Note submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Note, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Note delivered hereunder and exchange therefor definitive Notes of authorized denominations and principal amounts for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Notes, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Notes, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Notes, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Notes as evidenced by their execution. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

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

B. Form of Notes.

REGISTERED
NO. [R-__][T-1]

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF NACOGDOCHES, TEXAS
TAX NOTES, SERIES 2016

Note Date:
June 15, 2016

Interest Rate:
_____ %

Stated Maturity:
September 1, 2022

Registered Owner: _____

Principal Amount: _____ DOLLARS

The City of Nacogdoches (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of Nacogdoches, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above (the "Registered Owner"), or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Note appearing below (unless this Note bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Note is prior to the initial interest payment date in which case it shall bear interest from the date of initial delivery of the Notes) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 in each year, commencing March 1, 2017, until maturity or prior redemption. Principal of this Note is payable at its Stated Maturity or upon its prior redemption to the Registered Owner hereof, upon presentation and surrender, at the _____, _____ office (the "Designated Payment/Transfer Office") of _____, _____, _____ (the "Paying Agent/Registrar").

Interest is payable to the Registered Owner of this Note (or one or more Predecessor Notes, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the Registered Owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. All payments of principal of, premium, if any, and interest on this Note shall be without exchange or collection charges to the Registered Owner hereof and in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where either the Paying Agent/Registrar or the Designated Payment/Transfer Office is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

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

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2017	\$ ____,000
September 1, 2018	\$ ____,000
September 1, 2019	\$ ____,000
September 1, 2020	\$ ____,000
September 1, 2021	\$ ____,000
September 1, 2022	\$ ____,000

The particular Notes to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Notes required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Notes which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Notes plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.

The Notes shall be subject to redemption prior to maturity, at the option of the City, in whole or in part, on September 1 20____ or any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least forty-five (45) days prior to a redemption date for the Notes (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the

Paying Agent/Registrar of the decision to redeem Notes and the date of redemption therefor. The decision of the City to exercise the right to redeem Notes shall be entered in the minutes of the governing body of the City.

Not less than thirty (30) days prior to a redemption date for the Notes, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of the Notes to be redeemed in whole at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Notes, (ii) identify the Notes to be redeemed, (iii) state the redemption price, (iv) state that the Notes shall become due and payable on the redemption date specified, and the interest thereon shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Notes shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender of the Notes. If a Note is subject by its terms to prior redemption and has been called for redemption and notice of redemption has been duly given as hereinabove provided, such Note shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Note at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

With respect to any optional redemption of the Notes, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Notes to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Notes and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Notes have not been redeemed.

This Note is one of the series specified in its title issued in the aggregate principal amount of \$1,690,000 (herein referred to as the "Notes") for the purpose of paying contractual obligations to be incurred for (i) the purchase of equipment, to wit: a public safety radio system for the City and (ii) professional services rendered in relation to such projects and purposes and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Notes are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner or Holder of this Note by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Notes; the terms and conditions relating to the transfer or exchange of this Note; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners or Holders; the rights, duties, and obligations of the City and the Paying

Agent/Registrar; the terms and provisions upon which this Note may be discharged at or prior to its Stated Maturity, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

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

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

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

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

CITY OF NACOGDOCHES, TEXAS

Chairman

COUNTERSIGNED:

City Secretary

(SEAL)

- C. Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Note only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS (((REGISTER NO. _____
THE STATE OF TEXAS ((

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

- D. Form of Certificate of Paying Agent/Registrar to appear on Definitive Notes only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

The designated office of the Paying Agent/Registrar in _____, _____ is the Designated Payment/Transfer Office for this Note.

_____ BANK,
_____, _____, as Paying Agent/Registrar

Registration Date: _____ By: _____
Authorized Signature

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____ (Social Security or other identifying number: _____) the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guaranteed:

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

SECTION 9: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Notes, being (i) the interest on the Notes and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Notes shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Notes while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed, and collected for and on account of the Notes shall be kept and maintained by the City at all times while the Notes are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Notes shall be deposited to the credit of a "Special 2016 Note Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Notes.

The Chairman, Chairman Pro Tempore, Vice Chairman Pro Tempore, City Manager, Finance Director and City Secretary, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Notes, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Notes as the same accrues or matures; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Notes.

SECTION 10: Mutilated, Destroyed, Lost and Stolen Notes. In case any Note shall be mutilated, or destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Note of like form and tenor, and in the same denomination and bearing a number

not contemporaneously outstanding, in exchange and substitution for such mutilated Note, or in lieu of and in substitution for such destroyed, lost, or stolen Note, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss, or theft of such Note, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Note shall be borne by the Holder of the Note mutilated, or destroyed, lost, or stolen.

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

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

SECTION 11: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Notes, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Notes or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Notes or the principal amount(s) thereof at the Stated Maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Notes, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof. The City covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit which would cause the Notes to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

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

Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.

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

SECTION 12: Ordinance a Contract - Amendments - Outstanding Notes. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Note remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Notes then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Notes, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Notes, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Notes, (2) give any preference to any Note over any other Note, or (3) reduce the aggregate principal amount of Notes required to be held by Holders for consent to any such amendment, addition, or rescission.

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

- (1) those Notes cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Notes deemed to be duly paid by the City in accordance with the provisions of Section 11 hereof; and
- (3) those mutilated, destroyed, lost, or stolen Notes which have been replaced with Notes registered and delivered in lieu thereof as provided in Section 10 hereof.

SECTION 13: Covenants to Maintain Tax-Exempt Status. (a) Definitions. When used in this Section, the following terms have the following meanings:

"*Closing Date*" means the date on which the Notes are first authenticated

and delivered to the initial purchasers against payment therefor.

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

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

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

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

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

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

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

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

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

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

(1) exclusively own, operate and possess all property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Notes, and not use or permit the use of

such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department, and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

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

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Notes to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed, or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

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

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

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures, and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures, and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Note is discharged. However,

to the extent permitted by law, the City may commingle Gross Proceeds of the Notes with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Notes until six (6) years after the final Computation Date.

(3) As additional consideration for the purchase of the Notes by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States from the construction fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Notes equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

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

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

(j) Elections. The City hereby directs and authorizes the Chairman, Chairman Pro Tempore, Vice Chairman Pro Tempore, City Manager and Finance Director, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Notes, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Qualified Tax-Exempt Obligations. In accordance with the provisions of paragraph (3) of subsection (b) of Section 265 of the Code, the City hereby designates the Notes to be “qualified tax exempt obligations” in that the Notes are not “private activity bonds” as defined in the Code and represents the amount of “tax exempt obligations” (excluding private activity bonds) to be issued by the City (including all subordinate entities of the City) for the calendar year 2016 will not exceed \$10,000,000.

SECTION 14: Sale of the Notes - Purchase Letter Approval. The offer of _____ (herein referred to as the “Purchasers”) to purchase the Notes in accordance with the Purchase Letter, dated as of June 7, 2016, attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Ordinance for all purposes is hereby accepted, and the sale of the Notes to said Purchasers is hereby approved and authorized and determined to be in the best interest of the City. The Chairman is hereby authorized and directed to execute said Purchase Letter for and on behalf of the City and as the act and deed of this Council, and in regard to the approval and execution of the Purchase Letter, the Council hereby finds, determines, and declares that the representations, warranties, and agreements of the City contained in the Purchase Letter are true and correct in all material respects and shall be honored and performed by the City.

There is no Official Statement or other offering document relating to the Notes.

SECTION 15: Control and Custody of Notes. The Chairman of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the production or printing and supply of definitive Notes, and shall take and have charge and control of the Initial Note pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the initial purchasers.

Furthermore, the Chairman, City Manager, Finance Director and City Secretary, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Notes, including certifications as to facts, estimates, circumstances and reasonable expectations pertaining to the use, expenditure and investment of the proceeds of the Notes, as may be necessary for the approval of the Attorney General, the registration by the Comptroller of Public Accounts, and the delivery of the Notes to the Purchasers, and, together with the City’s financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Note to the Purchasers and the initial exchange thereof for definitive Notes.

SECTION 16: Proceeds of Sale. The proceeds of sale of the Notes, excluding the amounts designated to pay the costs of issuance of the Notes, shall be deposited in a construction fund maintained at the City’s depository bank. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in legally authorized investments, and any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the City Council. Any excess Note proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund or another fund created for the payment of the Notes.

SECTION 17: Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to

the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

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

SECTION 18: Cancellation. All Notes surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Notes previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Notes held by the Paying Agent/Registrar shall be returned to the City.

SECTION 19: Legal Opinion. The Purchasers' obligation to accept delivery of the Notes is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Bond Counsel for the City, approving the Notes as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Notes. A true and correct reproduction of said opinion is hereby authorized to be printed on or attached to the definitive Notes.

SECTION 20: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar, and the Holders.

SECTION 21: Inconsistent Provisions. All ordinances, orders, or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 22: Further Procedures. Any one or more of the Chairman, Chairman Pro Tempore, Vice Chairman Pro Tempore, City Manager, Finance Director and City Secretary are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Notes. In addition, prior to the initial delivery of the Notes, the Chairman, Chairman Pro Tempore, Vice Chairman Pro Tempore, City Manager, Finance Director or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General

of the State of Texas or his representative to obtain the approval of the Notes by the Attorney General. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 23: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 24: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 25: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 26: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 27: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 28: Effective Date. This Ordinance shall take effect and be in force immediately from and after its passage in accordance with Texas Government Code, Section 1201.028, as amended, and it is so ordained.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED, this June 7, 2016.

CITY OF NACOGDOCHES, TEXAS

Chairman

ATTEST:

City Secretary

(City Seal)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT B
PURCHASE LETTER

PRESENTER: Stephen Pearl, Human Resources Director

ITEM/SUBJECT: Consider approval of Deep East Texas Self Insurance Fund proposed renewal of Workers' Compensation coverage for the next three (3) years beginning October 1, 2016.

SUMMARY/BACKGROUND: Workers' Compensation is a state regulated insurance system that ensures medical bills and some lost wages are paid for employees injured on the job or who have work-related diseases or illnesses. The City has been with Deep East Texas Self Insurance Fund (DETSIF) since 2001. Our current 3 year agreement at \$280,000 per year will end on 9-31-2016. DETSIF submitted a renewal proposal for the next 3 years at \$219,900 per year beginning 10-1-2016. This would be a decrease of \$60,100 per year or \$180,300 over the next three years for our Workers' Compensation Insurance cost.

FINANCIAL: The renewal amount, if approved, will be budgeted in the 2016-2017 Fiscal Year budget at a total of \$219,900. This amount is divided up in the various City departments.

CITY CONTACT: Stephen Pearl
936-559-2565
pearls@ci.nacogdoches.tx.us

ATTACHMENTS: Proposal of Workers' Compensation Coverage

PROPOSAL OF
WORKERS' COMPENSATION COVERAGE
FOR

CITY OF NACOGDOCHES

By

DEEP EAST TEXAS SELF INSURANCE FUND

MAY, 2016

May, 2016

CITY OF NACOGDOCHES
AND
DEEP EAST TEXAS SELF INSURANCE FUND
ONE YEAR POLICY
OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017

\$ 261,189.57

BUT
A THREE YEAR POLICY WOULD BE

\$219,900 *

EACH YEAR FOR 3 YEARS

CURRENTLY PAYING

\$280,000 PER YEAR

*Includes volunteers, except no volunteer firemen or reserve or volunteer police officers.

May, 2016

CITY OF NACOGDOCHES

HISTORY

DEEP EAST TEXAS SELF INSURANCE FUND

	CLAIMS	PREMIUMS
Year 12	\$380,650	\$ 280,000
Year 13	41,478	280,000
Year 14	34,081	280,000
Year 15	197,240	280,000
<hr/>		
Totals	653,449	1,120,000
Average	163,363	280,000

May, 2016

PROPOSED RENEWAL OF
WORKERS' COMPENSATION COVERAGE

CITY OF NACOGDOCHES

AND

DEEP EAST TEXAS SELF INSURANCE FUND

3 YEAR POLICY WITH NO PAYROLL AUDITS

10-1-16 THROUGH 9-30-17 \$219,900 *

10-1-17 THROUGH 9-30-18 \$219,900 *

10-1-18 THROUGH 9-30-19 \$219,900 *

APPROVED:

City of Nacogdoches

Date

Deep East Texas Self Insurance Fund

Date

* Includes volunteers, except no volunteer firemen or reserve or
volunteer police officers



PREMIUM ESTIMATE

Deep East Texas Self Insurance Fund

INSURED:

CITY OF NACOGDOCHES

POLICY PERIOD

FROM: 10-01-2016

TO: 09-30-2017

CLASSIFICATION OF OPERATIONS		PREMIUM BASIS	RATES	MANUAL PREMIUMS
DESCRIPTION	CODE NUMBER	TOTAL ANNUAL REMUNERATION	PER \$100 OF REMUNERATION	
INSPECTORS	4511	187,419.00	2.24	4,198.19
STREET CONS AND REPAIR	5506	511,950.00	23.60	120,820.20
WATERWORKS	7520	867,697.00	9.62	83,472.45
SEWAGE DISPOSAL	7580	489,403.00	4.99	24,421.21
FIREMEN	7704	3,340,493.00	5.09	170,031.09
LAW ENFORCEMENT	7720	3,678,284.00	9.25	340,241.27
CLERICAL	8810	3,524,437.00	0.64	22,556.40
PARKS	9102	337,077.00	6.52	21,977.42
GARBAGE COLLECTION	9403	614,637.00	20.00	122,927.40
ANIMAL CONTROL	8831	169,288.00	4.24	7,177.81
AUTO REPAIR	8391	202,822.00	8.03	16,286.61
LIBRARIES	8838	227,400.00	0.75	1,705.50
JANITORS	9015	201,174.00	11.38	22,893.60
CEMETARY	9220	159,776.00	13.64	21,793.45
AIRPORT	7423	105,743.00	6.58	6,957.89
MINIMUM PREMIUM SHALL BE:				\$1,300
MANUAL PREMIUM SUBJECT TO EXPERIENCE MODIFICATION				987,460.49
TIMES THE EXPERIENCE MODIFICATION FACTOR OF				0.88
MODIFIED PREMIUM				868,965.23
LESS DISCOUNT 70.00%				608,275.66
TOTAL ESTIMATED PREMIUM				260,689.57

Workers Compensation Experience Rating Worksheet

NAME OF RISK	Nacogdoches, City of	RISK ID		EFFECTIVE DATE	10/1/2016
		STATE	TX		

1	2	3	4	5	6	7	8	9	10	
CLASS CODE	ELR	D-RATIO	AUDITED PAYROLL	EXPECTED LOSSES	EXP. PRIM. LOSSES	CLAIM DATA	IJ	O F	ACT. INC. LOSSES	ACT. PRIM. LOSSES

(2) x (4) / 100 (3) x (5)

**** Texas

Policy Period: 10/1/2012 to 10/1/2013

Policy #:

4511	0.22	0.36	260,386	573	206	Sm. losses	*		47,000	47,000
5506	2.45	0.36	519,237	12,721	4,580			F #	336,000	16,000
6306	2.50	0.35	10,520	263	92					
7520	1.02	0.41	940,646	9,595	3,934					
7580	0.83	0.41	572,546	4,752	1,948					
7704	1.41	0.42	3,641,513	51,345	21,565					
7720	0.83	0.41	3,726,856	30,933	12,682					
8391	0.70	0.41	170,973	1,197	491					
8810	0.06	0.39	3,496,307	2,098	818					
8831	0.44	0.41	173,044	761	312					
8838	0.21	0.40	214,510	450	180					
9015	0.94	0.41	203,510	1,913	784					
9102	1.11	0.39	320,464	3,557	1,387					
9220	2.67	0.41	173,511	4,633	1,899					
9403	7.83	0.24	669,353	52,410	12,578					
Policy Period Totals			15,093,376	177,202	63,458				383,000	63,000

Policy Period: 10/1/2013 to 10/1/2014

Policy #:

4511	0.22	0.36	127,200	280	101			F	15,000	15,000
5506	2.45	0.36	562,000	13,769	4,957	Sm. losses	*		28,000	28,000
6306	2.50	0.35	240,000	6,000	2,100					
7520	1.02	0.41	572,400	5,838	2,394					
7580	0.83	0.41	747,000	6,200	2,542					
7704	1.41	0.42	3,131,000	44,147	18,542					
7720	0.83	0.41	3,234,000	26,842	11,005					
8391	0.70	0.41	132,000	924	379					
8838	0.21	0.40	310,800	653	261					
9015	0.94	0.41	229,000	2,153	883					
9102	1.11	0.39	410,000	4,551	1,775					
9220	2.67	0.41	214,000	5,714	2,343					
9403	7.83	0.24	566,000	44,318	10,636					
Policy Period Totals			10,475,400	161,389	57,917				43,000	43,000

Workers Compensation Experience Rating Worksheet

NAME OF RISK	Nacogdoches, City of	RISK ID	STATE TX	EFFECTIVE DATE	10/1/2016

1	2	3	4	5	6	7	8	9	10	
CLASS CODE	ELR	D-RATIO	AUDITED PAYROLL	EXPECTED LOSSES	EXP. PRIM. LOSSES	CLAIM DATA	IJ	O F	ACT. INC. LOSSES	ACT. PRIM. LOSSES

(2) x (4) / 100 (3) x (5)

Policy Period: 10/1/2014 to 10/1/2015

Policy #:

4511	0.22	0.36	187,000	411	148	Sm. losses *			34,546	34,546
5506	2.45	0.36	511,000	12,520	4,507					
7423	1.70	0.42	105,000	1,785	750					
7520	1.02	0.41	867,000	8,843	3,626					
7580	0.83	0.41	489,000	4,059	1,664					
7704	1.41	0.42	3,340,000	47,094	19,779					
7720	0.83	0.41	3,678,000	30,527	12,516					
8391	0.70	0.41	202,000	1,414	580					
8810	0.06	0.39	3,524,000	2,114	825					
8831	0.44	0.41	169,000	744	305					
8838	0.21	0.40	227,000	477	191					
9014	1.04	0.41	201,000	2,090	857					
9102	1.11	0.39	337,000	3,741	1,459					
9220	2.67	0.41	159,000	4,245	1,741					
9403	7.83	0.24	614,000	48,076	11,538					
Policy Period Totals			14,610,000	168,141	60,485				34,546	34,546

		(D) - (E)			(H) - (I)				
	0.29	324,870	506,730	181,860	221,500	76,000	362,046	140,546	
	'W' VALUE	EXPECTED EXCESS	TOTAL EXPECTED	TOTAL EXP. PRIM.	ACTUAL EXCESS	"B" VALUE	TOTAL ACTUAL	TOTAL ACT. PRIM.	
	A	B	C	D	E	F	G	H	I

Limited loss.

S Subrogation or other special loss.

* Total by policy year of all cases \$2,000 or under.

Experience Modification Calculation	11	12	13	14	15 EXP. MOD (J) / (K) 0.88
	PRIMARY LOSSES		STABILIZING VALUE	RATABLE EXCESS	
ACTUAL	(I)	(C) X (1 - A) + (G)	(A) X (F)	J	
	140,546	306,658	64,235	511,439	
EXPECTED	(E)	(C) X (1 - A) + (G)	(A) X (C)	K	
	181,860	306,658	94,212	582,730	

ModMaster software provides for an ESTIMATE of an experience modification factor. Your official experience modification factor is issued solely by the applicable workers' compensation rating bureau.

Proprietary and Confidential. ModMaster software provides for an ESTIMATE of an experience modification factor. Your official experience modification factor is issued solely by the applicable workers' compensation rating bureau.

PRESENTER: Brian W. Bray, Director of Community Services

ITEM/SUBJECT: Consider purchase of a new gym floor in the C.L. Simon Recreation Center.

SUMMARY/BACKGROUND: PTI Sports and Recreation Construction have submitted a bid of \$52,000 through a State Purchasing Coop, The Interlocal Purchasing System (TIPS). PTI Sports and Recreation Construction were previously awarded the bid, but the bid had to be rescinded because staff did not follow the correct bid procedures. Acceptance of bids through an Interlocal Purchase System such as TIPS, meets the state's requirements for procurement procedures. The gym floor in the Recreation Center has exhausted its lifespan and has been heavily used since its installation in 1997. This product is warranted for 15 years and has a life expectancy of 25 years minimum. A line item transfer has already been completed for this project using unexpended funds from another project within the department.

FINANCIAL:

- There is no financial impact associated with this item
- Item is budgeted: (01.86.680.00) In the amount of \$ 52,000.00
- Item is not budgeted (Budget Amendment required; please attach BA ordinance)
Amount: \$ _____ GL Account #: _____
- Item is estimated to generate additional revenue: No

CITY CONTACT: Brian W. Bray, Director of Community Services
(936) 559-2935
brayb@ci.nacogdoches.tx.us

ATTACHMENTS: Bid Proposal



248 Woodsy Hollow, Goodrich, TX 77335
936-756-7529, www.pti.construction

Proposal

Date	Proposal No.
5/26/2016	43962

Name/Address
City of Nacogdoches Destiny Harris 202 E. Pilar St. Nacogdoches, TX 75961 TIPS CONTRACT 4042414

Ship To
City of Nacogdoches Destiny Harris 202 E. Pilar St. Nacogdoches, TX 75961

Description	Total
Install Omnisport 6.5 mm sports flooring: -Flooring will include lines for Basketball, Volleyball, and Soccer in the color of your choice -Installed with HS Sport Spray that works for up to 90% RH -This system offers class 2 shock absorption according to the ASTM F2772 standard and meets all the requirements of ball rebound, vertical deformation, and surface finish effect. -Comprehensive Warranty Protection: Omnisports is backed by a 10-year manufacturer's product warranty and a 15-year manufacturer's wear layer warranty, representing the highest level of coverage in the industry	58,012.00
Shipping & Handling	3,234.00
Off Season Discount Installation Before Summer -Please note not all colors are available	-9,246.00
Notes: Excludes: -All state and local sales taxes, bonds, permits, fees or licenses -Contingencies -Insurance above standard policy limits -Engineering -Drainage above initial bid -Seeding or Sodding -Any site work or land leveling above initial bid -Any testing or special inspections -Any allowances -Any item not listed in inclusions above	
Thank you for the opportunity to submit this proposal, please let me know if you have any questions.	
	Total \$52,000.00

½ payment due with order and valid purchase order (if applicable), remaining ½ payment due at completion.

ACCEPTANCE: The undersigned ("Purchaser") by execution hereof accepts this document and all of its form and conditions contained herein as a binding contract Signature _____

HUB Certified Vendor TIPS Member*BuyBoard*Region 7 Coop*TRAPS Member
State of Texas Purchasing Coop-CMBL Harris County Department of Education Coop

PRESENTER: Jim Jeffers, City Manager

ITEM/SUBJECT: Consider annual appointment of Mayor Pro Tempore and Vice Mayor Pro Tempore.

SUMMARY/BACKGROUND: Article IV Section 7 of the City Charter states: "On an annual basis the City Council shall choose a Mayor Pro Tempore and Vice Mayor Pro Tempore to serve in the absence of the Mayor."

Below is a history of recent appointments as Mayor Pro Tem and Vice Mayor Pro Tem:

2012 Mayor Pro Tem David Norton - Vice Mayor Pro Tem Shelley Brophy
2013 Mayor Pro Tem Roy Boldon - Vice Mayor Pro Tem Shelley Brophy
2014 Mayor Pro Tem Mike Keller - Vice Mayor Pro Tem David Norton
2015 Mayor Pro Tem Shelley Brophy - Vice Mayor Pro Tem Roy Boldon

FINANCIAL:

There is no financial impact associated with this item
 Item is budgeted: (____ - ____ - ____) In the amount of \$_____
 Item is not budgeted (Budget Amendment required; please attach BA ordinance)
Amount: \$_____ GL Account #: _____
 Item is estimated to generate additional revenue: _____

CITY CONTACT: Jim Jeffers, City Manager
936-559-2506
jeffers@ci.nacogdoches.tx.us

ATTACHMENTS: None

ITEM/SUBJECT:

EXECUTIVE SESSION:

- A. Deliberation regarding Economic Development negotiations under Local Government Code Section 551.087 as follows:
 - 1. Discuss or deliberate regarding commercial or financial information the City has received from business projects the City body seeks to have locate in the City of Nacogdoches and with which the City is conducting economic development negotiations; and
 - 2. Deliberate offer of financial or other incentive to business prospects described by Subdivision 1 above