Jean Birmingham Council Chambers, City Hall
401 South Alamo
Marshall, TX 75670
903-935-4421

PLEASE SILENCE ALL DEVICES
REGULAR CITY COUNCIL MEETING

October 9, 2025
6:00 PM

1. **Call to Order and Roll Call**

2. **Invocation and Pledges**

3. **Presentations & Proclamations**

   A. Presentation of the Employee of the Month - October. (Employee Engagement Committee)

4. **Citizen Comments**
   Texas Government Code, Sec. 551.007 requires that a governmental body must allow each member of the public who desires to address the body regarding an item on the agenda the opportunity to do so before or during the body's consideration of the item. The “Citizens Comments” portion of the meeting meets the requirements of this law and is the public’s opportunity to speak on any item on the agenda. Those who wish to speak are requested to fill out a public comment form and will have three (3) minutes to speak unless additional time has been requested.

5. **Items to be Withdrawn From Consent Agenda**

6. **Consent Agenda**
   The items on the Consent Agenda require little or no deliberation by the Council. Approval of the Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations, a copy of which is filed with the minutes of the meeting. A Councilmember may remove items from the Consent Agenda by making such request prior to a motion and vote on the Consent Agenda.

   A. Consider approval of the minutes from the August 28, 2025, Regular Council meeting. (City Secretary)

   B. Consider approval of the minutes from the September 3, 2025 Special-Called City Council meeting. (City Secretary)

   C. Consider approval of participation in National Opioid Settlement with Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun and Zydus. (City Attorney)

7. **Consideration of Items Withdrawn From the Consent Agenda**

8. **Ordinance**

   A. **O-25-31** Consider an ordinance authorizing the issuance and sale of combination tax and revenue certificates of obligation, series 2025; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving an official statement; providing an effective date; and enacting other provisions relating to the subject. (City Manager)

B. **O-25-32** Consider approval of an ordinance amending the City of Marshall Charter by correcting typographical errors. (City Secretary)

C. **O-25-33** Consider approval of an ordinance amending Section 2-1 of Chapter 2 of the Code of Ordinances of the City of Marshall relating to time and place of council meetings. (City Secretary)

9. Resolution

A. **R-25-16** Consider approval of a Resolution to make nominations to the Board of Directors of the Harrison Central Appraisal District. (City Manager)

10. Action Items for City Council Consideration

A. Consider Approval of the FY25 Capital Improvement Program (CIP). (Interim Budget Manager & City Manager)

B. Consider approval to authorize the Mayor to award and execute a contract for consulting services to Searight Internetwork Consulting not to exceed the amount of $145,000.00. (Support Services)

C. Discussion and consideration regarding the need to establish a Charter Review Committee, possible amendments, composition and timeline. (Council)

D. Consider authorizing the City Manager to execute a contract with Texas First for Interim Planning & Zoning Director Services. (Human Resources & Assistant City Manager)

11. Discussion and Reports for City Council Consideration and Direction

A. Report regarding needed appointments and reappointments to the various City boards, commissions, and committees. (City Secretary)

12. Adjournment

Posted: October 3, 2025
5:00 PM
N. Smith

This meeting will be conducted in accordance with the Americans with Disabilities Act. Requests for sign interpretive services will be available with at least 72-hour notice prior to the meeting. To make arrangements for these services, please call the City Secretary's Office at 903-935-4446.

TAXPAYER IMPACT STATEMENT
FOR THE CITY OF MARSHALL

Pursuant to §551.043 Texas Government Code

PROPOSED TAX RATE	$0.58151830 per $100
NO-NEW-REVENUE TAX RATE	$0.53189530 per $100
VOTER-APPROVAL TAX RATE	$0.58151830 per $100
2025 MEDIAN* TAXABLE HOMESTEAD VALUE	$113,080
2025 EST OF TAX ON MEDIAN HOMESTEAD @ PROPOSED RATE	$657.58
2025 EST OF TAX ON MEDIAN HOMESTEAD @ NO-NEW-REVENUE RATE	$601.47

The Texas Legislature has amended §551.043 of the Texas Government Code to require a Taxpayer Impact Statement to be included with a governing body's notice of meeting to adopt budgets and tax rate.

The tax rate proposed this year by the City Council of the CITY OF MARSHALL is $0.58151830/ $100 of value.
The median taxable value of a homesteaded property in the CITY OF MARSHALL for 2025 is $113,080.
The proposed tax rate would result in an estimated tax on the median homestead of $657.58.

If the City Council of the CITY OF MARSHALL adopted a tax rate equal to this year's no-new-revenue rate of $0.53189530/ $100 of value, the tax on the median homestead property for 2025 would be $601.47.

**The Texas Legislature has required the use of the median homestead value for this statement. The median taxable value will differ from the average taxable value contained in other statutory tax transparency notices.*

City of MARSHALL TEXAS

TO:	City Council
DATE:	October 9, 2025
ITEM #:	3.A
SUBJECT:	Presentation of the Employee of the Month - October. (Employee Engagement Committee)

Recommendation for Action:

Executive Summary:

Focus Area(s):

Budget Cost:

Staff Contact:

Attachments: None

	TO:	City Council
	DATE:	October 9, 2025
	ITEM #:	6.A
	SUBJECT:	Consider approval of the minutes from the August 28, 2025, Regular Council meeting. (City Secretary)

Recommendation for Action: Consider approval of the minutes from the November 14, 2024 Regular Council meeting.

Executive Summary: Minutes from the Regular meeting held on November 14, 2024.

Focus Area(s): Improving Communication

Budget Cost: N/A

Staff Contact: Nikki Smith, City Secretary

Attachments: 1. 8-28-25 minutes

Jean Birmingham Council Chambers, City Hall
401 South Alamo
Marshall, TX 75670
903-935-4421

Members
Amy Ware, District 4 - Mayor
Risa Jordan-Anderson, District 1
Leo Morris, District 2
Dathaniel Campbell, District 3
Reba Godfrey, District 5
Amanda Abraham, District 6
Micah Fenton, District 7

MINUTES
PLEASE SILENCE ALL DEVICES
REGULAR CITY COUNCIL MEETING
August 28, 2025
6:00 PM

1. Call to Order and Roll Call

Mayor Amy Ware called the Regular meeting to order in the Council Chambers, City Hall at 6:03 PM.

PRESENT:

Mayor and Council Members:
Mayor Amy Ware
Councilmember Leo Morris
Councilmember Reba Godfrey
Councilmember Amanda Abraham
Councilmember Micah Fenton
Councilmember Dathaniel Campbell
Councilmember Risa Jordan-Anderson

ADMINISTRATIVE STAFF PRESENT:
Melissa Vossmer, City Manager
Nikki Smith, City Secretary
Scott Rectenwald, City Attorney
David Rainwater, Fire Chief
Christol Hall, HR/Civil Service Director
Randy Pritchard, Support Services Director
Deck Shaver, Interim Public Works Director
Reggie Cooper, Planning & Development Director
Alex Agnor, Asst. City Manager/Econ. Dev. & Strat. Init. Director

2. Invocation and Pledges

Mayor Ware

3. Presentations & Proclamations

A. Recognition of the August Yard of the Month winners.

Alex Agnor, Assistant City Manager/EDSI Director, recognized the August 2025 Yard of the Month recipients; residential property Bonnie Hall, who resides on Holmes Road, and the commercial property US Title, located on Travis Street.

4. Citizen Comments

Texas Government Code, Sec. 551.007 requires that a governmental body must allow each member of the public who desires to address the body regarding an item on the agenda the opportunity to do so before or during the body's consideration of the item. The “Citizens Comments” portion of the meeting meets the requirements of this law and is the public’s opportunity to speak on any item on the agenda. Those who wish to speak are requested to fill out a public comment form and will have three (3) minutes to speak unless additional time has been requested.

Lee Flowers, Harrison Central Appraisal District, provided an update on the new direction and revamping of the appraisal district, and the software conversion, stating the collection software should be live in a few weeks.

Melissa Vossmer, City Manager, stated Lee FLowers has been very helpful with legislative changes and expressed her appreciation of his assistance and asked if the Appraisal District would be open to a discussion regarding a joint effort for mapping.

5. Items to be Withdrawn From Consent Agenda

There were no items withdrawn from the Consent Agenda.

6. Consent Agenda

The items on the Consent Agenda require little or no deliberation by the Council. Approval of the Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations, a copy of which is filed with the minutes of the meeting. A Councilmember may remove items from the Consent Agenda by making such request prior to a motion and vote on the Consent Agenda.

Councilmember Jordan-Anderson made a motion to approve the Consent Agenda. Councilmember Fenton seconded the motion, which passed by a vote of 7:0.

A. Consider approval of the minutes from the August 14, 2025, Regular Council meeting. (City Secretary)

B. Consider approval of amendment(s) to the Personnel Handbook. (Human Resources)

7. Consideration of Items Withdrawn From the Consent Agenda

There were no items withdrawn from the Consent Agenda.

8. Public Hearing & Ordinance

A. **O-25-17** Conduct a public hearing and consider approval of an ordinance regarding a rezoning request for 1801 University Ave from R-2 (Single Family Detached) to R-6 (Duplex Triplex Quadraplex) **(P&Z Item ZBA-25-04)**. (Development Services)

Alex Agnor, Assistant City Manager/Economic Development and Strategic Initiatives Director, introduced Mark Priestner, Halff & Associates, who provided information regarding the rezoning of 1801 University from R-2 to R-6 which allows for single-family detached and duplex, triplex & quadraplex. Mark Priestner stated the applicant is planning on one structure and explained how it fits into the comprehensive plan. Mark Priestner stated 42 notices were sent out with two (2) received in support and one (1) in opposition. The Planning and Zoning Commission met on July 14, 2025, which had speakers opposed to the rezoning because of property values. The City can't regulate rental property versus homeownership. The Planning and Zoning Commission approved the rezone with a vote of 4:1.

Councilmember Abraham asked about a petition being received. Mark Preistner stated the only protest received was from one property listed in the map.

Mayor Ware opened the Public Hearing.

Sonnie Garbutt, 1800 University Avenue, spoke in opposition to the request, stating it is against the comprehensive plan and asked the Council to deny the request.

Earnest Spencer, 1000 Hugh Street, spoke in opposition to the request, stating he, as a developer, would never try to have a quad placed in the same block as homes.

Mayor Ware closed the Public Hearing.

Councilmember Godfrey asked if the rezone complies with the Comprehensive Plan 2043, which it was stated it does based on the density of the lot. Questions were asked regarding how a quad is different from what is there now. It was stated it would still allow for detached single-family units but would also include multifamily units, which allow for low to mid-density. Councilmember Godfrey stated the Comprehensive Plan says maintain integrity and this rezone would not do that. Councilmember Godfrey asked about parking, which would be off the street and on their property.

Councilmember Abraham stated a petition was received and has not been verified. Given the Comprehensive Plan stated the new development should respond to existing patterns and the petition has not been verified, she feels the item should be tabled and ask the owner to consider submitting a Plan Development.

Councilmember Campbell asked how many triplex or quadruplex units would be allowed, which is one structure per lot. It could be any one of the types of structures (quadraplex, triplex, duplex or single-family) but not a combination of any two or more.

Councilmember Jordan-Anderson stated the integrity of the area no longer exists, the community has gone down over the years, and it's important to rebuild the community.

Mayor Ware asked about the land and the use of lots in the surrounding area, which was stated that some lots were trees and some were unoccupied with an unimproved alley way.

Councilmember Morris asked where the building would be placed on the lot. It was stated the development would have to meet the setbacks, so it could be placed anywhere on the lot as long as it met the required setbacks.

Nikki Smith, City Secretary, stated the petition was received at about 11:00 AM on August 28, 2025. The plan is to verify the petition and bring it back at the next Regular meeting.

Councilmember Godfrey asked Ms. Sonnie Garbutt, what she has done to revitalize, preserve and maintain the integrity. Ms. Sonnie Garbutt stated she renovated her home in 2019, other homes have been renovated, and the neighborhood is working on bringing integrity back up and that homeownership is a focus.

Councilmember Godfrey stated if a structure is demolished, a similar one should be rebuilt.

Councilmember Campbell asked Ms. Sonnie Garbutt if she was aware that only one structure could be placed on the lot, which she was. If the lot was redone, based on average lot size, it would fit about five houses. Councilmember Campbell asked if one structure was built would it change the look of the neighborhood? In order to place multiple structures, a replat would have to be done. Councilmember Campbell asked what the main concern with the rezone was. It is the desire to have houses that have a similar appearance or not have multifamily units.

Councilmember Abraham requested the item be tabled, and the owner be asked to provide a Plan Development.

Councilmember Abraham made a motion to table O-25-17, an ordinance regarding a rezoning request for 1801 University Ave from R-2 (Single Family Detached) to R-6 (Duplex Triplex Quadraplex). Councilmember Godfrey seconded the motion, which passed by a vote of 7:0.

B. **O-25-18** Conduct a public hearing and consider approval of an ordinance regarding a rezoning request for 316 Murphey from R-1 (Residential, Single Family Detached) to MF (Multi-Family Residential). **(P&Z Item ZBA-25-05)** (Development Services)
Mark Priestner stated a request was received to rezone 316 Murphey from R-1 to MF, stating 17 notices were sent out with one (1) in opposition. The Planning and Zoning Commission approved the request by a vote of 5:0.

Mayor Ware opened the Public Hearing.

No one came forward to speak.

Mayor Ware closed the Public Hearing.

Councilmember Abraham asked about the developments and uses in the area.

Councilmember Godfrey made a motion to approve O-25-18, an ordinance regarding a rezoning request for 316 Murphey from R-1 (Residential, Single Family Detached) to MF (Multi-Family Residential). Councilmember Fenton seconded the motion, which passed by a vote of 7:0.

C. **O-25-19** Conduct a public hearing and consider approval of an ordinance regarding a rezoning request for 722 TX-390 Loop from A-E (Agriculture and Estate) to C-3 (General Business) for Commercial Truck Parking. **(ZBA-25-06)**. (Development Services)
Mark Priestner stated a request was received to rezone 722 TX-390 Loop from A-E to C-3 for a commercial truck lot. Access to the residential side will not be allowed, and the applicant will be responsible for coordinating a driveway with TxDOT. Twenty-four

(24) notices were sent out with one (1) in opposition. The Planning and Zoning Commission approved the request by a vote of 5:0.

Mayor Ware opened the Public Hearing.

No one came forward to speak.

Mayor Ware closed the Public Hearing.

Councilmember Fenton made a motion to approve O-25-19, an ordinance regarding a rezoning request for 722 TX-390 Loop from A-E (Agriculture and Estate) to C-3 (General Business) for Commercial Truck Parking. Councilmember Godfrey seconded the motion, which passed by a vote of 7:0.

D. **O-25-20** Conduct a public hearing and consider approval of an ordinance regarding a rezoning request for 1403 & 1405 Kingfish, 0 & 2311 Ward St (R000007622, R000007623, R000007625 & R000026614) from R-3 (Single Family Detached) to MH (Mobile Home) **(P&Z Item ZBA-25-07)**. (Development Services)

Mark Priestner stated a request was received to rezone 1403 and 1405 Kingfish, and 0 and 2311 Ward Street from R-3 to MH. Twenty-nine (29) notices were sent out with one (1) in support. The Planning and Zoning Commission approved the request by a vote of 5:0.

Mayore Ware opened the Public Hearing.

Scott Sanders, 2200 Harleton Road, stated he purchased and cleared the lots and would like to get a mobile home placed on at least one of the lots.

Mayor Ware closed the Public Hearing.

Councilmember Campbell stated there are four (4) lots and if they are rezoned and the property is transferred to someone else, how many mobile homes can be placed there? Which was determined to be four, one on each lot.

Councilmember Jordan-Anderson made a motion to approve O-25-20, an ordinance regarding a rezoning request for 1403 & 1405 Kingfish, 0 & 2311 Ward St (R000007622, R000007623, R000007625 & R000026614) from R-3 (Single Family Detached) to MH (Mobile Home). Councilmember Godfrey seconded the motion, which passed by a vote of 7:0.

E. **O-25-21** Conduct a public hearing and consider approval of an ordinance regarding a rezoning request for 3007 N East End Blvd from A-E (Agriculture & Estate) to C-3 (General Business) for Bark Avenue (Kennel & Grooming). **(ZBA-25-08)** (Development Services)

Mark Priestner stated a request was received to rezone 3007 N East End Blvd from A-E to C-3. The Planning and Zoning Commission approved the request by a vote of 5:0 having sent eleven (11) notices and receiving two (2) in opposition.

Mayor Ware opened the Public Hearing.

No one came forward to speak.

Mayor Ware closed the Public Hearing.

Councilmember Godfrey made a motion to approve O-25-21, an ordinance regarding a rezoning request for 3007 N East End Blvd from A-E (Agriculture & Estate) to C-3 (General Business) for Bark Avenue (Kennel & Grooming). Councilmember Jordan-Anderson seconded the motion, which passed by a vote of 6:0.

Councilmember Fenton stepped away from the dias and was not in the chambers for the vote.

9. Ordinance

A. **O-25-22** Consider approval of an ordinance of the City Council of the City of Marshall, Texas, abandoning, vacating, and closing Maverick Drive from the intersection of Maverick Drive and Johnson Street to the intersection of Maverick Drive and a drainage easement which is particularly depicted in Exhibit A and described in Exhibit B, which is attached hereto and incorporated herein for all purposes; providing for a severability clause; providing a repeater clause; and providing an effective date. (Administration)
Melissa Vossmer, City Manager, stated she received requests from the Council to close the street and was informed the Marshall Independent School District wants the road. Staff is on board with the closure and approval is being requested from the Council.

Councilmember Abraham stated she thinks this is a great decision since the road stays locked and is not used for through traffic, and it's in the school's best interest to be able to control the street for safety reasons.

Councilmember Jordan-Anderson made a motion to approve O-25-22, an ordinance of the City Council of the City of Marshall, Texas, abandoning, vacating, and closing Maverick Drive from the intersection of Maverick Drive and Johnson Street to the intersection of Maverick Drive and a drainage easement. Councilmember Godfrey seconded the motion, which passed by a vote of 7:0.

10. Resolution

A. **R-25-13** Consider approval of a resolution setting two public hearings to be held on September 11, 2025 and September 25, 2025 on the proposed FY26 Budget. (Finance)
Melsisa Vossmer stated this item is on the agenda as it is past practice of the community to have this item announcing the public hearings ahead of time, and is one more way of supporting the transparency of the process and getting the word out about the public hearings.

Councilmember Fenton made a motion to approve R-25-13, a resolution setting two public hearings to be held on September 11, 2025, and September 25, 2025, on the proposed FY26 Budget. Councilmember Jordan-Anderson seconded the motion, which passed by a vote of 7:0.

B. **R-25-14** Tax Rate Discussion and consideration of approval of a resolution announcing the proposed tax rate of $0.581518 per $100 of valuation and scheduling two public hearings on the proposed tax rate and tax increase. (Asst. City Manager)

Alex Agnor provided an overview of the tax rate information regarding the different rates. Alex Agnor stated the FY25 Tax Rate is 0.5790790, the FY26 No New Revenue Rate is .5318953, the FY26 Voter Approval Rate is 0.5815183, and the FY26 Proposed Tax Rate is 0.5815183 in support of the budget. The property tax rate impact is a 0.4% increase, the average homestead tax increased by $51.81, and information regarding the various property tax exemptions was provided. Alex Agnor asked Council to approve the resolution announcing the proposed tax rate of $0.5815183 per $100 valuation and scheduling the two (2) public hearings on the tax rate.

Councilmember Jordan-Anderson asked about the over 65 exemption and tax ceilings, which is not an exemption authorized in Marshall.

Lee Flowers spoke about the exemptions for over 65 and disabled persons. The tax ceiling for over 65 exemption can "freeze" the tax amount on a property, but this option has not been implemented at this time.

Councilmember Jordan-Anderson asked if the property owner would not have to pay taxes, and it was explained that they would have to pay taxes, but the amount paid would be the same every year from the time of the freeze.

Councilmember Jordan-Anderson asked staff to look into how to make the freeze go into effect.

Melissa Vossmer stated she thinks an ordinance would need to be drafted, but staff would research this.

Lee Flowers stated that about one-fourth (1/4) of the population receives the over 65 exemption, so a freeze would lock down about 1/4 of the money. Lee Flowers stated the over 65 exemption qualifiers are also able to get the general homestead exemption.

Councilmember Jordan-Anderson requested more information about the freeze option.

Councilmember Abraham asked staff to find out what other cities do regarding the freeze option.

Councilmember Fenton made a motion to approve R-25-14, a resolution announcing the proposed tax rate of $0.581518 per $100 of valuation and scheduling two public hearings on the proposed tax rate and tax increase. Councilmember Godfrey seconded the motion, which passed by a vote of 7:0.

11. Action Items for City Council Consideration

A. Consider approval of an increase in the Purchase Order amount for the Emergency Procurement of Repairs of the Wastewater Treatment Plant Final Clarifier #1 from the original $713,000 to a final total of $853,638.49 due to unforeseen necessary work. (Public Works)

Deck Shaver, Interim Public Works Director, stated the waste water clarifier had to be reconstructed, and the original quote was $713,000. Additional work was encountered which required additional funds. Deck Shaver asked for the approval of an increase in the purchase order amount to reflect the final amount.

Councilmember Fenton made a motion to approve an increase in the Purchase Order amount for the Emergency Procurement of Repairs of the Wastewater Treatment Plant Final Clarifier #1 from the original $713,000 to a final total of $853,638.49 due to unforeseen necessary work. Councilmember Godfrey seconded the motion, which passed by a vote of 6:0.

Councilmember Morris stepped away from the dias and was not in the chambers for the vote.

B. Consider approval of the Sanford St. Sanitary Sewer Construction Project Acceptance and Release of Contractor's Retainage. (Public Works)

Deck Shaver stated the Sanford Street Sewer Project is a project that includes sanitary sewer and drainage improvements totaling about 800 feet of sewer pipe, and 300 feet of storm drainage pipe replacement. Deck Shaver requested close the project, accept the project, and release the final payment of $14,300.00 to the contractor.

Mayor Ware verified the cost was $14,331.00, which Deck Shaver stated was correct.

Councilmember Jordan-Anderson made a motion to approve the Sanford St. Sanitary Sewer Construction Project Acceptance and Release of Contractor's Retainage. Councilmember Godfrey seconded the motion, which passed by a vote of 7:0.

C. Consider approval of the Hayes Engineering Inc. Work Order for Professional Services for the FY25 Street Improvement Program. (Public Works)

Deck Shaver asked for approval to authorize the engagement of Stan Hayes for pre-design, design, construction management and inspection for the FY25 Street Improvement Program at a cost of $61,000. The cost of the Street Improvement Program is estimated to be approximately $1.5 million.

Councilmember Godfrey made a motion to approve the engagement of Hayes Engineering Inc. Work Order for Professional Services for the FY25 Street Improvement Program. Councilmember Abraham seconded the motion, which passed by a vote of 7:0.

D. Discussion and, if appropriate, approval of the City of Marshall FY25 Street Improvements Program. (Public Works)

Melissa Vossmer stated this item is on the agenda to allow for changes to the program, and to take information and requests into action and hope to get directions from Council or that the Council will be comfortable in making a decision.

Councilmember Godfrey made a motion to approve the City of Marshall FY25 Street Improvements Program. Councilmember Campbell seconded the motion.

Councilmember Abraham thanked Stan Hayes for his efforts, work, pictures, and the list.

Councilmember Morris agreed with Councilmember Abraham and stated that for the first time it feels someone has listened, and his constituents would be happy.

The item passed by a vote of 7:0.

Stan Hayes provided information about streets that have asphalt over concrete and showed examples of work done and explained how to improve the conditions of the streets.

Melissa Vossmer stated it is important to note there are different treatments for different streets to get the best fixes at the best price.

Stan Hayes stated Fisher Drive has drainage issues that cause water to not drain off properly, which causes street issues. A possible option for Fisher Drive is to add a valley gutter, and remove some of the curve.

Sanford Street is a mill and overlay type of street with a few issues, but is good for the most part.

Councilmember Godfrey asked why Henry Street was marked a different color and what the red line was for. There is a glitch that marked the Henry Street line a different color that could not be resolved and the red line is when funds have been depleted for the year.

Stan Hayes stated he might be able to fit in a few more streets near the end of the project depending on funds available.

Councilmember Abraham asked about the list for 2026, and if it starts where 2025 ended. Stan Hayes stated the same process will be done and would come back with a list in 2026.

12. Discussion and Reports for City Council Consideration and Direction

A. Schaumburg & Polk Inc. (SPI) Engineering Presentation of Recommended Wastewater Treatment Plant and System Improvements. (Public Works)

Deck Shaver introduced Travis Reed, SPI Engineer, who provided an overview of the collection system, maintaining compliance, and funding opportunities.

A system-wide lift station evaluation was conducted with the following results:

Priority 1 — East End Lift Station — replaced with a gravity sewer line
West End Lift Station — almost complete and online
Priority 2 & 3 — replacing five lift stations with one lift station
Converting two lift stations to one — project has been funded and working in the planning phase, then design and construction phases.
CCTV inspections — looking at areas that need replacement
Priority 4 & 5 — Future CIP work on the CIP list

WWTP — condition and compliance issues — in disrepair, city is under administrative

order to repair
The TCEQ violations — compliance deadline of October 31, 2025, will have to get an extension.

Travis Reed stated some work has been completed, but additional work is still needed. Travis Reed provided the WWTP Capital Improvement Plan total of $13,000,000 which addressed the EPA and TCEQ violations.

Travis Reed also provided the overall CIP for the wastewater improvements, which totaled $24,565,000, stating funds are being pursued by researching grant financing and subsidizing.

Melissa Vossmer clarified that this information is regarding the water/waste water study, not the other CIP information.

B. Discussion Concerning the Proposed Rates Beginning in FY26 for Solid Waste\Recycling Collection Services and the Republic Contract. (Finance)

Gene Keenon, Republic Industries, stated this is the first extension of the contract and provided a history of the contract. Republic would like to extend it for five years, and try to do a reset to start a new contract. Asking for a 0.25 cent per week increase on the residential rate, which increases the total to $3.60 per week. Gene Keenon pointed out the partnership benefits the City receives from Republic and stated Housing Demo and Litter Control will be raised from $21,000 to $27,000. Gene Keenon mentioned the sponsored events throughout the year, four citywide clean-ups per year for citizens, term change, and modification of rates from a 3% cap to a 5% cap with a 2% floor.

Councilmember Godfrey asked if the $3.60 per week is what is charged for all services to residents, which was stated is correct. This amount includes the first trash can rental; extra carts have a charge.

Councilmember Abraham asked if recycling was back up, which would start up not this coming week but the next week,

Melissa Vossmer stated the item is on the agenda for Gene Keenin to talk about. We have a good working relationship with Republic and staff worked on getting the best rate for the city. Amending the contract is a positive thing; the rate structure appears to be as good as we can get, the services are superior to other communities, and the rates are in the bottom range for those services. Melissa Vossmer stated we could be doing more at the convenience center, and we are looking at rates for county users. The item is not on the agenda for action, but staff is asking for direction.

Councilmember Godfrey asked if the number of passes could be increased for residents, and it was stated that the city would decide that.

Councilmember Campbell asked what the average rollback was to demolish a house, which is typically 3–5. Councilmember Campbell asked if there was a set price for a rollback for the city and yes, it is in the contract.

Councilmember Jordan-Anderson thanked Gene Keenon for all the company does and thanked him for helping with demolishing houses.

Melissa Vossmer stated this item will be brought back on September 11, 2025, for approval.

C. Continued Discussion of the Water / Waste Water Rate Study & Proposed FY26 Budget. (Finance)

Melissa Vossmer introduced Julie Richards, Interim Budget Manager, who reviewed the water and wastewater rate study, and recapped the key takeaways from the NewGen presentation, stating the current rate is not sustainable to maintain or reinvest in the infrastructure. The capital plan consists of over $71 million worth of projects, which exceeds the debt capacity that staff is comfortable evaluating at this point. The maximum scenario being evaluated is $56 million worth of projects. The Council was presented with three scenarios: $56M, $42M, or $28M. Project priorities have been identified, but no scope of work has been designed yet. Julie Richards noted some projects are multiyear projects and emphasized that adopting the rate study does not equate with project authorization. Julie Richards mentioned staff capacity, and the aging infrastructure. The projects were listed in priority order, and Julie Richards stated the scenarios for debt issuance will be phased in and provided information regarding the next steps of the process.

Melissa Vossmer stated that staff capacity was mentioned and, depending on which scenarios we decide on, we have learned we need someone to oversee projects daily. Staff would like to have at least scenario 2, as this gives 2/3 of the program over a five (5) period. Inflation can't be predicted and staff would recommend including an inflationary factor.

Councilmember Campbell asked if the one million set aside for maintenance is enough.

Melissa Vossmer responded stating we are going from a maintenance budget that is far too low, so incorporating a maintenance budget of a million dollars will help the City. In essence, the staff is starting over with a new system in five (5) years as compared to what is in place now, so this will be a more proactive maintenance approach.

Deck Shaver envisions using PayGo for small capital projects, and stated maintenance projects will help to extend the life of operating systems. There are ways to better control systems and to operate safely.

Councilmember Campbell stated if the City had $1 million set aside each year, in 25 years that would only be $25 million. Councilmember Campbell expressed concerns about this amount being sufficient and the plans for growth and not just maintenance.

Mayor Ware stated the city has to start somewhere and, at this point, staff is bringing forth their best guesstimates.

Councilmember Abraham said that any upgrades to systems today would help to expand in the future.

Julie Richards stated the debt issuance is intended to help the city get caught up, and then plans to expand can be made. Julie Richards pointed out that the million doesn't carry over year to year, it is to be used to address any breaks or issues during the year without using funds from the operational budget.

Councilmember Campbell mentioned looking into a budget set back for depreciation and to set something aside to help for the future.

Councilmember Abraham stated we can't do it all at one. Improvements are needed now and once the projects are complete, look into what can be included in the budget to help with future projects.

Melissa Vossmer stated staff will need to identify plans for maintenance, capital and replacement.

Councilmember Campbell mentioned plans need to be highlighted regarding where we are, why we are there and how we plan to keep from getting back into this position.

Julie Richards stated that the staff is focusing on the planning cycle, working with departments to right-size the budget to be able to plan for the future.

Councilmember Jordan-Anderson stated if a visionary plan is being created, the renovation of the building at the water plant should be included.

Melissa Vossmer stated staff can add this to the list for consideration and put together a cost estimate.

Councilmember Abraham stated she is leaning to scenario one (1) because she is worried about tariffs and costs going up. We don't need to kick the can down the road anymore.

Melissa Vossmer stated the rate to do everything created some sticker shock, so other options were brought before council.

Councilmember Fenton agreed with scenario one (1).

Councilmember Godfrey confirmed that scenario one (1) would cost an extra $13.82 per month and scenario three (3) would cost an extra $11.55 per month. Scenario one (1) is needed to be able to do something with the aged infrastructure.

Councilmember Fenton stated If there are concerns about the increase, to remember it is comparable to the cost of a combo meal.

Councilmember Campbell stated signs need to be in place to show work being done, so the community sees the effort to reinvest in the infrastructure.

Mayor Ware stated our water system is not unique, some grants have been received and standards have to be met.

Julie Richards stated these conversations are being had in various cities due to aging and neglected infrastructure. Plans are being put in place to lock in rates now and help avoid inflationary costs.

Mayor Ware stated there seems to be a consensus for scenario one (1).

Melissa Vossmer stated she would bring the item back for consideration at the next meeting, and mentioned the rates would be effective January 1, 2026.

Councilmember Godfrey stated we need to make sure the funds do not sit in an account and are used to improve the infrastructure for water.

Councilmember Campbell asked if we could include information on the utility bill to have monthly updates of the work being done, so citizens are informed.

Melissa Vossmer stated an insert can be included with the bill as space for messaging is limited on the bill.

13. Adjournment

Councilmember Godfrey made a motion for adjournment. Councilmember Abraham seconded the motion, which passed by a vote of 7:0.

APPROVED:

____
Mayor of the City Council
of the City of Marshall, Texas

ATTEST:

____
City Secretary

City of MARSHALL TEXAS	TO:	City Council
	DATE:	October 9, 2025
	ITEM #:	6.B
	SUBJECT:	Consider approval of the minutes from the September 3, 2025 Special-Called City Council meeting. (City Secretary)

Recommendation for Action: Consider approval of the minutes from the November 14, 2024 Regular Council meeting.

Executive Summary: Minutes from the Regular meeting held on November 14, 2024.

Focus Area(s): Improving Communication

Budget Cost: N/A

Staff Contact: Nikki Smith, City Secretary

Attachments: 1. 9-3-25 minutes

Jean Birmingham Council Chambers, City Hall
401 South Alamo
Marshall, TX 75671
903-935-4421

City of MARSHALL TEXAS

Members
Amy Ware, District 4 - Mayor
Risa Jordan-Anderson, District 1
Leo Morris, District 2
Dathaniel Campbell, District 3
Reba Godfrey, District 5
Amanda Abraham, District 6
Micah Fenton, District 7

MINUTES
PLEASE SILENCE ALL DEVICES
SPECIAL-CALLED CITY COUNCIL MEETING
September 3, 2025
4:00 PM

1. Call to Order and Roll Call

Mayor Pro-Tem Amanda Abraham called the Special-Called meeting to order in the Council Chambers, City Hall at 04:01 PM.

PRESENT:

Mayor and Council Members:
Mayor Amy Ware
Councilmember Leo Morris
Councilmember Reba Godfrey
Councilmember Amanda Abraham
Councilmember Micah Fenton
Councilmember Dathaniel Campbell
Councilmember Risa Jordan-Anderson

ADMINISTRATIVE STAFF PRESENT:
Melissa Vossmer, City Manager
Nikki Smith, City Secretary
Scott Rectenwald, City Attorney
Randy Pritchard, Support Services Director
Alex Agnor, Asst. City Manager/Econ. Dev. & Strat. Init. Director

2. Citizen Comments

Texas Government Code, Sec. 551.007 requires that a governmental body must allow each member of the public who desires to address the body regarding an item on the agenda the opportunity to do so before or during the body's consideration of the item. The “Citizens Comments” portion of the meeting meets the requirements of this law and is the public’s opportunity to speak on any item on the agenda. Those who wish to speak are requested to fill out a public comment form and will have three (3) minutes to speak unless additional time has been requested.

There were no citizen comments.

3. Executive Session

Councilmember Campbell made a motion to convene into Executive Session. Councilmember Godfrey seconded the motion, which passed by a vote of 6:0. The time

was 4:04 PM.

Mayor Ware arrived at this point in the meeting.

A. An executive session pursuant to Texas Govt. Code Section 551.071 to consult with the City Attorney to seek advice on pending or contemplated litigation and on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter: Lawsuit filed by Garnett Johnson against the City of Marshall.

Councilmember Fenton was not present for vote.

Councilmember Godfrey made a motion to reconvene from executive session. Councilmember Abraham seconded the motion, which passed by a vote of 6:0. The time was 5:52 PM.

4. Action Item Following Executive Session

A. Consider action regarding discussion from the executive session item.

There was no action taken following the executive session.

5. Adjournment

Councilmembers Fenton and Godfrey were not present for the adjournment.

Councilmember Abraham made a motion for adjournment. Councilmember Campbell seconded the motion, which passed by a vote of 5:0.

APPROVED:

____

Mayor of the City Council
of the City of Marshall, Texas

ATTEST:

____

City Secretary

	TO:	City Council
	DATE:	October 9, 2025
	ITEM #:	6.C
	SUBJECT:	Consider approval of participation in National Opioid Settlement with Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun and Zydus. (City Attorney)

Recommendation for Action:

Executive Summary:

Focus Area(s): This item aligns with the following council adopted focus area(s):

Budget Cost:

Staff Contact:

Attachments: 1. national_opioid_settlement_notice_settlement_overview

National Opioids Settlements: Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, Zydus
Opioids Implementation Administrator
opioidsparticipation@rubris.com

Marshall city, TX
Rubris Reference Number: CL-1773165

TO LOCAL POLITICAL SUBDIVISIONS AND SPECIAL DISTRICTS: THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT NATIONAL OPIOID SETTLEMENTS.

SETTLEMENT OVERVIEW

Proposed nationwide settlement agreements ("Settlements") have been reached that would resolve opioid litigation brought by states, local political subdivisions, and special districts against eight opioids manufacturers, Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus (the "Manufacturers"). Local political subdivisions and special districts are referred to as "subdivisions."

The Settlements require the settling Manufacturers to pay hundreds of millions of dollars to abate the opioid epidemic. The Settlements will provide a maximum of approximately $720 million in cash to participating states and subdivisions to remediate and abate the impacts of the opioid crisis. Depending on participation by states and subdivisions, the Settlements require:

- Alvogen to immediately pay up to approximately $19 million;
- Amneal to pay up to approximately $74 million over 10 years, and to provide either approximately $177 million of its generic version of the drug Narcan or up to an additional approximately $44 million in cash;
- Apotex to immediately pay up to approximately $65 million;
- Hikma to immediately pay up to approximately $98 million, and to provide either approximately $35 million of its naloxone product or up to an additional approximately $7 million in cash;
- Indivior to pay up to approximately $75 million over five years, a portion of which, at the election of the state, could be paid in the form of Indivior's branded buprenorphine and/or nalmefene products with a value of up to $140 million.;
- Mylan to pay up to approximately $290 million over nine years;
- Sun to immediately pay up to approximately $32 million; and
- Zydus to immediately pay up to approximately $15 million.

The Settlements also contain injunctive relief governing opioid marketing, sale, distribution, and/or distribution practices and require the Manufacturers to implement safeguards to prevent diversion of prescription opioids.

Each of the proposed settlements has two key participation steps.

First, each eligible state decides whether to participate in each Settlement. A list of participating states for each settlement can be found at https://nationalopioidsettlement.com/.

Second, eligible subdivisions within each participating state decide whether to participate in each Settlement. The more subdivisions that participate, the more funds flow to that state and its subdivisions. Any subdivision that does not participate cannot directly share in any of the settlement funds, even if the subdivision's state is settling and other participating subdivisions are sharing in settlement funds. If the state does not participate in a particular Settlement, the subdivisions in that state are not eligible to participate in that Settlement.

WHO IS RUBRIS INC. AND WHAT IS THE IMPLEMENTATION ADMINISTRATOR?

The Settlements provide that an Implementation Administrator will provide notice and manage the collection of participation forms. Rubris Inc. is the Implementation Administrator for these new Settlements and was also retained for the prior national opioid settlements.

WHY IS YOUR SUBDIVISION RECEIVING THIS NOTICE?

Your state has elected to participate in one or more of the Settlements, and your subdivision may participate in those Settlements in which your state has elected to participate. This notice is also sent directly to counsel for such subdivisions if the Implementation Administrator has their information.

If you are represented by an attorney with respect to opioid claims, please contact them. **Subdivisions can participate in the Settlements whether or not they filed a lawsuit or are represented.**

WHERE CAN YOU FIND MORE INFORMATION?

Detailed information about the Settlements, including each settlement agreement, may be found at: https://nationalopioidsettlement.com. This website also includes information about how the Settlements are being implemented in most states and how funds will be allocated within your state.

You are encouraged to review the settlement agreement terms and discuss the terms and benefits with your counsel, your Attorney General's Office, and other contacts within your state. Information and documents regarding the Settlements and your state allocation can be found on the settlement website at https://nationalopioidsettlement.com/.

Your subdivision will need to decide whether to participate in the proposed Settlements, and subdivisions are encouraged to work through this process before the ***October 8, 2025*** deadline.

HOW DO YOU PARTICIPATE IN THE SETTLEMENTS?

The Settlements require that you take affirmative steps to "opt in" to the Settlements.

In the next few weeks, you will receive documentation and instructions from the Implementation Administrator or, in some cases, your Attorney General's Office. In order to participate in a settlement, a subdivision must sign and return the required Participation Form for that settlement.

Please add the following email addresses to your "safe" list so emails do not go to spam / junk folders: dse_na3@docusign.net and opioidsparticipation@rubris.com. Please monitor your email for the Participation Forms and instructions.

All required documentation must be signed and returned on or before ***October 8, 2025***.

TO:	City Council
DATE:	October 9, 2025
ITEM #:	8.A
SUBJECT:	**O-25-31** Consider an ordinance authorizing the issuance and sale of combination tax and revenue certificates of obligation, series 2025; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving an official statement; providing an effective date; and enacting other provisions relating to the subject. (City Manager)

Recommendation for Action: Motion Language: *I move to approve the ordinance authorizing the certificates of obligation.*

Executive Summary: This ordinance is on the Council's agenda authorizing the issuance and sale of combination tax and revenue certificates of obligation, Series 2025; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving an official statement and providing an effective date. In short, the approval of this ordinance is required to finance the projects Council has selected for inclusion in the FY25 CIP.

The City Council is scheduled to approve the FY25 Capital Improvement Program (CIP) on this agenda. As the Council will recall, though the projects were not finalized, Ra Resolution was approved on August 14th setting into motion the process to obtain financing for the FY25 CIP in an amount not to exceed $10,175,000. As was discussed at that time, the total amount could not be increased once the resolution was approved and the categories of the improvements were determined and defined.

Fast-forward to the discussion of the Proposed FY25 CIP at the September 25th meeting and again, an item is on the agenda this evening, for approval of the FY25 CIP. Council will have the opportunity to approve the FY25 CIP Projects. To secure the funding, it is necessary to approve this ordinance.

City Staff, as part of this process, participated in a bond rating call on September 22nd. At that time, we discussed with S & P, a rating agency, the state of the City, the economy and looking to the future. I believe it went very well and as of this writing, the determination on what the rating would be for the bonds has not been finalized. However, it is very likely that the City's current rating of AA will be maintained. This rating is reflective of the overall health of the City. The last rating took place in 2023 as part of the previous CIP program.

The interest rate on the bonds is the direct result of competitive bidding of the bonds. The bids are scheduled to be opened on the day of the Council Meeting, October 9th, at 10:00 a.m. The City's Financial Advisors will attend the City Council's meeting to present to the City Council. The City's Bond Counsel will also be attending virtually.

Focus Area(s): This item aligns with the following Council adopted focus area(s):Improving Infrastructure, Improving Community Appearance, Improving Customer Service, Improving Communication.

Budget Cost: Proceeds from the bond sale will provide financing for the approved FY25 CIP.

Staff Contact: Melissa Byrne Vossmer, City Manager

Attachments: 1. Ordinance - CO (ver 1)

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS
HARRISON COUNTY
CITY OF MARSHALL

We, the undersigned officers of the City of Marshall, Texas (the "City"), hereby certify as follows:

1. The City Council of said City convened in a Regular Meeting on October 9, 2025 at City Hall and the roll was called of the duly constituted officers and members of said City Council, to wit:

Amy Ware, Mayor, District 4	Amanda Abraham, Mayor Pro Tem, District 6
Risa Jordan-Anderson, District 1	Reba Godfrey, District 5
Leo Morris, District 2	Dathaniel Campbell, District 3
Micah Fenton, District 7	

and all of said persons were present except ________________________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF MARSHALL, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

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

AYES: _______ NOES: _______ ABSTAIN: _______

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

3. That the Mayor of said City has approved and hereby approves the aforesaid Ordinance; that the Mayor and the City Secretary of said City have duly signed said Ordinance; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON OCTOBER 9, 2025.

______________________________	______________________________
City Secretary City of Marshall, Texas	Mayor City of Marshall, Texas

(CITY SEAL)

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF MARSHALL, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Council of the City of Marshall, Texas, deems it advisable to issue Certificates of Obligation in the amount of $9,925,000 for the purposes hereinafter set forth; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Local Government Code and Chapter 1502, Texas Government Code; and

WHEREAS, the City Council has heretofore passed a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation (“Notice”), and the Notice has been duly published in a newspaper of general circulation in said City on August 20, 2025 and August 27, 2025, said newspaper being a "newspaper" as defined in Section 2051.044, Texas Government Code; and

WHEREAS, the City received no petition from the qualified electors of the City protesting the issuance of such Certificates of Obligation; and

WHEREAS, during the preceding three years, the City has not submitted a bond proposition to authorize the issuance of bonds for the same purpose for which the Certificates of Obligation are hereby being issued and which proposition was disapproved by voters; and

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

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MARSHALL, TEXAS:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The certificates of the City of Marshall, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of $9,925,000 for paying all or a portion of the Issuer's contractual obligations incurred in connection with: (i) park and recreational facility improvements including playground equipment, restrooms, concessions, sidewalks, clubhouse, trails, swimming pool and parking; (ii) police department improvements consisting of parking and expanding the Emergency Command Center & Training Room and evidence room and equipment; (iii) fire stations and fire facility improvements, fire apparatus and equipment; (iv) information technology and public safety communication upgrades; (v) library improvements consisting of HVAC and energy efficiency upgrades and parking; (vi) street and road improvements including related lighting, signage and streetscape improvements; (vii) water and wastewater system improvements consisting of disinfection system, filter and media upgrades and replacements and (viii) paying legal, fiscal, engineering, architectural and other professional services in connection with these projects (collectively, the "Project").

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF MARSHALL, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2025," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated October 30, 2025, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the initial purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said certificates shall mature and be payable on the Maturity Dates and in the Principal Amounts, respectively, and shall bear interest from October 30, 2025 (the "Delivery Date") as set forth in the FORM OF CERTIFICATE in **Exhibit A** of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rates
8/15/2026	$390,000	5.000%
8/15/2027	$320,000	5.000%
8/15/2028	$335,000	5.000%
8/15/2029	$350,000	5.000%
8/15/2030	$370,000	5.000%
8/15/2031	$385,000	5.000%
8/15/2032	$405,000	5.000%
8/15/2033	$425,000	5.000%
8/15/2034	$450,000	5.000%
8/15/2035	$470,000	5.000%
8/15/2036	$495,000	5.000%
8/15/2037	$520,000	5.000%
8/15/2038	$545,000	4.000%
8/15/2039	$565,000	4.000%
8/15/2040	$590,000	4.000%
8/15/2041	$610,000	4.000%
8/15/2042	$635,000	4.000%
8/15/2043	$660,000	4.000%
8/15/2044	$690,000	4.000%
8/15/2045	$715,000	4.125%

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

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of U.S. Bank Trust Company, National Association, Houston, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(b) Except as provided in Section 3(d) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar shall promptly cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, as amended, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(c) Payment of Certificates and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Certificate initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE.

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

(f) Authentication. Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(g) Book-Entry Only System.

(i) The Certificates issued in exchange for the Certificate initially issued to the initial purchaser specified herein shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such

Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(ii) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(iii) The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

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

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

(j) Cancellation of Initial Certificate. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor (or in the Mayor's absence, by the Mayor Pro Tem), City Manager and City Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Certificate, the Paying Agent/Registrar shall cancel the initial Certificate and deliver to the Depository Trust Company on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity.

(k) With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the Issuer will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates have not been redeemed.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance. **Exhibit A** is incorporated in this Ordinance for all purposes.

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Certificates. Any amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by revenues of the Issuer's waterworks and sewer system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are secured by a lien on all or any part of the net revenues of the Issuer's waterworks and sewer system, constituting "Surplus Revenues." The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to this Section, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of Section 5(a), if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit or budgeted to be on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Chapter 1208, Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 6(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

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

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

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

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

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

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

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Sec. 1206.022, Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS; BOND COUNSEL OPINION.

(a) The Mayor of the Issuer is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates.

(b) The obligation of the initial purchaser to accept delivery of the Certificates is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the initial purchaser.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

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

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

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

> (A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the bonds are issued,
>
> (B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and
>
> (C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

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

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

(9) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings).

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

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, City Manager and City Secretary to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

(f) Procedures to Monitor Compliance with Tax Covenants. The City hereby adopts the procedures attached hereto as **Exhibit B** as a means of monitoring compliance with the federal tax covenants made herein.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES; APPLICATION OF PREMIUM FROM SALE OF CERTIFICATES.

(a) The Certificates are hereby sold and shall be delivered to the The Baker Group LP (the "*Purchaser*") for the purchase price of $10,303,208.79 representing the aggregate principal amount of the Certificates, plus an aggregate reoffering premium of $509,927.35 less an Purchaser's discount of $131,718.56, pursuant to the terms and provisions of a Notice of Sale, which bid form the Mayor or Mayor Pro Tem or City Manager are hereby authorized to execute and deliver. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Certificate shall be registered in the name of The Baker Group LP or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement, prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor, Mayor Pro Tem, City Manager and City Secretary shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the sale of the Certificates and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(e) The Certificates have an aggregate premium of $509,927.35 and which shall be allocated as follows:

(i) the amount of $128,208.79 shall be applied to pay costs of issuance of the Certificates;

(ii) the amount of $250,000.00 shall be deposited into the Construction Fund established by Section 12 of this Ordinance;

(iii) the amount of $131,718.56 shall be applied to pay the underwriting spread.

Section 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other certificate proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2025 Certificate of Obligation Construction Fund" for use by the Issuer for payment of all lawful costs associated with the Project as hereinbefore provided. Proceeds of the Certificates in the amount of $10,175,000.00 shall be deposited into the Construction Fund, other than amounts paid at closing for issuance costs. Upon payment of all such Project costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may place proceeds of the Certificates (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 13. COMPLIANCE WITH RULE 15c2-12.

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in the electronic format prescribed by the MSRB certain updated financial information and operating data pertaining to the Issuer, being the following: (i) the Issuer’s annual financial audit report; and (ii) the information found in Tables 1 through 4, 6, 7 and 11 in Appendix A of the Official Statement for the Certificates. The Issuer will update and provide the information in Tables 1 through 4, 6, 7 and 11 in Appendix A in the Official Statement within six months after the end of each fiscal year ending in and after 2025. The Issuer will additionally provide its annual financial audit report when and if available, and in any event, within 12-months after the end of each fiscal year ending in or after 2025. If the annual financial audit report is not complete within 12-months after any such fiscal year end, then the Issuer will file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(ii) Any financial information so to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the Issuer appended to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

(iii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices. The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of Certificateholders, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated

person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Bondholders, if material;
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

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

(d) Limitations, Disclaimers, and Amendments.

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

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

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

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

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

Section 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

(1) Make any change in the maturity of any of the outstanding Certificates;

(2) Reduce the rate of interest borne by any of the outstanding Certificates;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;

(4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under subsection (b) of this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The City of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Certificates.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council.

Section 16. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 17. APPROPRIATION. To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 18. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

EXHIBIT A

FORM OF CERTIFICATES.

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

NO. R-__

PRINCIPAL AMOUNT
$__________

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF MARSHALL, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2025

INTEREST RATE	DELIVERY DATE	MATURITY DATE	CUSIP NO.
	October 30, 2025	August 15, ______	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the City of Marshall, in Harrison County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date above at the Interest Rate per annum specified above. Interest is payable on February 15 and August 15 of each year, commencing February 15, 2026, to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank Trust Company, National Association, Houston, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last calendar day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a series of Certificates dated October 30, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $9,925,000 for paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) park and recreational facility improvements including playground equipment, restrooms, concessions, sidewalks, clubhouse, trails, swimming pool and parking; (ii) police department improvements consisting of parking and expanding the Emergency Command Center & Training Room and evidence room and equipment; (iii) fire stations and fire facility improvements, fire apparatus and equipment; (iv) information technology and public safety communication upgrades; (v) library improvements consisting of HVAC and energy efficiency upgrades and parking; (vi) street and road improvements including related lighting, signage and streetscape improvements; (vii) water and wastewater system improvements consisting of disinfection system, filter and media upgrades and replacements and (viii) paying legal, fiscal, engineering, architectural and other professional services in connection with these projects (collectively, the "Project").

ON AUGUST 15, 2034 or any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST THIRTY days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

IF AT THE TIME OF MAILING OF NOTICE OF REDEMPTION there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the principal denomination of any integral multiple of $5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the Surplus Revenues of the Issuer's waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of said Surplus Revenues of the Issuer's waterworks and sewer system, all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates.

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

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(signature)	(signature)
City Secretary	Mayor

(SEAL)

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

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

Dated: _______________.

U.S. Bank Trust Company, National Association
Houston, Texas
Paying Agent/Registrar

By: ____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

____
Please insert Social Security or Taxpayer Identification Number of Transferee

____
Please print or type name and address, including zip code of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints: ________ ____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________.

Signature Guaranteed:

____
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

____
NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _______________

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Certificate and that this Certificate has been registered this day by me.

Witness my signature and seal this ___________________.

____
Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(b) Initial Certificate Insertions

(i) The initial Certificate shall be in the form set forth is paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF MARSHALL, TEXAS, in Harrison County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Dates, in the Principal Amounts and bearing interest at the Interest Rates per annum set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rates
8/15/2026	$390,000	5.000%
8/15/2027	$320,000	5.000%
8/15/2028	$335,000	5.000%
8/15/2029	$350,000	5.000%
8/15/2030	$370,000	5.000%
8/15/2031	$385,000	5.000%
8/15/2032	$405,000	5.000%
8/15/2033	$425,000	5.000%
8/15/2034	$450,000	5.000%
8/15/2035	$470,000	5.000%
8/15/2036	$495,000	5.000%
8/15/2037	$520,000	5.000%
8/15/2038	$545,000	4.000%
8/15/2039	$565,000	4.000%
8/15/2040	$590,000	4.000%
8/15/2041	$610,000	4.000%
8/15/2042	$635,000	4.000%
8/15/2043	$660,000	4.000%
8/15/2044	$690,000	4.000%
8/15/2045	$715,000	4.125%

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date above, at the respective Interest Rate per annum specified above. Interest is payable on August 15 and February 15 of each year, commencing February 15, 2026, to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."

EXHIBIT B

WRITTEN PROCEDURES FOR FEDERAL TAX COMPLIANCE

These procedures, together with any federal tax certifications, provisions included in the order, ordinance or resolution (the "Authorizing Document") authorizing the issuance and sale of any tax-exempt debt such as the Certificates (the "Obligations"), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the "Closing Documents"), are intended to assist the Issuer in complying with federal guidelines related to the issuance of such Obligations.

I. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Issuer's City Manager and Finance Director (such officer, together with other employees of the Issuer who report to or such officer, is collectively, the "Responsible Person") will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

1. Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person will:

    a. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations must be entered into within 6 months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence to completion;
    b. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within 3 years of the Issue Date;
    c. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after 3 years from the Issue Date; and
    d. To the extent that there are any unspent proceeds of the Obligations at the time the Obligations are refunded, or if there are unspent proceeds of the Obligations that are being refunded by a new issuance of Obligations, the Responsible Person shall continue monitoring the expenditure of such unspent proceeds to ensure compliance with federal tax law with respect to both the refunded Obligations and any Obligations being issued for refunding purposes.

2. Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

3. Procedures applicable to Escrow Accounts for Refunding Obligations. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:
    a. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;

b. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and
c. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).

4. Procedures applicable to all Tax-Exempt Obligation Issues. For all issuances of Obligations, the Responsible Person will:
    a. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the Project;
    b. Ensure that the applicable information return (e.g., U.S. Internal Revenue Service ("IRS") Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
    c. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Internal Revenue Code of 1986, as amended, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired;
    d. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period; and
    e. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.

II. Private Business Use. Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Person will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the Project financed or refinanced with the proceeds of the Obligations does not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Person will:

1. Develop procedures or a "tracking system" to identify all property financed with Obligations;
2. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;
3. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public:
    a. has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the Project;
    b. has a right to use the output of the Project (e.g., water, gas, electricity); or
    c. has a right to use the Project to conduct or to direct the conduct of research;
4. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the Project or any other contractual right granting an intangible benefit;
5. Monitor and record whether, at any time the Obligations are outstanding, the Project, or any portion thereof, is sold or otherwise disposed of; and
6. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Authorizing Document related to the public use of the Project.

III. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the Project financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of Obligations, such records shall be maintained until the three (3) years after the refunding Obligations mature or are otherwise paid off. Such records can be maintained in paper or electronic format.

IV. Responsible Person. A Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the governing body of the Issuer whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking approval of the governing body to engage or utilize existing advisors and agents for such purposes.

TO:	City Council
DATE:	October 9, 2025
ITEM #:	8.B
SUBJECT:	**O-25-32** Consider approval of an ordinance amending the City of Marshall Charter by correcting typographical errors. (City Secretary)

Recommendation for Action: Recommending approval of an ordinance amending the City of Marshall Charter by correcting typographical errors.

Executive Summary: Council requested the Charter document be reviewed and amended to correct typographical errors found. Corrections have been made.

The attached documents show the mark-up version of the Charter document and a clean copy for Council's review and approval.

Focus Area(s): This item aligns with the following council adopted focus area(s): Improving Communication

Budget Cost: N/A

Staff Contact: Nikki Smith, City Secretary

Attachments:

1. O-25-XX correcting charter typos
2. CHARTER - Copy with markups
3. CHARTER - Copy no markups

AN ORDINANCE OF THE CITY OF MARSHALL, TEXAS

ORDINANCE ______

AN ORDINANCE OF THE CITY OF MARSHALL, TEXAS, AMENDING THE CITY OF MARSHALL CHARTER BY CORRECTING TYPOGRAPHICAL ERRORS.

WHEREAS, The City Council has agreed, per Section 12.09 of the Charter, that there exist typographical errors in the Charter which need to be corrected, and;

WHEREAS, the City Council has determined that correcting the typographical errors, as included in this ordinance, will have no substantive effect on the provisions of the Charter in question, in compliance with Section 12.09 of the Charter.

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

SECTION 1: The typographical corrections set forth in the attached Exhibit A, which is a draft of the charter noting the corrections made by section, are hereby adopted. The corrected charter (without notations of changes being made), attached hereto as Exhibit B, shall be the charter published on the City's website

SECTION 2. That if any section, article paragraph, sentence, clause, phrase or word in this Ordinance, or application thereto any persons or circumstances is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 3. That all provisions of the Ordinances of the City of Marshall, Texas, in conflict with the provisions of this Ordinance be, and the same are hereby amended, repealed, and all other provisions of the ordinances of the City not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 4. That this Ordinance shall become effective from and after its date of passage in accordance with law.

Passed, approved, and adopted by the City Council of the City of Marshall, Texas, this the _____ day of __________, 2025.

APPROVED:

____

Mayor of the City Council

of the City of Marshall, Texas

ATTEST:

____

City Secretary

CITY OF MARSHALL CHARTER

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CHARTER ELECTION DATE
NOVEMBER 3, 2020

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Table of Contents

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ARTICLE I INCORPORATION AND FORM OF GOVERNMENT

Section 1.01 Incorporation

The inhabitants of the City of Marshall, in Harrison County, Texas within the corporate limits as now established, or hereafter established in the manner prescribed by this Charter, shall be and shall continue to be a home-rule municipal corporation, municipal body politic, and corporate in perpetuity under the name of the "City of Marshall," hereinafter referred to as the "City."

Section 1.02 Form of Government

The municipal government provided by this Charter shall be known as a "council-manager" government. Pursuant to its provisions and subject only to the limitations imposed by the state constitution, by the statutory laws of Texas and by this Charter, all powers of the City shall be vested in an elective council, hereinafter referred to as the "Council," which shall enact local legislation, adopt budgets, determine policies, appoint the City Secretary, City Attorney, and Judges of the Municipal Court. The Council shall also appoint the City Manager, who shall execute the laws and administer the government of the City.

Section 1.03 Boundaries

The boundaries of the City at the time this Charter is adopted are those that have previously been legally established. These boundaries may be changed through annexation or disannexation, as described in Article II of this Charter, which boundaries are more fully set out and described by the official City Map of the City.

ARTICLE II POWERS OF THE CITY

Section 2.01 General Powers of the City

The City shall have all powers possible for a city to have under the constitution of the State of Texas and of the constitution and laws of the United States of America. It shall have perpetual succession and shall have and shall succeed to all the rights, property, real, personal and mixed, immunities powers, privileges and franchises now held, possessed and enjoyed by the City, or herein granted or that may hereafter be granted by federal or state law, or by future changes to this Charter or future charters and be subject to all its present duties and liabilities, subject to the limitations and immunities in this Charter and under the state constitution and law. The City as a home-rule municipal corporation may sue and be sued, may plead and be pleaded in all courts, may contract and be contracted with and may ordain and establish such acts and regulations and ordinances not inconsistent with the constitution and laws of this state, as shall be needful for the government, interest, welfare and good order of said City. It may lease or convey any or all property owned by said City or any of its property within or without the city limits; and it shall have power to acquire necessary property by purchase or condemnation within

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or without the city limits and to lease or convey the same when no longer required. The City is and shall continue to be a home-rule city, with full power of local self-government including the right to amend this Charter, as provided by the constitution and laws of this state. The enumeration of particular powers by this Charter shall not be deemed to be exclusive. In addition to the powers enumerated or implied herein, it is intended that the City shall have and may exercise all powers under the constitution and laws of this state, as fully and completely as though they were specifically enumerated in this Charter.

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Section 2.02 Construction of Powers

The powers of the City under this Charter shall be construed liberally in favor of the City, and the specific mention of particular powers in the Charter shall not be construed as limiting in any way the general powers stated in this article.

Section 2.03 Annexation

(a) **Annexation Powers.** Additional territory may be annexed to the City in any manner and by any procedure that may now be provided by applicable law or that may be hereafter provided by applicable law.

(b) **Annexation by Ordinance.** The City Council shall have the power by Ordinance, to annex territory lying adjacent to the City, to extend and enlarge the City boundaries and exchange areas with other municipalities.

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(c) **Annexation by Petition.** The owner or owners of any land contiguous or adjacent to the City may, by petition in writing to the City Council, request the annexation into the City. City Council may grant or refuse such petition as it sees fit. If the City Council grants such petition, it may receive such territory into the City.

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(d) **Disannexation.** Any area of the City may be disannexed pursuant to any procedure allowed under applicable law and whenever, in the opinion of the City Council, there exists within the corporate limits of the City a territory not suitable or necessary for City purposes, the City Council may by ordinance discontinue said territory as part of the City after notice and a public hearing.

Section 2.04 Intergovernmental Relations

The City may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by contract or otherwise, with any one or more states or any agency or political subdivision of any state, or the United States or any of its agencies.

ARTICLE III CITY COUNCIL AND OFFICERS

Section 3.01 General Powers and Duties

All powers of the City shall be vested in the City Council, except as otherwise provided by law or this Charter, and the Council shall provide for the exercise thereof and for the performance of all duties and obligations imposed on the City by law.

Section 3.02 Number, Selection and Terms of Office

(a) **Transition.** Until any are changed by any ordinances that Council may adopt in accordance with applicable law, the number, terms, method of selection, and boundaries of districts or other areas of representation for Council Members shall be in accordance with the City's practice in effect as of the effective date of this Charter.

(b) **Number, Terms, Selection, and Boundaries.** Council shall have the power to ordain the number, terms, and the method of selection and boundaries of districts or other areas of representation for Council Members by ordinance adopted in accordance with applicable law. Any changes of district boundaries or redistricting shall be made when and as required by this Charter or by the state law or federal law, and in addition, at Council's discretion, as permitted by this Charter or by state or federal law.

(c) **Redistricting After Annexation.** Whenever Council shall annex additional land into the City, the Council shall thereafter provide for the inclusion of the annexed land within one (1) or more districts, if practicable in time to permit the eligible voters of such territory to participate in the next City General Election following the addition of the territory.

(d) **Redistricting After Disannexation.** Whenever the City Council shall disannex land from the City, the City Council shall thereafter provide for the exclusion of the disannexed land from one (1) or more districts to the extent that this is not accomplished by operation of law in the disannexation, and if the disannexation results in substantial disparity in the population of voting districts, the Council will consider the need promptly to redistrict in accordance with subsection 3.02(e) of this Charter.

(e) **Periodic Redistricting.** Not less than once in every ten (10) years, within two (2) years following the completion of each decennial federal census, the Council shall determine the boundaries of each of the districts by ordinance adopted according to applicable law. From time to time, the Council may amend the boundaries of the districts by ordinance adopted according to applicable law when, in the Council's sole determination, such amendment is necessary so that all districts are drawn and configured to provide substantially equal and fair representation to all citizens of the City.

(1) The Council may but is not required to adopt resolutions from time to time that establish redistricting criteria consistent with this section. The Council will revise the boundaries of election districts as appropriate based on the

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investigation and such other lawful considerations as the Council deems appropriate so that the population of each is materially balanced and apportionment does not violate state or federal legal requirements.

(2) Each such determination and boundary revision shall be expressed in an ordinance adopted in accordance with applicable law, which shall be a final determination for purposes of this Charter.

Section 3.03 Qualifications

Each Council member shall, at the time of filing of their application for a place upon the ballot, be a resident of the City and of the district from which they seek election, and shall have resided at least one year preceding the election at which they are candidates within the corporate limits of the City, and shall additionally reside within the district from which they are elected for and during their term of office; shall be a registered voter of the State of Texas; shall not have been convicted of a felony criminal offense or an offense involving moral turpitude or official misconduct; and shall not be in violation of any provisions of this Charter.

Section 3.04 Term and Term Limits

(a) **Terms.** Except for Council Members elected to serve an unexpired term or in emergency situations as provided in section 3.17 of this Charter, each Council member elected shall serve a term of four years.

(b) **Transition.** To transition to four-year terms, only those Council Members whose terms begin with the May 01, 2021, general election shall serve a term of three-years and the three-year term shall expire with the May 4, 2024, general election. Four-year terms and the accruing of consecutive terms as provided for in this section shall include only the Council Member terms beginning with the May 07, 2022, general election and all other terms arising out of subsequent general elections.

(c) **Term Limits.** Council members shall serve not more than two (2) consecutive four-year terms arising out of a general election for a district and not more than a total period of eight consecutive years as a Council member of a district, regardless of which Council member district or districts a person serves.

Section 3.05 Judge of Qualifications

The Council shall be the sole judge of the election and qualifications of its members and of the grounds for forfeiture of their office and for that purpose shall have the power to subpoena witnesses, administer oaths and require the production of evidence. Decisions by the Council as to election and qualifications of its members shall be considered final.

A member charged with misconduct constituting ground for forfeiture of the office shall be entitled to a public hearing on demand and notice of such hearing shall be published in the official newspaper of the City at least one week in advance of the hearing.

Section 3.06 Prohibitions

(a) **Dual Office Holding.** Except where authorized by law, no Council member shall hold any other City office or City employment during the term for which that member was elected to the Council, and no former Council member shall hold any compensated appointive City office or employment by the City until one year after the expiration of the term for which that member was elected to the Council.

(b) **Interference with Staff Appointment or Removal.** Neither the Council nor any of its members shall in any manner dictate the appointment or removal of any City administrative officer or employee whom the City Manager or any of the City Manager's subordinates are empowered to appoint, but the Council may express its views and fully and freely discuss with the City Manager anything pertaining to appointment and removal of such administrative officers and employees.

(c) **Dealing with City Staff.** Except for the purpose of inquiries, and for investigations under Section 3.12 of this Charter, neither the Council nor its members shall deal with City administrative officers and employees who are subject to the direction and supervision of the City Manager solely through the City Manager, and neither the Council nor its members shall give orders to any such administrative officer or employee either publicly or privately.

Section 3.07 Vacancies, Forfeiture of Office and Filling of Vacancies

(a) **Vacancies.** The office of a Council member shall become vacant upon the member's death, resignation, removal from office or forfeiture of office.

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(b) **Forfeiture.** A Council member shall forfeit that office if the Council member:

(1) lacks at any time during the term of office for which elected any qualification for the office prescribed by this Charter or by law;

(2) intentionally violates any express prohibition of this Charter;

(3) is convicted of a felony criminal offense or an offense of moral turpitude or involving official misconduct; or

(4) fails to attend three consecutive regular Council meetings without being excused by the Council.

(c) **Filling Vacancies.** In the event of a single vacancy in the City Council, if there are 365 days or more remaining on the term of the vacated City Council position, the City Council shall call a special election to fill such vacancy. If there are less than 365 days remaining in the term of the vacated City Council position, the City Council may, by majority vote of the remaining Council Members, at its discretion appoint a new Councilmember to fill such vacancy or call a special election to fill such vacancy.

Section 3.08 Compensation and Expenses

(a) **No Compensation.** Council Members shall serve without compensation.

(b) **Reimbursement.** Council Members may receive reimbursement for necessary expenses incurred in the performance of their duties of office, according to policies to be determined by the Council.

Section 3.09 Mayor and Mayor Pro Tem

(a) **Mayor.** At the first regular meeting of the Council following the City's general election, the Council shall elect one of its members to serve a one-year term as Mayor of the City. The Mayor shall preside over the meetings of the Council and perform such other duties consistent with the office as may be imposed on the Mayor by this Charter and all ordinances and resolutions passed in pursuance thereof. The Mayor shall vote as any other member of the Council and shall have no veto power. The Mayor shall be recognized as the chief executive officer and as the head of the City by all courts for the purpose of serving civil process, by the Governor for the purpose of enforcing military law, and for all ceremonial purposes.

(b) **Mayor Pro Tem.** At the first meeting of the Council following the City's general election, the Council shall elect one of its members to serve a one-year term as Mayor Pro Tem of the City. In the absence or disability of the Mayor to perform the duties of that office, the Mayor Pro Tem shall perform all such duties.

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Section 3.10 City Secretary

The Council shall appoint an officer of the City who shall have the title of City Secretary and who shall give notice of Council meetings, shall keep minutes of its proceedings, shall authenticate by signature and record in full in a book kept for that purpose all ordinances and resolutions, shall preserve and keep in order all books, papers, records and files of the Council, shall have custody of the seal of the City and shall affix same to such documents and obligations as legally authorized, and shall perform such other duties as shall be required by this Charter or by the Council.

Section 3.11 City Attorney

The Council shall appoint a City Attorney and such assistant city attorneys, one of which shall serve as the City Prosecutor, as from time to time shall be deemed necessary by the Council and who shall each be competent, duly licensed and admitted to the practice of law by the State of Texas. Except to the extent otherwise provided by the Council or the City Attorney, each assistant city attorney will have the authority to exercise all powers and duties of the City Attorney. The City Attorney shall be legal advisor to and attorney for all Council Members, officers, and employees of the City acting in their respective official capacities and shall represent the City in all litigation and legal proceedings. Upon recommendation of the City

Attorney, Council may also engage outside counsel to assist the City Attorney on specific matters. The City Attorney, with approval of Council, also may engage pro bono volunteer attorneys.

Section 3.12 Investigations

The Council shall have the power to inquire into the official conduct of any department, agency, office or employee of the City. For this purpose, the Council shall have the power to administer oaths, to subpoena witnesses whether or not they are affiliated with the City and by subpoena to compel the production of books, papers and other evidence material to the inquiry from any person whether or not affiliated with the City. The Council shall provide by ordinance penalties for contempt in failing or refusing to obey any such subpoena or to produce any such books, papers or other evidence, and shall have the power to punish any such contempt in the manner provided in the ordinance. Alternatively to punishment by the Council, the City Attorney at Council's direction may request that the Municipal Court or a state district court adopt any subpoena issued by Council in accordance with this section 3.12 and enforce the same through civil or criminal contempt or other lawful measures.

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Section 3.13 Meetings

The Council shall meet regularly at least once each month. The Council may hold as many additional meetings during the month as may be necessary for the transaction of the business of the City, and special meetings of the Council may be called as necessary upon written notice to the City Secretary by the Mayor, by any three of the other Council Members, by the City Manager, or by the City Attorney. All meetings, regular or special, shall be held pursuant to public notification, as required by this Charter and by state law.

Section 3.14 Rules of Procedure

(a) **Procedures.** The Council shall determine its own rules of procedure and order of business. Four Council Members shall constitute a quorum to do business, and a majority vote of those attending any meeting at which there is a quorum present shall be sufficient to adopt any ordinance or resolution, except as otherwise provided in this Charter. The vote upon the passage of all ordinances and resolutions shall be taken by ayes and nays, and the vote of each Council member present shall be entered on the minutes of the meeting.

(b) **Open Meetings.** All meetings of the Council, except for executive sessions authorized by state law, shall be open to the public, and minutes of all proceedings of such open meetings shall be kept, to which any citizen may have access at all reasonable times, and which shall constitute the archive of the City.

Section 3.15 Action Requiring an Ordinance

(a) **Ordinances Required.** In addition to other acts required by law or by specific provision of this Charter to be done by ordinance, those acts of the Council shall be by ordinance which:

(1) adopt or amend an administrative code or establish, alter, or abolish any city department, office or agency;

(2) provide for a fine or other penalty or establish a rule or regulation for violation of which a fine or other penalty is imposed;

(3) levy taxes;

(4) grant, renew or extend a franchise;

(5) regulate the rate charged for its services by a public utility;

(6) authorize the borrowing of money;

(7) regulate land use and development;

(8) prescribe standards for issuance of business or other licenses; and

(9) amend or repeal any ordinance previously adopted.

(b) **Ordinances or Resolutions Permitted.** Acts other than those referred to in the preceding sentence may be done either by ordinance or by resolution.

Section 3.16 Ordinances in General

(a) **Form.** Every proposed ordinance shall be introduced in writing and in the form required for final adoption. No ordinance shall contain more than one subject, which shall be clearly expressed in its title. The enacting clause shall read “Be It Ordained by the City Council of the City of Marshall.” Any ordinance amending an ordinance or part of the City Code shall set out in full the ordinance, section or subsection to be amended, and shall indicate matters to be omitted by enclosing them in brackets or by strikeout type and shall indicate new matters by under scoring or by italics.

(b) **Procedure.** An ordinance may be introduced at any regular or special meeting of the Council. Upon introduction of any ordinance, the City Secretary shall distribute a copy to each member of the Council and shall file a reasonable number of copies in the office of the City Secretary and in such other public places as the Council may designate.

(c) **Effective Date.** Except as otherwise provided in this Charter, or by ordinance or by state law, all ordinances and resolutions passed by the Council shall take effect on the date of enactment.

(d) **Publication.** Any ordinance imposing any penalty, fine or forfeiture shall, after the passage thereof, be published one (1) time in the official newspaper before the same shall go into effect. In lieu of publication of the full text of the ordinance, it shall be sufficient to publish the descriptive caption or title of the ordinance, stating in summary the purpose of the ordinance and the penalty for violation thereof. The ordinance shall take effect and be in force from and after the publication thereof unless otherwise provided.

Section 3.17 Emergency Ordinances

Upon the declaration of an emergency, the Council may adopt an ordinance, following a single reading, but only by affirmative vote of all Council Members present. In case of disaster when a legal quorum of the elected City Council cannot otherwise be assembled due to multiple deaths, injuries, absences from the City or other disabilities, the surviving and able member or members of the City Council, or surviving and able appointed City official if no Council member is able, must, within twenty-four (24) hours of such disaster call an election to be held on the earliest feasible date, or as provided in applicable law, for election of a required quorum of Council Members, each of whom will serve until their disabled or absent predecessor resumes the duties of office or until the expiration of the replaced member's term. If no appointed City official is available, the Harrison County Judge or any state district judge shall have the authority to call a City election. In case of enemy attack, Chapter 616 of the Texas Government Code controls succession.

ARTICLE IV ADMINISTRATIVE ORGANIZATION

Section 4.01 Appointment, Qualifications and Compensation of the City Manager

The Council shall appoint a City Manager for an indefinite term, who shall be the chief administrative officer of the City. The City Manager shall be chosen by the Council by a majority vote of its total membership and solely on the basis of executive and administrative training, experience, ability and character, and without regard to political consideration. The City Manager need not be a resident of the City at the time of appointment. The City Manager shall reside inside the City while in office unless residence outside the City is approved by the Council. The City Manager shall receive such compensation as may be fixed by the Council.

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Section 4.02 Removal or Suspension of the City Manager

The City Manager shall not be appointed for a definite term but may be removed or suspended at the will of the Council by a majority vote of its total membership. The action of the Council in removing the City Manager shall be final, it being the intention of this Charter to vest all authority and fix all responsibility for such removal on the Council.

Section 4.03 Acting City Manager

By letter filed with the City Secretary, the City Manager shall designate a qualified administrative employee of the City to exercise the powers and perform the duties of the City Manager during the manager's temporary absence or disability. The Council may revoke such designation at any time and appoint another such employee of the City until the City Manager returns.

Section 4.04 Powers and Duties of the City Manager

As the chief administrative officer of the City, the City Manager shall be responsible to the Council for the administration of all City affairs placed in the manager's charge by or under this Charter. The City Manager shall:

(a) appoint and remove all department heads of the City, except as otherwise provided in this Charter:

(b) direct and supervise the administration of all departments, offices and agencies of the City, except as otherwise provided by this Charter;

(c) attend all Council meetings and shall have the right to take part in discussions but may not vote:

(d) see that all laws, provisions of this Charter and acts of the Council subject to enforcement of the City Manager or by officers subject to the City Manager's direction and supervision, are faithfully executed:

(e) prepare and submit the annual budget to the Council;

(f) make such other reports as the Council may require concerning the operations of City departments, offices and agencies subject to the manager's direction and supervision;

(g) keep the Council fully advised as to the financial condition and future needs of the City; and

(h) perform such other duties as are specified in this Charter or may be required by the Council.

Section 4.05 Administrative Organization

There shall be such administrative departments, offices, or other administrative units of government as established by ordinance, all of which shall be under the control and direction of the City Manager except for any administrative units under the control of the City Attorney or City Secretary. To the extent consistent with this Charter, the Council may abolish or combine one of more of these departments and may assign or transfer duties of any departments of the City from one department to another by ordinance.

Section 4.06 Directors of Departments and Other Unit Managers

At the head of each department or other administrative unit within City government, there shall be a director or other unit manager who shall be appointed and who may be removed by the

City Manager, except as provided by state law or by this Charter. The City Manager will determine the unit manager's respective titles unless the Council otherwise determines. Such managers shall have supervision and control over their respective administrative units and may also serve as heads of subunits within their respective units. Two or more administrative units may be headed by the same individual, and the City Manager may head one or more administrative units. The Council has exclusive authority to set the compensation and benefit levels for all unit managers.

ARTICLE V MUNICIPAL COURT

Section 5.01 Municipal Court

There shall be a court known as the Municipal Court of the City of Marshall, with such jurisdiction, powers and duties as are given and prescribed by the state law, or by Council.

Section 5.02 Judges of the Municipal Court

The Municipal Court shall be presided over by one or more magistrates, appointed by the Council, each of whom shall be duly licensed by the State of Texas as an attorney at law and shall be known as a Judge of the Municipal Court, but one of whom also shall be known as the Chief Judge of the Municipal Court, with such additional powers as the Council by ordinance may adopt. Judges of the Municipal Court shall receive such salaries as shall be fixed by ordinance. In the absence of all judges, the Council shall appoint a duly qualified person to serve in an interim capacity.

Section 5.03 Clerk of the Municipal Court

There shall be a Clerk of the Municipal Court who shall be appointed and may be removed by the City Manager. The clerk shall have the power to administer oaths and affidavits, make certificates, affix the seal of the court thereto, and otherwise perform any and all acts necessary to the operation of such court and conducting the business thereof. The City Manager may appoint Deputy Clerks of the Municipal Court, who shall have authority to act for and on behalf of the Clerk of the Municipal Court.

ARTICLE VI FINANCIAL PROCEDURES

Section 6.01 Fiscal Year

The fiscal year of the City shall begin on January first (1st) of each calendar year and shall end on December thirty-first (31st) of that calendar year. The fiscal year shall also be established as the accounting and budget year.

Section 6.02 Preparation and Submission of Proposed Budget

The City Manager, at least thirty (30) days prior to the commencement of the fiscal year, shall prepare and submit a proposed budget to the Council, which shall contain the following:

(a) a budget message which shall outline the proposed financial policies for the year with explanations of changes from previous years in expenditures and any other major changes of policy and a complete statement regarding the financial conditions of the City;

(b) an estimate of all revenues from taxes and other sources, including the present tax structure rates and property evaluation for the ensuing year;

(c) a carefully itemized list of proposed expenses by office, department, agency, employee and project for the year, as compared to actual expenses of the last fiscal year and the present year to date;

(d) a description of all outstanding bond indebtedness, showing amount, purchaser, date of issue, rate of interest and maturity date, as well as any other indebtedness which the City has incurred, and which is unpaid;

(e) a statement proposing any capital expenditures deemed necessary for undertaking during the year and recommending provisions for financing.

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Section 6.03 Budget a Public Record

The proposed budget and all supporting schedules shall be filed with the City Secretary when submitted to the Council and shall be open to public inspection as required by state law.

Section 6.04 Public Hearing on Proposed Budget

At the Council meeting at which time the proposed budget is submitted, the Council shall, in conformance with the requirements of state law, name the date, time and place of a public hearing and shall cause to be published the date, time and place thereof. At this hearing, interested citizens may express their opinions concerning items of expenditure, giving their reasons for wishing to increase or decrease any such items.

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Section 6.05 Proceeding on Adoption of Budget

After public hearing, the Council shall analyze the proposed budget, making any additions or deletions considered appropriate, and shall, adopt the budget as required by state law.

Section 6.06 Budget Appropriation and Amount to be Raised by Taxation

On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the Council shall constitute the official appropriations of proposed expenditures for the year and shall constitute the basis of the official levy of the property tax as the amount of tax to be assessed and collected for that tax year. Estimated expenditures will in no case exceed proposed revenue plus reserves on hand.

Section 6.07 Unallocated Reserve Fund

The City Manager may recommend for action by the Council an unallocated reserve fund to be used for unexpected items of expense which were not included in the budget as original items of expenditure.

Section 6.08 Amending the Budget

Under conditions which may arise, and which could not reasonably have been foreseen in the normal process of budget preparation, the Council may, by a favorable vote, amend or change the budget to provide for any additional expenses. Such amendments shall be by ordinance and shall become an attachment to the original budget.

Section 6.09 Certification and Copies Made Available

A copy of the budget, as finally adopted, shall be filed with the City Secretary. The final budget shall be printed, or otherwise reproduced, and sufficient copies certified by the City Secretary shall be made available for the use of all offices, agencies and for the use of interested persons and civic organizations. The City may charge for certification and copying as permitted by law.

Section 6.10 Defect Shall Not Invalidate the Tax Levy

Errors or defects in the form or preparation of the budget or the failure to perform any procedural requirements shall not nullify the tax levy or the tax rate.

Section 6.11 Independent Audit

At the close of each fiscal year and at such times as it may otherwise be deemed necessary, the Council shall have an independent audit to be made of all accounts of the City by a certified public accounting firm. The certified public accounting firm shall have no personal interest, directly or indirectly, in the financial affairs of the City. Upon completion of the audit, the audit shall be filed as required by law. That fact shall be published forthwith in the official newspaper of the City, and copies of the audit shall be placed on file for public inspection in the office of the City Secretary. A different certified public accounting firm will be selected at least once every five (5) years.

Section 6.12 Purchasing Procedure

The City Manager shall direct that purchases of supplies, materials or equipment by the City be made in accordance with policies adopted by the Council or as provided by state law.

Section 6.13 Investment Policy

The Investment Officer designated by the City Manager may invest any city monies in accordance with policies adopted by the Council and as provided by state law, and such policies shall be reviewed by the Council at least annually.

ARTICLE VII BONDS, WARRANTS AND OTHER EVIDENCE OF INDEBTEDNESS

Section 7.01 Powers to Issue

In keeping with state law, the City shall have the power to borrow money on the credit of the City for any public purpose not now or hereafter prohibited by state law and shall have the right to issue all tax bonds, revenue bonds, funding and refunding bonds, time warrants and other evidence of indebtedness as now authorized or as may hereafter be authorized to be issued by cities in Texas, subject to the right to petition the City to call an election on the issuance of debt as allowed by state law.

Section 7.02 Manner of Issuance

Bonds, warrants and other evidence or indebtedness of the City, as described in Section 7.01, shall be issued in the manner provided by state law.

Section 7.03 Sale of Bonds

No bonds issued by the City shall be invalid because they are sold for less than par value and accrued interest. The Council shall have the right to reject any or all bids.

Section 7.04 Interest and Sinking Fund

It shall be the duty of the Council to levy an annual tax sufficient to pay the interest on and provide the necessary sinking fund required by law on all outstanding general obligation bonds of the City. The interest and sinking fund shall not be diverted to or used for any other purpose than to pay the interest and principal on all such bonds issued by the City. The sinking fund maintained for the redemption of any debt may be invested in any interest-bearing securities in accordance with policies adopted by the Council and as provided by state law.

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Section 7.05 Revenue Bonds

The City shall have the power to borrow money for the purpose of constructing, purchasing, improving, extending, or repairing of public utilities, recreational facilities or facilities for any other self-liquidating function not now or hereafter prohibited by state law, and to issue revenue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable solely from the properties, or interest therein acquired, and the income therefrom, and shall never be a general obligation debt of the City. Revenue bonds issued by the

City shall be submitted for approval by a majority of registered voters, voting at an election held for such purpose, unless the resolution directing publication of notice of intention to issue said revenue bonds is approved by a two-thirds majority vote of the Council Members. The Council shall have authority to provide for the terms and force of any purchase agreement, contract, mortgage, bond or document desired or necessary for the issuance of revenue bonds and the acquisition and operation of any such property or interest.

ARTICLE VIII TAXATION

Section 8.01 Powers of Taxation

The Council shall have the power to levy, for general purposes, all types of taxes as provided and permitted by state law, including but not limited to motel/hotel occupancy taxes, occupational taxes, sales and use taxes, alcohol taxes and ad valorem taxes on real, personal and mixed property within the City, not exempt from taxation by state law.

Section 8.02 Tax Lien and Liability

A special lien is hereby created on all real, personal and mixed property located in the City in favor of the City, for all unpaid taxes. The priority of said lien shall be determined in accordance with state law.

ARTICLE IX ELECTIONS

Section 9.01 Regular Elections

The regular City election shall be held on the first Saturday of May of each year or as required by the state election code, at which time Council Members shall be elected to fill those positions which become vacant that year.

Section 9.02 Registered voters

All citizens qualified and registered to vote by state law in the City and who satisfy the requirements for registration prescribed by state law shall be registered voters of the City within the meaning of this Charter.

Section 9.03 Regulation of Elections

The Council shall make all regulations considered to be necessary or desirable which are not inconsistent with this Charter or state law, for the conduct of City elections, or for the prevention of fraud, and shall make provisions for a recount of the ballots in case of doubt or fraud. The Council shall appoint election officials who shall conduct the City elections consistent with this Charter and with regulations made by the Council and by state law. The Council shall provide for the compensation of all election officials in City elections and for all other expenses of holding such elections.

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Section 9.04 Filing for Office

Any qualified person who desires to become a candidate for election to the Council shall file with the City Secretary an application to that effect and in accordance with the state election code.

Section 9.05 Official Ballot

An official ballot shall be drawn up by the City Secretary and will contain the names of all candidates for office, except those who may have been withdrawn, deceased or become ineligible. Names will be placed on the ballot without party designation and position on the ballot will be determined by drawing lots.

Section 9.06 Conducting and Canvassing Elections

The returns of each City election shall be delivered forthwith by the election judges to the City Secretary. The Council shall canvass the returns, investigate the qualifications of the candidates and declare the official results of the election in the manner and within the time periods provided by state law. Returns of each City election shall be recorded in the minutes of the Council.

Section 9.07 Election by Majority

The Council candidate receiving the majority of all votes cast for the office shall be elected. If no candidate receives a majority, the Council shall, on the first day following the official count, call for a second election to be held as provided by state law. The two (2) candidates receiving the highest number of votes shall have their names placed on the ballot to be prepared by the City Secretary, in the order of their standing in the computation of votes. In the event of a tie between two or more candidates, they shall cast lots to determine which two are to be the run-off candidates or determine their places on the ballot. In the event of a tie in the run-off election, the run-off candidates shall cast lots to determine the winner.

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ARTICLE X INITIATIVE, REFERENDUM AND RECALL

Section 10.01 Power of Initiative

The people of the City reserve the power of direct legislation by initiative, and in the exercise of such power, may propose any ordinance not in conflict with this Charter or state laws except an ordinance appropriating money or authorizing the levy of taxes or an ordinance repealing an ordinance appropriating money or levying taxes. Any initiated ordinance may be submitted by a petition signed by registered voters of the City equal in number to at least twenty-five (25) percent of the number of registered voters who resided in the City at the time of the last regular City election.

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Section 10.02 Power of Referendum

The people of the City reserve the power to approve or reject at the polls any legislation enacted by the Council which is subject to the initiative process under this Charter. Within thirty (30) days after the final adoption of any ordinance which is subject to referendum, a petition, signed by registered voters of the City equal in number to at least twenty-five (25) percent of the number of registered voters who resided in the City at the time of the last regular City election, may be filed with the City Secretary requesting that any such ordinance be either repealed or submitted to a vote of the people. When such a petition has been certified as sufficient by the City Secretary, the ordinance specified in the petition shall not go into effect, or further action thereunder shall be suspended if it shall have gone into effect, until and unless it is approved by the voters as herein provided.

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Section 10.03 Form of Petition for Initiative and Referendum

All petition papers circulated for the purpose of an initiative or referendum shall be uniform in size and style, as allowed by state law. Initiative petition papers shall contain the full text of the proposed ordinance. The signatures to initiative and referendum petitions need not all be appended to one paper, but to each separate paper there shall be attached a statement of the circulator that the circulator personally circulated the foregoing paper, that all the signatures appended thereto were made in the presence of the circulator and that the circulator believes them to be the genuine signatures of the persons whose names they purport to be. Each signer of any such petition shall sign their name in ink or indelible pencil, shall indicate after their name their place of residence by street and number, shall indicate their voter registration certificate number and shall record the date of signature.

Section 10.04 Filing, Examination and Certification of Petition

All papers comprising a petition for initiative or referendum shall be assembled and filed with the City Secretary as one instrument. Within ten (10) days after a petition is filed, the City Secretary shall determine whether each paper of the petition has a proper statement of the circulator and whether the petition has been signed by a sufficient number of qualified electors and shall hold any petition paper entirely invalid which does not have attached thereto the statement signed by the circulator thereof. The City Secretary shall certify the result of this examination to the Council at its next regular meeting as required by state law. If the City Secretary shall certify that the petition is insufficient, the certificate shall specify the particulars in which it is defective and shall promptly notify the person filing the petition of this finding. A petition may be amended at any time within ten (10) days after a notice of insufficiency has been sent by the City Secretary, by filing a supplementary petition. In such event, the same procedures shall then be followed by the City Secretary and Council as in the case of the original petition. A finding of insufficiency of a petition shall not prejudice the filing of a new petition for the same purpose.

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Section 10.05 Council Consideration and Submission to Voters

(a) **Initiative Petition**. When the Council receives an authorized initiative petition, certified by the City Secretary to be sufficient, the Council shall either (a) pass the initiated ordinance without amendment within twenty (20) days after the date of the certification to the Council, or (b) submit the initiated ordinance without amendment to a vote of the registered voters of the City at a regular or special election to be held as may be provided by law.

(b) **Referendum Petition**. When the Council receives an authorized referendum petition, certified by the City Secretary to be sufficient, the Council shall reconsider the referred ordinance. If, upon such reconsideration, such ordinance is not repealed, it shall be submitted to the voters of the City at a regular or special election to be held on such other date as may be provided by law.

(c) **Special Elections**. Special elections on initiated or referred ordinances shall not be held more frequently than once each six (6) months and no ordinance on the same subject as an initiated ordinance which has been defeated at any election may be initiated by the voters within two (2) years from the date of such election.

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Section 10.06 Ballot Form and Results of Election

(a) **Ballot Form.** Ordinances submitted to the electors in accordance with the initiative and referendum provisions of this Charter shall be submitted by ballot, the title of which shall contain a clear, concise statement, without argument, of the substance of such ordinance. The ballot used shall have below the ballot title the following propositions, one above the other in the order indicated "FOR THE ORDINANCE" and "AGAINST THE ORDINANCE". Any number of ordinances may be voted on at the same election and may be submitted on the same ballot, but there shall be separate "FOR THE ORDINANCE" and "AGAINST THE ORDINANCE" propositions under each proposed ordinance.

(b) **Results of Election.** If a majority of electors voting on a proposed initiative ordinance shall vote in favor thereof, it shall thereupon be an ordinance of the City. A referred ordinance which is not approved by a majority of the electors voting there on shall thereupon be deemed repealed. If conflicting ordinances are approved by the electors at the same election, the one receiving the greatest number of affirmative votes shall prevail to the extent of such conflict.

Section 10.07 Power of Recall

The people of the City reserve the power to recall any member of the Council and may exercise such power by filing with the City Secretary a petition, signed by registered voters of the Council member's district equal in number to at least fifteen (15) percent of the number of registered voters entitled to vote for such office at the time of the last regular City election for that Council member's district, demanding the removal of the Council member. The petition shall be signed and verified in the manner required for an initiative petition, shall contain a general statement of the grounds upon which the removal is sought and one of the signers of each

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petition paper shall make an affidavit that the statements made therein are true.

Section 10.08 Recall Election

(a) **City Secretary Certification**. All papers comprising a recall petition shall be assembled and filed with the City Secretary. Within ten (10) days after the petition is filed, the City Secretary shall determine its sufficiency and, if found to be sufficient, shall certify this fact to the Council at its next regular meeting as required by state law. If a recall petition is found to be insufficient, it may be amended within ten (10) days after notice of such insufficiency by the City Secretary, by filing a supplementary petition. In that event, the same procedures shall then be followed by the City Secretary and the Council as in the case of an original petition. The finding of insufficiency of a recall petition shall not prejudice the filing of a new petition for the same purpose.

(b) **Subject Council Member's Rights**. The Council member whose removal is sought by a recall petition may, within five (5) days after such petition has been certified and presented to the Council, request in writing that a public hearing be held to permit the Council member to present facts pertinent to the charges specified in the petition. In this event, the Council shall order such public hearing to be held not less than five (5) days nor more than fifteen (15) days after receiving such request for public hearing.

(c) **Removal.** If the Council member whose removal is sought does not resign, the Council shall order a recall election and fix a date for such election in accordance state election law.

Section 10.09 Recall Ballot

Ballots used in recall elections shall read as follows: "SHALL (name of person or persons) BE REMOVED FROM THE CITY COUNCIL BY RECALL?" Below such question there shall be printed the following in the following order as to each person named.

"FOR THE REMOVAL OF (name of person).

"AGAINST THE REMOVAL OF (name of person)."

Section 10.10 Results of Recall Election

If a majority of the votes cast at a recall election shall be against removal of a Council member named on the ballot, that member shall continue in office. If a majority of the votes cast at such election be for the removal of the Council member named on the ballot, the Council shall immediately declare the office vacant and such vacancy shall be filled in accordance with the provisions of this Charter. A Council member thus removed shall not be a candidate to succeed himself/ herself in an election called to fill the vacancy created.

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Section 10.11 Limitations on Recall

No recall petition shall be accepted for filing against any Council Member within six (6) months after the Council Member takes office nor within six (6) months after an election for the Council member's recall.

ARTICLE XI FRANCHISES AND PUBLIC UTILITIES

Section 11.01 Powers of the City Regarding Franchises and Public Utilities

(a) **Powers.** The Council shall have the power by ordinance to grant, renew and extend all franchises of all public utilities of every character operating within the City and to amend the same. No franchise, however, shall be granted for an indeterminate term nor for a longer term than thirty (30) years, nor shall any exclusive franchise be granted

(b) **Preemption.** Notwithstanding any other provision of this Article XI, no franchise or franchise fees will be required to the extent that state or federal law expressly preempts any provision of this Article XI, but the City is authorized to regulate and require payment from public services in the City for which it is not permitted to require franchises to the full extent not prohibited by state or federal law. To the extent that a state or federal preemption of this Article XI terminates, the provider of a public service for which a franchise is required must apply for a franchise within thirty (30) days and pay all fees and make all other payments eventually required by a City franchise calculated retroactive back to the date such preemption terminated.

Section 11.02 Inalienability of Control of Public Utilities

The right of control and use of the public streets, alleys and other public rights-of-ways of the City is hereby declared inalienable by the City, except by ordinances not in conflict with the provisions of this Charter. No act or omission by the Council or any officer of the City shall be construed to grant, renew, extend or amend, expressly or by estoppel or implication, any right, franchise, or easement affecting said public streets, alleys, and other public properties of the City except as provided in this Charter.

Section 11.03 Ordinance Granting Public Utility Franchise

Every ordinance granting, renewing, extending or amending a public utility franchise shall be read at no more than two (2) meetings of the Council unless the franchise ordinance requires reading at additional meetings. At least ten (10) days before Council considers such ordinance the caption of such ordinance shall be published in the official newspaper of the City or using such other media as authorized by law and the expense of such publication shall be borne by the franchise holder or prospective franchise-holder.

Section 11.04 Transfer of Public Utility Franchise

No public utility franchise shall be transferred except with the approval of the Council expressed by ordinance, including, without limitation, purported assignment of a franchise, subcontracting of franchised services, substantial change of control of the franchise holder, and sale or lease of substantial assets of the franchise holder used to provide, construct, expand, repair, or maintain facilities, equipment, or vehicles for providing the franchised service outside of the ordinary course of business. No franchise shall be granted, renewed, extended, or amended, except by ordinance containing a condition that the City shall have the right at any time within five (5) years of the expiration of the term thereof to purchase the property of the franchise holder at a price to be determined according to the method provided in the ordinance granting, renewing, extending, or amending the franchise, or if such ordinance does not provide such method, then by eminent domain if the City and the franchise holder do not negotiate agreed purchase terms.

Section 11.05 Regulation of Public Utility Franchisee

Every grant, renewal, extension or amendment of a public utility franchise shall be subject to the authority of the Council to:

(a) forfeit any such franchise by ordinance at any time for failure of the holder thereof to comply with the terms of the franchise, such power to be exercised only after notice and hearing;

(b) to the extent provided by law, impose reasonable regulations, restrictions, tariffs and rates to insure safe, reasonably-priced, efficient and continuous service to the public;

(c) require such expansion and extension of plants and facilities as are necessary to provide adequate service to the public; and to the extent not prohibited by state or federal law, to require reasonably equivalent service to all similarly-situated areas of the City;

(d) require every franchise holder to furnish to the City, without cost to the City, full information regarding the location, character, extent and condition of all facilities of such franchise holder in, over and under the streets, alleys and other public property of the City; and to regulate and control the location, relocation and removal of such; and to require, regulate and control the location, relocation and removal of such facilities as necessary for public projects or activities at no expense to the City.

(e) collect from every public utility operating within the City its fair and just proportion of the expense of excavating, grading, paving, repaving, draining, repairing, maintaining, lighting, sweeping and sprinkling such portions of the alleys, bridges, culverts, viaducts and other public places and ways of the City as may be occupied or used in whole or in part by such utilities; or to compel such public utility to perform, at its own expense, its just share of such excavating, grading, paving, repaving, draining, repairing, maintaining, lighting, sweeping and sprinkling;

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(f) require every franchise holder to allow other public utilities to use its tracks, poles, wires, pipes or other facilities, including bridges and viaducts, wherever in the judgment of the Council such use shall be in the public interest, provided that in such event the Council shall fix a reasonable rental to be paid to the owner of the facility for such use, after notice to the interested parties and a hearing upon the facts;

(g) prescribe the form of accounts kept by every franchise holder; examine and at no expense to the City, audit at any time the accounts and other records of any franchise holder; and require annual and other reports, including reports on the local operations of the franchise holder and if allowed by law, require an office in the City and designate an agent whom can be served with notice and legal process.

(h) require and collect any compensation and rental not now or hereafter prohibited by state law;

(i) require such franchise holders who request an increase in rates, charges or fares, to reimburse the City for reasonable expenses incurred in connection with the request including any related administrative or judicial litigation, including, without limitation, expenses of in-house counsel and other City staff and outside counsel, expert witnesses including, without limitation, rate consultants, to conduct investigations, present evidence and advise the Council on such requested increase; and

(j) regulate the granting of franchises for the supply of modes of transportation, including the rates or fares charged, the quality of vehicles used therein, and the qualifications of drivers thereof.

Section 11.06 Rate Transparency and Non-Discrimination

(a) **Transparency.** All public utility franchise holders' rates and charges shall be published in a form approved by the City and readily available to the public.

(b) **Non-Discrimination**. All franchise holders' rates and services shall be nondiscriminatory as to all persons and organizations of similar classes, under similar circumstances and conditions. Franchise holders shall apply their rates in accordance with governing law and, with similar rates and charges for all customers receiving similar services, without regard to race, color, ethnic, or national origin, religion, age, sex, sexual orientation, marital, military, or economic status, or physical or mental disability or geographic location in franchise holders' franchise area.

Section 11.07 Penalties and Remedies Concerning Public Utilities

It shall be unlawful to attempt to construct, construct, advertise for current service, or operate any public utility franchise including, without limitation, any public service for water, wastewater, natural gas, electricity, telecommunications, cable television or similar utility service, or any rail, bus, taxi, ambulance or other transportation service, or any solid waste or recycling service to the public within the City except under franchise, except that the Council may by ordinance use a non-exclusive licensing or non-exclusive permit scheme for transportation services instead of franchises. Any such activities without a franchise that occur within a public right-of-way or on public property will be, in addition to any other legal and equitable remedies actionable by the City as purprestures and, if done knowingly, punishable by a fine as allowed by state law.

ARTICLE XII GENERAL PROVISIONS

Section 12.01 Financial Interests to Comply with State Law

The Mayor, Council Members, and all City elected or appointed officials shall comply with the state laws, rules and regulations regarding personal financial interests in City contracts and other affairs.

Section 12.02 Oaths of Office

Every person elected or appointed to any office of the City shall, before entering upon the duties of that office, take and subscribe to the oath of office prescribed by state law.

Section 12.03 Prohibited Activities

(a) **Non-Discrimination.** No person shall be appointed to, removed from, or in any way favored or discriminated against with respect to any City position or appointive City administrative office because of race, gender, age, disability, religion, country of origin or political affiliation.

(b) **No Gratuities.** No person who seeks appointment or promotion with respect to any City position or appointive City administrative office shall directly or indirectly give, render or pay any money, service or other valuable thing to any person for or in connection with their test, appointment, promotion or proposed promotion.

(c) **Forfeitures and Penalties.** In addition to any other disabilities, forfeitures or punishments under state law or this Charter, any person convicted of a violation of this section shall be ineligible for a period of five (5) years following such conviction to hold any City office or position and, if an officer or employee of the City, shall immediately forfeit the office or position. The Council may establish by ordinance such further non-ex post facto penalties for such violations as it may deem appropriate.

Section 12.04 Claims Against the City

(a) **Notice of Claims Required.** Before the City can be subject to the jurisdiction of any court for suit upon any tort, contract, equitable, statutory, constitutional or other claim, the claimant must first have provided timely notice with substantially

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the specifics and in the form as required by Council through ordinance. This notice requirement is jurisdictional.

(a) **Meritorious Administrative Claims**. Council may establish by ordinance procedures for submission by allegedly injured persons and consideration by the City Manager of claims for compensation for alleged injury, including death, by the City or its agents, and actual monetary damages for alleged breach of contract by the City. The ordinance may provide for investigation of such claims, and for payment of such claims if meritorious by the City Manager without further Council approval up to an amount set by the ordinance and by Council in any amount. Any such payment must be conditioned upon releases approved by the City Attorney in form and substance. However, no claim can be paid by the City Manager or Council in amount exceeding the amount claimed or the amount of direct damages. No other claims, including without limitation, consequential damages, punitive damages, attorney's fees, consultant fees, and other expenses are not payable. The decision of the City Manager or Council upon such claims as authorized by the subsection will be a final decision, and no request for reconsideration will be required unless otherwise provided by Council through ordinance. Exhaustion of available administrative claims procedures established in accordance with this subjection will be a jurisdictional condition precedent for any subsequent litigation against the City related to the events or transactions that could have been the bases for such claims.

(b) **No Waiver**. Nothing in this section or elsewhere in this Charter shall be construed to waive any rights, privileges, defenses or immunities including, without limitation, governmental immunity from suit.

Section 12.05 Liens, Assignment, Execution, Garnishment, and Security Bonds

(a) **Liens, Assignment, and Execution.** The real and personal property belonging to the City shall not be liable for and shall be exempt and immune from sale or appropriation under any writ or execution or cost bill, and no lien of any kind shall ever exist against any such property owned by the City except that the lien be created or expressly authorized by this Charter or state law.

(b) **Garnishment**. The funds and other property equitably or legally belonging to or owed to the City in the hands of any person, firm or corporation shall not be liable to and are exempt from lien, garnishment, attachment and sequestration. The City shall not be liable to garnishment on account of any debt it may owe or funds or other property of which it may have possession, custody or control, or amount it may owe to any person. Neither the City nor any of its officers or agents shall be required to answer any such writ or garnishment on any account whatever. The City shall not recognize any assignment of wages or funds by its employees, agents or contractors except as required by court order or expressly permitted by state law.

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(c) **Security Bonds.** The City shall be exempt from any supersedeas and other bond and security requirements in any judicial proceedings.

Section 12.06 References to State Law

Wherever in this Charter reference is made to state law, unless explicitly provided otherwise, such reference shall mean Texas state law in effect as of the date of the event or transaction at issue and shall not be limited to state law as it existed at the time of adoption of this Charter, or of any relevant portion hereof.

Section 12.07 Severability

If any section or part of a section of this Charter is held to be invalid or unconstitutional by final judgment of a court of competent jurisdiction, such invalidity shall not invalidate or impair the validity, force or effect of any other section or part of a section of this Charter.

Section 12.08 Charter Amendment

Amendments to this Charter may be framed and submitted to the voters of the City in the manner prescribed by state law. The Council shall, at intervals not to exceed five (5) years, formally consider the need for revision(s) to the Charter. This review shall be based on a written report from the City Manager, with special attention given to conflicts, if any, between the Charter and state law, and recommending such amendments to the Charter as may seem necessary for legal, administrative or other reasons.

Section 12.09 Clerical Charter Amendments by Council

The Council shall have the power, by ordinance, to renumber and rearrange all articles, sections, subsections, paragraphs and subparagraphs of this Charter or any amendments hereto, as the Council shall deem appropriate, including the power to correct typographical errors and to conform cross-references in the body of the text of this Charter, so long as no substantive change is made without complying with Section 12.08 of this Charter.

ARTICLE XIII TRANSITIONAL PROVISIONS

Section 13.01 Officers and Employees

Nothing in this Charter except as otherwise specifically provided in this Charter shall affect or impair the vested rights or privileges of persons who are City officers or employees at the time of its adoption.

Section 13.02 Effect on Existing Laws

Deleted:

(a) **Non-conflicting Laws.** All City ordinances, resolutions, rules, regulations, manuals, directives, approvals, and policies, or any portion of any of them, in force at the time of adoption of this Charter and not in conflict with this Charter are hereby ratified and shall remain in force until altered, amended or repealed by

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the Council except to the extent otherwise mandated by a final judgment of a court of competent jurisdiction. All rights of the City under existing franchises and contracts are preserved in full force and effect.

(b) **Conflicting Laws.** All City ordinances, resolutions, rules, regulations, manuals, directives and policies, or any portion of any of them, in force at the time of adoption of this Charter that materially conflict with or that are materially inconsistent with this Charter are repealed as of the effective date of this Charter, except that they remain in effect to the extent necessary for the conduct of City business until replaced.

CITY OF MARSHALL CHARTER

Table of Contents

ARTICLE I INCORPORATION AND FORM OF GOVERNMENT

Section 1.01 Incorporation

The inhabitants of the City of Marshall, in Harrison County, Texas within the corporate limits as now established, or hereafter established in the manner prescribed by this Charter, shall be and shall continue to be a home-rule municipal corporation, municipal body politic, and corporate in perpetuity under the name of the "City of Marshall," hereinafter referred to as the "City."

Section 1.02 Form of Government

The municipal government provided by this Charter shall be known as a "council-manager" government. Pursuant to its provisions and subject only to the limitations imposed by the state constitution, by the statutory laws of Texas and by this Charter, all powers of the City shall be vested in an elective council, hereinafter referred to as the "Council," which shall enact local legislation, adopt budgets, determine policies, appoint the City Secretary, City Attorney, and Judges of the Municipal Court. The Council shall also appoint the City Manager, who shall execute the laws and administer the government of the City.

Section 1.03 Boundaries

The boundaries of the City at the time this Charter is adopted are those that have previously been legally established. These boundaries may be changed through annexation or disannexation, as described in Article II of this Charter, which boundaries are more fully set out and described by the official City Map of the City.

ARTICLE II POWERS OF THE CITY

Section 2.01 General Powers of the City

The City shall have all powers possible for a city to have under the constitution of the State of Texas and of the constitution and laws of the United States of America. It shall have perpetual succession and shall have and shall succeed to all the rights, property, real, personal and mixed, immunities powers, privileges and franchises now held, possessed and enjoyed by the City, or herein granted or that may hereafter be granted by federal or state law, or by future changes to this Charter or future charters and be subject to all its present duties and liabilities, subject to the limitations and immunities in this Charter and under the state constitution and law. The City as a home-rule municipal corporation may sue and be sued, may plead and be pleaded in all courts, may contract and be contracted with and may ordain and establish such acts and regulations and ordinances not inconsistent with the constitution and laws of this state, as shall be needful for the government, interest, welfare and good order of said City. It may lease or convey any or all property owned by said City or any of its property within or without the city limits; and it shall have power to acquire necessary property by purchase or condemnation within or without the city limits and to lease or convey the same when no longer required. The City is and shall continue to be a home-rule city, with full power of local self-government including the right to amend this Charter, as provided by the constitution and laws of this state. The enumeration of particular powers by this Charter shall not be deemed to be exclusive. In addition to the powers enumerated or implied herein, it is intended that the City shall have and may exercise all powers under the constitution and laws of this state, as fully and completely as though they were specifically enumerated in this Charter.

Section 2.02 Construction of Powers

The powers of the City under this Charter shall be construed liberally in favor of the City, and the specific mention of particular powers in the Charter shall not be construed as limiting in any way the general powers stated in this article.

Section 2.03 Annexation

(a) **Annexation Powers.** Additional territory may be annexed to the City in any manner and by any procedure that may now be provided by applicable law or that may be hereafter provided by applicable law.

(b) **Annexation by Ordinance.** The City Council shall have the power by Ordinance, to annex territory lying adjacent to the City, to extend and enlarge the City boundaries and exchange areas with other municipalities.

(c) **Annexation by Petition.** The owner or owners of any land contiguous or adjacent to the City may, by petition in writing to the City Council, request the annexation into the City. City Council may grant or refuse such petition as it sees fit. If the City Council grants such petition, it may receive such territory into the City.

(d) **Disannexation.** Any area of the City may be disannexed pursuant to any procedure allowed under applicable law and whenever, in the opinion of the City Council, there exists within the corporate limits of the City a territory not suitable or necessary for City purposes, the City Council may by ordinance discontinue said territory as part of the City after notice and a public hearing.

Section 2.04 Intergovernmental Relations

The City may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by contract or otherwise, with any one or more states or any agency or political subdivision of any state, or the United States or any of its agencies.

ARTICLE III CITY COUNCIL AND OFFICERS

Section 3.01 General Powers and Duties

All powers of the City shall be vested in the City Council, except as otherwise provided by law or this Charter, and the Council shall provide for the exercise thereof and for the performance of all duties and obligations imposed on the City by law.

Section 3.02 Number, Selection and Terms of Office

(a) **Transition.** Until any are changed by any ordinances that Council may adopt in accordance with applicable law, the number, terms, method of selection, and boundaries of districts or other areas of representation for Council Members shall be in accordance with the City's practice in effect as of the effective date of this Charter.

(b) **Number, Terms, Selection, and Boundaries.** Council shall have the power to ordain the number, terms, and the method of selection and boundaries of districts or other areas of representation for Council Members by ordinance adopted in accordance with applicable law. Any changes of district boundaries or redistricting shall be made when and as required by this Charter or by the state law or federal law, and in addition, at Council's discretion, as permitted by this Charter or by state or federal law.

(c) **Redistricting After Annexation.** Whenever Council shall annex additional land into the City, the Council shall thereafter provide for the inclusion of the annexed land within one (1) or more districts, if practicable in time to permit the eligible voters of such territory to participate in the next City General Election following the addition of the territory.

(d) **Redistricting After Disannexation.** Whenever the City Council shall disannex land from the City, the City Council shall thereafter provide for the exclusion of the disannexed land from one (1) or more districts to the extent that this is not accomplished by operation of law in the disannexation, and if the disannexation results in substantial disparity in the population of voting districts, the Council will consider the need promptly to redistrict in accordance with subsection 3.02(e) of this Charter.

(e) **Periodic Redistricting.** Not less than once in every ten (10) years, within two (2) years following the completion of each decennial federal census, the Council shall determine the boundaries of each of the districts by ordinance adopted according to applicable law. From time to time, the Council may amend the boundaries of the districts by ordinance adopted according to applicable law when, in the Council's sole determination, such amendment is necessary so that all districts are drawn and configured to provide substantially equal and fair representation to all citizens of the City.

(1) The Council may but is not required to adopt resolutions from time to time that establish redistricting criteria consistent with this section. The Council will revise the boundaries of election districts as appropriate based on the

investigation and such other lawful considerations as the Council deems appropriate so that the population of each is materially balanced and apportionment does not violate state or federal legal requirements.

(2) Each such determination and boundary revision shall be expressed in an ordinance adopted in accordance with applicable law, which shall be a final determination for purposes of this Charter.

Section 3.03 Qualifications

Each Council member shall, at the time of filing of their application for a place upon the ballot, be a resident of the City and of the district from which they seek election, and shall have resided at least one year preceding the election at which they are candidates within the corporate limits of the City, and shall additionally reside within the district from which they are elected for and during their term of office; shall be a registered voter of the State of Texas; shall not have been convicted of a felony criminal offense or an offense involving moral turpitude or official misconduct; and shall not be in violation of any provisions of this Charter.

Section 3.04 Term and Term Limits

(a) **Terms.** Except for Council Members elected to serve an unexpired term or in emergency situations as provided in section 3.17 of this Charter, each Council member elected shall serve a term of four years.

(b) **Transition.** To transition to four-year terms, only those Council Members whose terms begin with the May 01, 2021, general election shall serve a term of three-years and the three-year term shall expire with the May 4, 2024, general election. Four-year terms and the accruing of consecutive terms as provided for in this section shall include only the Council Member terms beginning with the May 07, 2022, general election and all other terms arising out of subsequent general elections.

(c) **Term Limits.** Council members shall serve not more than two (2) consecutive four-year terms arising out of a general election for a district and not more than a total period of eight consecutive years as a Council member of a district, regardless of which Council member district or districts a person serves.

Section 3.05 Judge of Qualifications

The Council shall be the sole judge of the election and qualifications of its members and of the grounds for forfeiture of their office and for that purpose shall have the power to subpoena witnesses, administer oaths and require the production of evidence. Decisions by the Council as to election and qualifications of its members shall be considered final.

A member charged with misconduct constituting ground for forfeiture of the office shall be entitled to a public hearing on demand and notice of such hearing shall be published in the official newspaper of the City at least one week in advance of the hearing.

Section 3.06 Prohibitions

(a) **Dual Office Holding.** Except where authorized by law, no Council member shall hold any other City office or City employment during the term for which that member was elected to the Council, and no former Council member shall hold any compensated appointive City office or employment by the City until one year after the expiration of the term for which that member was elected to the Council.

(b) **Interference with Staff Appointment or Removal.** Neither the Council nor any of its members shall in any manner dictate the appointment or removal of any City administrative officer or employee whom the City Manager or any of the City Manager's subordinates are empowered to appoint, but the Council may express its views and fully and freely discuss with the City Manager anything pertaining to appointment and removal of such administrative officers and employees.

(c) **Dealing with City Staff.** Except for the purpose of inquiries, and for investigations under Section 3.12 of this Charter, neither the Council nor its members shall deal with City administrative officers and employees who are subject to the direction and supervision of the City Manager solely through the City Manager, and neither the Council nor its members shall give orders to any such administrative officer or employee either publicly or privately.

Section 3.07 Vacancies, Forfeiture of Office and Filling of Vacancies

(a) **Vacancies.** The office of a Council member shall become vacant upon the member's death, resignation, removal from office or forfeiture of office.

(b) **Forfeiture.** A Council member shall forfeit that office if the Council member:

(1) lacks at any time during the term of office for which elected any qualification for the office prescribed by this Charter or by law;

(2) intentionally violates any express prohibition of this Charter;

(3) is convicted of a felony criminal offense or an offense of moral turpitude or involving official misconduct; or

(4) fails to attend three consecutive regular Council meetings without being excused by the Council.

(c) **Filling Vacancies.** In the event of a single vacancy in the City Council, if there are 365 days or more remaining on the term of the vacated City Council position, the City Council shall call a special election to fill such vacancy. If there are less than 365 days remaining in the term of the vacated City Council position, the City Council may, by majority vote of the remaining Council Members, at its discretion appoint a new Councilmember to fill such vacancy or call a special election to fill such vacancy.

Section 3.08 Compensation and Expenses

(a) **No Compensation.** Council Members shall serve without compensation.

(b) **Reimbursement.** Council Members may receive reimbursement for necessary expenses incurred in the performance of their duties of office, according to policies to be determined by the Council.

Section 3.09 Mayor and Mayor Pro Tem

(a) **Mayor.** At the first regular meeting of the Council following the City's general election, the Council shall elect one of its members to serve a one-year term as Mayor of the City. The Mayor shall preside over the meetings of the Council and perform such other duties consistent with the office as may be imposed on the Mayor by this Charter and all ordinances and resolutions passed in pursuance thereof. The Mayor shall vote as any other member of the Council and shall have no veto power. The Mayor shall be recognized as the chief executive officer and as the head of the City by all courts for the purpose of serving civil process, by the Governor for the purpose of enforcing military law, and for all ceremonial purposes.

(b) **Mayor Pro Tem.** At the first meeting of the Council following the City's general election, the Council shall elect one of its members to serve a one-year term as Mayor Pro Tem of the City. In the absence or disability of the Mayor to perform the duties of that office, the Mayor Pro Tem shall perform all such duties.

Section 3.10 City Secretary

The Council shall appoint an officer of the City who shall have the title of City Secretary and who shall give notice of Council meetings, shall keep minutes of its proceedings, shall authenticate by signature and record in full in a book kept for that purpose all ordinances and resolutions, shall preserve and keep in order all books, papers, records and files of the Council, shall have custody of the seal of the City and shall affix same to such documents and obligations as legally authorized, and shall perform such other duties as shall be required by this Charter or by the Council.

Section 3.11 City Attorney

The Council shall appoint a City Attorney and such assistant city attorneys, one of which shall serve as the City Prosecutor, as from time to time shall be deemed necessary by the Council and who shall each be competent, duly licensed and admitted to the practice of law by the State of Texas. Except to the extent otherwise provided by the Council or the City Attorney, each assistant city attorney will have the authority to exercise all powers and duties of the City Attorney. The City Attorney shall be legal advisor to and attorney for all Council Members, officers, and employees of the City acting in their respective official capacities and shall represent the City in all litigation and legal proceedings. Upon recommendation of the City

Attorney, Council may also engage outside counsel to assist the City Attorney on specific matters. The City Attorney, with approval of Council, also may engage pro bono volunteer attorneys.

Section 3.12 Investigations

The Council shall have the power to inquire into the official conduct of any department, agency, office or employee of the City. For this purpose, the Council shall have the power to administer oaths, to subpoena witnesses whether or not they are affiliated with the City and by subpoena to compel the production of books, papers and other evidence material to the inquiry from any person whether or not affiliated with the City. The Council shall provide by ordinance penalties for contempt in failing or refusing to obey any such subpoena or to produce any such books, papers or other evidence, and shall have the power to punish any such contempt in the manner provided in the ordinance. Alternatively to punishment by the Council, the City Attorney at Council's direction may request that the Municipal Court or a state district court adopt any subpoena issued by Council in accordance with this section 3.12 and enforce the same through civil or criminal contempt or other lawful measures.

Section 3.13 Meetings

The Council shall meet regularly at least once each month. The Council may hold as many additional meetings during the month as may be necessary for the transaction of the business of the City, and special meetings of the Council may be called as necessary upon written notice to the City Secretary by the Mayor, by any three of the other Council Members, by the City Manager, or by the City Attorney. All meetings, regular or special, shall be held pursuant to public notification, as required by this Charter and by state law.

Section 3.14 Rules of Procedure

(a) **Procedures.** The Council shall determine its own rules of procedure and order of business. Four Council Members shall constitute a quorum to do business, and a majority vote of those attending any meeting at which there is a quorum present shall be sufficient to adopt any ordinance or resolution, except as otherwise provided in this Charter. The vote upon the passage of all ordinances and resolutions shall be taken by ayes and nays, and the vote of each Council member present shall be entered on the minutes of the meeting.

(b) **Open Meetings.** All meetings of the Council, except for executive sessions authorized by state law, shall be open to the public, and minutes of all proceedings of such open meetings shall be kept, to which any citizen may have access at all reasonable times, and which shall constitute the archive of the City.

Section 3.15 Action Requiring an Ordinance

(a) **Ordinances Required.** In addition to other acts required by law or by specific provision of this Charter to be done by ordinance, those acts of the Council shall be by ordinance which:

(1) adopt or amend an administrative code or establish, alter, or abolish any city department, office or agency;

(2) provide for a fine or other penalty or establish a rule or regulation for violation of which a fine or other penalty is imposed;

(3) levy taxes;

(4) grant, renew or extend a franchise;

(5) regulate the rate charged for its services by a public utility;

(6) authorize the borrowing of money;

(7) regulate land use and development;

(8) prescribe standards for issuance of business or other licenses; and

(9) amend or repeal any ordinance previously adopted.

(b) **Ordinances or Resolutions Permitted.** Acts other than those referred to in the preceding sentence may be done either by ordinance or by resolution.

Section 3.16 Ordinances in General

(a) **Form.** Every proposed ordinance shall be introduced in writing and in the form required for final adoption. No ordinance shall contain more than one subject, which shall be clearly expressed in its title. The enacting clause shall read "Be It Ordained by the City Council of the City of Marshall." Any ordinance amending an ordinance or part of the City Code shall set out in full the ordinance, section or subsection to be amended, and shall indicate matters to be omitted by enclosing them in brackets or by strikeout type and shall indicate new matters by under scoring or by italics.

(b) **Procedure.** An ordinance may be introduced at any regular or special meeting of the Council. Upon introduction of any ordinance, the City Secretary shall distribute a copy to each member of the Council and shall file a reasonable number of copies in the office of the City Secretary and in such other public places as the Council may designate.

(c) **Effective Date.** Except as otherwise provided in this Charter, or by ordinance or by state law, all ordinances and resolutions passed by the Council shall take effect on the date of enactment.

(d) **Publication.** Any ordinance imposing any penalty, fine or forfeiture shall, after the passage thereof, be published one (1) time in the official newspaper before the same shall go into effect. In lieu of publication of the full text of the ordinance, it shall be sufficient to publish the descriptive caption or title of the ordinance, stating in summary the purpose of the ordinance and the penalty for violation thereof. The ordinance shall take effect and be in force from and after the publication thereof unless otherwise provided.

Section 3.17 Emergency Ordinances

Upon the declaration of an emergency, the Council may adopt an ordinance, following a single reading, but only by affirmative vote of all Council Members present. In case of disaster when a legal quorum of the elected City Council cannot otherwise be assembled due to multiple deaths, injuries, absences from the City or other disabilities, the surviving and able member or members of the City Council, or surviving and able appointed City official if no Council member is able, must, within twenty-four (24) hours of such disaster call an election to be held on the earliest feasible date, or as provided in applicable law, for election of a required quorum of Council Members, each of whom will serve until their disabled or absent predecessor resumes the duties of office or until the expiration of the replaced member’s term. If no appointed City official is available, the Harrison County Judge or any state district judge shall have the authority to call a City election. In case of enemy attack, Chapter 616 of the Texas Government Code controls succession.

ARTICLE IV ADMINISTRATIVE ORGANIZATION

Section 4.01 Appointment, Qualifications and Compensation of the City Manager

The Council shall appoint a City Manager for an indefinite term, who shall be the chief administrative officer of the City. The City Manager shall be chosen by the Council by a majority vote of its total membership and solely on the basis of executive and administrative training, experience, ability and character, and without regard to political consideration. The City Manager need not be a resident of the City at the time of appointment. The City Manager shall reside inside the City while in office unless residence outside the City is approved by the Council. The City Manager shall receive such compensation as may be fixed by the Council.

Section 4.02 Removal or Suspension of the City Manager

The City Manager shall not be appointed for a definite term but may be removed or suspended at the will of the Council by a majority vote of its total membership. The action of the Council in removing the City Manager shall be final, it being the intention of this Charter to vest all authority and fix all responsibility for such removal on the Council.

Section 4.03 Acting City Manager

By letter filed with the City Secretary, the City Manager shall designate a qualified administrative employee of the City to exercise the powers and perform the duties of the City Manager during the manager's temporary absence or disability. The Council may revoke such designation at any time and appoint another such employee of the City until the City Manager returns.

Section 4.04 Powers and Duties of the City Manager

As the chief administrative officer of the City, the City Manager shall be responsible to the Council for the administration of all City affairs placed in the manager's charge by or under this Charter. The City Manager shall:

(a) appoint and remove all department heads of the City, except as otherwise provided in this Charter:
(b) direct and supervise the administration of all departments, offices and agencies of the City, except as otherwise provided by this Charter;
(c) attend all Council meetings and shall have the right to take part in discussions but may not vote:
(d) see that all laws, provisions of this Charter and acts of the Council subject to enforcement of the City Manager or by officers subject to the City Manager's direction and supervision, are faithfully executed:
(e) prepare and submit the annual budget to the Council;
(f) make such other reports as the Council may require concerning the operations of City departments, offices and agencies subject to the manager's direction and supervision;
(g) keep the Council fully advised as to the financial condition and future needs of the City; and
(h) perform such other duties as are specified in this Charter or may be required by the Council.

Section 4.05 Administrative Organization

There shall be such administrative departments, offices, or other administrative units of government as established by ordinance, all of which shall be under the control and direction of the City Manager except for any administrative units under the control of the City Attorney or City Secretary. To the extent consistent with this Charter, the Council may abolish or combine one of more of these departments and may assign or transfer duties of any departments of the City from one department to another by ordinance.

Section 4.06 Directors of Departments and Other Unit Managers

At the head of each department or other administrative unit within City government, there shall be a director or other unit manager who shall be appointed and who may be removed by the

City Manager, except as provided by state law or by this Charter. The City Manager will determine the unit manager's respective titles unless the Council otherwise determines. Such managers shall have supervision and control over their respective administrative units and may also serve as heads of subunits within their respective units. Two or more administrative units may be headed by the same individual, and the City Manager may head one or more administrative units. The Council has exclusive authority to set the compensation and benefit levels for all unit managers.

ARTICLE V MUNICIPAL COURT

Section 5.01 Municipal Court

There shall be a court known as the Municipal Court of the City of Marshall, with such jurisdiction, powers and duties as are given and prescribed by the state law, or by Council.

Section 5.02 Judges of the Municipal Court

The Municipal Court shall be presided over by one or more magistrates, appointed by the Council, each of whom shall be duly licensed by the State of Texas as an attorney at law and shall be known as a Judge of the Municipal Court, but one of whom also shall be known as the Chief Judge of the Municipal Court, with such additional powers as the Council by ordinance may adopt. Judges of the Municipal Court shall receive such salaries as shall be fixed by ordinance. In the absence of all judges, the Council shall appoint a duly qualified person to serve in an interim capacity.

Section 5.03 Clerk of the Municipal Court

There shall be a Clerk of the Municipal Court who shall be appointed and may be removed by the City Manager. The clerk shall have the power to administer oaths and affidavits, make certificates, affix the seal of the court thereto, and otherwise perform any and all acts necessary to the operation of such court and conducting the business thereof. The City Manager may appoint Deputy Clerks of the Municipal Court, who shall have authority to act for and on behalf of the Clerk of the Municipal Court.

ARTICLE VI FINANCIAL PROCEDURES

Section 6.01 Fiscal Year

The fiscal year of the City shall begin on January first (1st) of each calendar year and shall end on December thirty-first (31st) of that calendar year. The fiscal year shall also be established as the accounting and budget year.

Section 6.02 Preparation and Submission of Proposed Budget

The City Manager, at least thirty (30) days prior to the commencement of the fiscal year, shall prepare and submit a proposed budget to the Council, which shall contain the following:

(a) a budget message which shall outline the proposed financial policies for the year with explanations of changes from previous years in expenditures and any other major changes of policy and a complete statement regarding the financial conditions of the City;

(b) an estimate of all revenues from taxes and other sources, including the present tax structure rates and property evaluation for the ensuing year;

(c) a carefully itemized list of proposed expenses by office, department, agency, employee and project for the year, as compared to actual expenses of the last fiscal year and the present year to date;

(d) a description of all outstanding bond indebtedness, showing amount, purchaser, date of issue, rate of interest and maturity date, as well as any other indebtedness which the City has incurred, and which is unpaid;

(e) a statement proposing any capital expenditures deemed necessary for undertaking during the year and recommending provisions for financing.

Section 6.03 Budget a Public Record

The proposed budget and all supporting schedules shall be filed with the City Secretary when submitted to the Council and shall be open to public inspection as required by state law.

Section 6.04 Public Hearing on Proposed Budget

At the Council meeting at which time the proposed budget is submitted, the Council shall, in conformance with the requirements of state law, name the date, time and place of a public hearing and shall cause to be published the date, time and place thereof. At this hearing, interested citizens may express their opinions concerning items of expenditure, giving their reasons for wishing to increase or decrease any such items.

Section 6.05 Proceeding on Adoption of Budget

After public hearing, the Council shall analyze the proposed budget, making any additions or deletions considered appropriate, and shall, adopt the budget as required by state law.

Section 6.06 Budget Appropriation and Amount to be Raised by Taxation

On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the Council shall constitute the official appropriations of proposed expenditures for the year and shall constitute the basis of the official levy of the property tax as the amount of tax to be assessed and collected for that tax year. Estimated expenditures will in no case exceed proposed revenue plus reserves on hand.

Section 6.07 Unallocated Reserve Fund

The City Manager may recommend for action by the Council an unallocated reserve fund to be used for unexpected items of expense which were not included in the budget as original items of expenditure.

Section 6.08 Amending the Budget

Under conditions which may arise, and which could not reasonably have been foreseen in the normal process of budget preparation, the Council may, by a favorable vote, amend or change the budget to provide for any additional expenses. Such amendments shall be by ordinance and shall become an attachment to the original budget.

Section 6.09 Certification and Copies Made Available

A copy of the budget, as finally adopted, shall be filed with the City Secretary. The final budget shall be printed, or otherwise reproduced, and sufficient copies certified by the City Secretary shall be made available for the use of all offices, agencies and for the use of interested persons and civic organizations. The City may charge for certification and copying as permitted by law.

Section 6.10 Defect Shall Not Invalidate the Tax Levy

Errors or defects in the form or preparation of the budget or the failure to perform any procedural requirements shall not nullify the tax levy or the tax rate.

Section 6.11 Independent Audit

At the close of each fiscal year and at such times as it may otherwise be deemed necessary, the Council shall have an independent audit to be made of all accounts of the City by a certified public accounting firm. The certified public accounting firm shall have no personal interest, directly or indirectly, in the financial affairs of the City. Upon completion of the audit, the audit shall be filed as required by law. That fact shall be published forthwith in the official newspaper of the City, and copies of the audit shall be placed on file for public inspection in the office of the City Secretary. A different certified public accounting firm will be selected at least once every five (5) years.

Section 6.12 Purchasing Procedure

The City Manager shall direct that purchases of supplies, materials or equipment by the City be made in accordance with policies adopted by the Council or as provided by state law.

Section 6.13 Investment Policy

The Investment Officer designated by the City Manager may invest any city monies in accordance with policies adopted by the Council and as provided by state law, and such policies shall be reviewed by the Council at least annually.

ARTICLE VII BONDS, WARRANTS AND OTHER EVIDENCE OF INDEBTEDNESS

Section 7.01 Powers to Issue

In keeping with state law, the City shall have the power to borrow money on the credit of the City for any public purpose not now or hereafter prohibited by state law and shall have the right to issue all tax bonds, revenue bonds, funding and refunding bonds, time warrants and other evidence of indebtedness as now authorized or as may hereafter be authorized to be issued by cities in Texas, subject to the right to petition the City to call an election on the issuance of debt as allowed by state law.

Section 7.02 Manner of Issuance

Bonds, warrants and other evidence or indebtedness of the City, as described in Section 7.01, shall be issued in the manner provided by state law.

Section 7.03 Sale of Bonds

No bonds issued by the City shall be invalid because they are sold for less than par value and accrued interest. The Council shall have the right to reject any or all bids.

Section 7.04 Interest and Sinking Fund

It shall be the duty of the Council to levy an annual tax sufficient to pay the interest on and provide the necessary sinking fund required by law on all outstanding general obligation bonds of the City. The interest and sinking fund shall not be diverted to or used for any other purpose than to pay the interest and principal on all such bonds issued by the City. The sinking fund maintained for the redemption of any debt may be invested in any interest-bearing securities in accordance with policies adopted by the Council and as provided by state law.

Section 7.05 Revenue Bonds

The City shall have the power to borrow money for the purpose of constructing, purchasing, improving, extending, or repairing of public utilities, recreational facilities or facilities for any other self-liquidating function not now or hereafter prohibited by state law, and to issue revenue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable solely from the properties, or interest therein acquired, and the income therefrom, and shall never be a general obligation debt of the City. Revenue bonds issued by the

City shall be submitted for approval by a majority of registered voters, voting at an election held for such purpose, unless the resolution directing publication of notice of intention to issue said revenue bonds is approved by a two-thirds majority vote of the Council Members. The Council shall have authority to provide for the terms and force of any purchase agreement, contract, mortgage, bond or document desired or necessary for the issuance of revenue bonds and the acquisition and operation of any such property or interest.

ARTICLE VIII TAXATION

Section 8.01 Powers of Taxation

The Council shall have the power to levy, for general purposes, all types of taxes as provided and permitted by state law, including but not limited to motel/hotel occupancy taxes, occupational taxes, sales and use taxes, alcohol taxes and ad valorem taxes on real, personal and mixed property within the City, not exempt from taxation by state law.

Section 8.02 Tax Lien and Liability

A special lien is hereby created on all real, personal and mixed property located in the City in favor of the City, for all unpaid taxes. The priority of said lien shall be determined in accordance with state law.

ARTICLE IX ELECTIONS

Section 9.01 Regular Elections

The regular City election shall be held on the first Saturday of May of each year or as required by the state election code, at which time Council Members shall be elected to fill those positions which become vacant that year.

Section 9.02 Registered voters

All citizens qualified and registered to vote by state law in the City and who satisfy the requirements for registration prescribed by state law shall be registered voters of the City within the meaning of this Charter.

Section 9.03 Regulation of Elections

The Council shall make all regulations considered to be necessary or desirable which are not inconsistent with this Charter or state law, for the conduct of City elections, or for the prevention of fraud, and shall make provisions for a recount of the ballots in case of doubt or fraud. The Council shall appoint election officials who shall conduct the City elections consistent with this Charter and with regulations made by the Council and by state law. The Council shall provide for the compensation of all election officials in City elections and for all other expenses of holding such elections.

Section 9.04 Filing for Office

Any qualified person who desires to become a candidate for election to the Council shall file with the City Secretary an application to that effect and in accordance with the state election code.

Section 9.05 Official Ballot

An official ballot shall be drawn up by the City Secretary and will contain the names of all candidates for office, except those who may have been withdrawn, deceased or become ineligible. Names will be placed on the ballot without party designation and position on the ballot will be determined by drawing lots.

Section 9.06 Conducting and Canvassing Elections

The returns of each City election shall be delivered forthwith by the election judges to the City Secretary. The Council shall canvass the returns, investigate the qualifications of the candidates and declare the official results of the election in the manner and within the time periods provided by state law. Returns of each City election shall be recorded in the minutes of the Council.

Section 9.07 Election by Majority

The Council candidate receiving the majority of all votes cast for the office shall be elected. If no candidate receives a majority, the Council shall, on the first day following the official count, call for a second election to be held as provided by state law. The two (2) candidates receiving the highest number of votes shall have their names placed on the ballot to be prepared by the City Secretary, in the order of their standing in the computation of votes. In the event of a tie between two or more candidates, they shall cast lots to determine which two are to be the run-off candidates or determine their places on the ballot. In the event of a tie in the run-off election, the run-off candidates shall cast lots to determine the winner.

ARTICLE X INITIATIVE, REFERENDUM AND RECALL

Section 10.01 Power of Initiative

The people of the City reserve the power of direct legislation by initiative, and in the exercise of such power, may propose any ordinance not in conflict with this Charter or state laws except an ordinance appropriating money or authorizing the levy of taxes or an ordinance repealing an ordinance appropriating money or levying taxes. Any initiated ordinance may be submitted by a petition signed by registered voters of the City equal in number to at least twenty-five (25) percent of the number of registered voters who resided in the City at the time of the last regular City election.

Section 10.02 Power of Referendum

The people of the City reserve the power to approve or reject at the polls any legislation enacted by the Council which is subject to the initiative process under this Charter. Within thirty (30) days after the final adoption of any ordinance which is subject to referendum, a petition, signed by registered voters of the City equal in number to at least twenty-five (25) percent of the number of registered voters who resided in the City at the time of the last regular City election, may be filed with the City Secretary requesting that any such ordinance be either repealed or submitted to a vote of the people. When such a petition has been certified as sufficient by the City Secretary, the ordinance specified in the petition shall not go into effect, or further action thereunder shall be suspended if it shall have gone into effect, until and unless it is approved by the voters as herein provided.

Section 10.03 Form of Petition for Initiative and Referendum

All petition papers circulated for the purpose of an initiative or referendum shall be uniform in size and style, as allowed by state law. Initiative petition papers shall contain the full text of the proposed ordinance. The signatures to initiative and referendum petitions need not all be appended to one paper, but to each separate paper there shall be attached a statement of the circulator that the circulator personally circulated the foregoing paper, that all the signatures appended thereto were made in the presence of the circulator and that the circulator believes them to be the genuine signatures of the persons whose names they purport to be. Each signer of any such petition shall sign their name in ink or indelible pencil, shall indicate after their name their place of residence by street and number, shall indicate their voter registration certificate number and shall record the date of signature.

Section 10.04 Filing, Examination and Certification of Petition

All papers comprising a petition for initiative or referendum shall be assembled and filed with the City Secretary as one instrument. Within ten (10) days after a petition is filed, the City Secretary shall determine whether each paper of the petition has a proper statement of the circulator and whether the petition has been signed by a sufficient number of qualified electors and shall hold any petition paper entirely invalid which does not have attached thereto the statement signed by the circulator thereof. The City Secretary shall certify the result of this examination to the Council at its next regular meeting as required by state law. If the City Secretary shall certify that the petition is insufficient, the certificate shall specify the particulars in which it is defective and shall promptly notify the person filing the petition of this finding. A petition may be amended at any time within ten (10) days after a notice of insufficiency has been sent by the City Secretary, by filing a supplementary petition. In such event, the same procedures shall then be followed by the City Secretary and Council as in the case of the original petition. A finding of insufficiency of a petition shall not prejudice the filing of a new petition for the same purpose.

Section 10.05 Council Consideration and Submission to Voters

(a) **Initiative Petition**. When the Council receives an authorized initiative petition, certified by the City Secretary to be sufficient, the Council shall either (a) pass the initiated ordinance without amendment within twenty (20) days after the date of the certification to the Council, or (b) submit the initiated ordinance without amendment to a vote of the registered voters of the City at a regular or special election to be held as may be provided by law.

(b) **Referendum Petition**. When the Council receives an authorized referendum petition, certified by the City Secretary to be sufficient, the Council shall reconsider the referred ordinance. If, upon such reconsideration, such ordinance is not repealed, it shall be submitted to the voters of the City at a regular or special election to be held on such other date as may be provided by law.

(c) **Special Elections**. Special elections on initiated or referred ordinances shall not be held more frequently than once each six (6) months and no ordinance on the same subject as an initiated ordinance which has been defeated at any election may be initiated by the voters within two (2) years from the date of such election.

Section 10.06 Ballot Form and Results of Election

(a) **Ballot Form.** Ordinances submitted to the electors in accordance with the initiative and referendum provisions of this Charter shall be submitted by ballot, the title of which shall contain a clear, concise statement, without argument, of the substance of such ordinance. The ballot used shall have below the ballot title the following propositions, one above the other in the order indicated "FOR THE ORDINANCE" and "AGAINST THE ORDINANCE". Any number of ordinances may be voted on at the same election and may be submitted on the same ballot, but there shall be separate "FOR THE ORDINANCE" and "AGAINST THE ORDINANCE" propositions under each proposed ordinance.

(b) **Results of Election.** If a majority of electors voting on a proposed initiative ordinance shall vote in favor thereof, it shall thereupon be an ordinance of the City. A referred ordinance which is not approved by a majority of the electors voting there on shall thereupon be deemed repealed. If conflicting ordinances are approved by the electors at the same election, the one receiving the greatest number of affirmative votes shall prevail to the extent of such conflict.

Section 10.07 Power of Recall

The people of the City reserve the power to recall any member of the Council and may exercise such power by filing with the City Secretary a petition, signed by registered voters of the Council member‘s district equal in number to at least fifteen (15) percent of the number of registered voters entitled to vote for such office at the time of the last regular City election for that Council member's district, demanding the removal of the Council member. The petition shall be signed and verified in the manner required for an initiative petition, shall contain a general statement of the grounds upon which the removal is sought and one of the signers of each petition paper shall make an affidavit that the statements made therein are true.

Section 10.08 Recall Election

(a) **City Secretary Certification**. All papers comprising a recall petition shall be assembled and filed with the City Secretary. Within ten (10) days after the petition is filed, the City Secretary shall determine its sufficiency and, if found to be sufficient, shall certify this fact to the Council at its next regular meeting as required by state law. If a recall petition is found to be insufficient, it may be amended within ten (10) days after notice of such insufficiency by the City Secretary, by filing a supplementary petition. In that event, the same procedures shall then be followed by the City Secretary and the Council as in the case of an original petition. The finding of insufficiency of a recall petition shall not prejudice the filing of a new petition for the same purpose.

(b) **Subject Council Member's Rights**. The Council member whose removal is sought by a recall petition may, within five (5) days after such petition has been certified and presented to the Council, request in writing that a public hearing be held to permit the Council member to present facts pertinent to the charges specified in the petition. In this event, the Council shall order such public hearing to be held not less than five (5) days nor more than fifteen (15) days after receiving such request for public hearing.

(c) **Removal.** If the Council member whose removal is sought does not resign, the Council shall order a recall election and fix a date for such election in accordance state election law.

Section 10.09 Recall Ballot

Ballots used in recall elections shall read as follows: "SHALL (name of person or persons) BE REMOVED FROM THE CITY COUNCIL BY RECALL?" Below such question there shall be printed the following in the following order as to each person named.

"FOR THE REMOVAL OF (name of person).

"AGAINST THE REMOVAL OF (name of person)."

Section 10.10 Results of Recall Election

If a majority of the votes cast at a recall election shall be against removal of a Council member named on the ballot, that member shall continue in office. If a majority of the votes cast at such election be for the removal of the Council member named on the ballot, the Council shall immediately declare the office vacant and such vacancy shall be filled in accordance with the provisions of this Charter. A Council member thus removed shall not be a candidate to succeed himself/ herself in an election called to fill the vacancy created.

Section 10.11 Limitations on Recall

No recall petition shall be accepted for filing against any Council Member within six (6) months after the Council Member takes office nor within six (6) months after an election for the Council member's recall.

ARTICLE XI FRANCHISES AND PUBLIC UTILITIES

Section 11.01 Powers of the City Regarding Franchises and Public Utilities

(a) **Powers.** The Council shall have the power by ordinance to grant, renew and extend all franchises of all public utilities of every character operating within the City and to amend the same. No franchise, however, shall be granted for an indeterminate term nor for a longer term than thirty (30) years, nor shall any exclusive franchise be granted

(b) **Preemption.** Notwithstanding any other provision of this Article XI, no franchise or franchise fees will be required to the extent that state or federal law expressly preempts any provision of this Article XI, but the City is authorized to regulate and require payment from public services in the City for which it is not permitted to require franchises to the full extent not prohibited by state or federal law. To the extent that a state or federal preemption of this Article XI terminates, the provider of a public service for which a franchise is required must apply for a franchise within thirty (30) days and pay all fees and make all other payments eventually required by a City franchise calculated retroactive back to the date such preemption terminated.

Section 11.02 Inalienability of Control of Public Utilities

The right of control and use of the public streets, alleys and other public rights-of-ways of the City is hereby declared inalienable by the City, except by ordinances not in conflict with the provisions of this Charter. No act or omission by the Council or any officer of the City shall be construed to grant, renew, extend or amend, expressly or by estoppel or implication, any right, franchise, or easement affecting said public streets, alleys, and other public properties of the City except as provided in this Charter.

Section 11.03 Ordinance Granting Public Utility Franchise

Every ordinance granting, renewing, extending or amending a public utility franchise shall be read at no more than two (2) meetings of the Council unless the franchise ordinance requires reading at additional meetings. At least ten (10) days before Council considers such ordinance the caption of such ordinance shall be published in the official newspaper of the City or using such other media as authorized by law and the expense of such publication shall be borne by the franchise holder or prospective franchise-holder.

Section 11.04 Transfer of Public Utility Franchise

No public utility franchise shall be transferred except with the approval of the Council expressed by ordinance, including, without limitation, purported assignment of a franchise, subcontracting of franchised services, substantial change of control of the franchise holder, and sale or lease of substantial assets of the franchise holder used to provide, construct, expand, repair, or maintain facilities, equipment, or vehicles for providing the franchised service outside of the ordinary course of business. No franchise shall be granted, renewed, extended, or amended, except by ordinance containing a condition that the City shall have the right at any time within five (5) years of the expiration of the term thereof to purchase the property of the franchise holder at a price to be determined according to the method provided in the ordinance granting, renewing, extending, or amending the franchise, or if such ordinance does not provide such method, then by eminent domain if the City and the franchise holder do not negotiate agreed purchase terms.

Section 11.05 Regulation of Public Utility Franchisee

Every grant, renewal, extension or amendment of a public utility franchise shall be subject to the authority of the Council to:

(a) forfeit any such franchise by ordinance at any time for failure of the holder thereof to comply with the terms of the franchise, such power to be exercised only after notice and hearing;

(b) to the extent provided by law, impose reasonable regulations, restrictions, tariffs and rates to insure safe, reasonably-priced, efficient and continuous service to the public;

(c) require such expansion and extension of plants and facilities as are necessary to provide adequate service to the public; and to the extent not prohibited by state or federal law, to require reasonably equivalent service to all similarly-situated areas of the City;

(d) require every franchise holder to furnish to the City, without cost to the City, full information regarding the location, character, extent and condition of all facilities of such franchise holder in, over and under the streets, alleys and other public property of the City; and to regulate and control the location, relocation and removal of such; and to require, regulate and control the location, relocation and removal of such facilities as necessary for public projects or activities at no expense to the City.

(e) collect from every public utility operating within the City its fair and just proportion of the expense of excavating, grading, paving, repaving, draining, repairing, maintaining, lighting, sweeping and sprinkling such portions of the alleys, bridges, culverts, viaducts and other public places and ways of the City as may be occupied or used in whole or in part by such utilities; or to compel such public utility to perform, at its own expense, its just share of such excavating, grading, paving, repaving, draining, repairing, maintaining, lighting, sweeping and sprinkling;

(f) require every franchise holder to allow other public utilities to use its tracks, poles, wires, pipes or other facilities, including bridges and viaducts, wherever in the judgment of the Council such use shall be in the public interest, provided that in such event the Council shall fix a reasonable rental to be paid to the owner of the facility for such use, after notice to the interested parties and a hearing upon the facts;

(g) prescribe the form of accounts kept by every franchise holder; examine and at no expense to the City, audit at any time the accounts and other records of any franchise holder; and require annual and other reports, including reports on the local operations of the franchise holder and if allowed by law, require an office in the City and designate an agent whom can be served with notice and legal process.

(h) require and collect any compensation and rental not now or hereafter prohibited by state law;

(i) require such franchise holders who request an increase in rates, charges or fares, to reimburse the City for reasonable expenses incurred in connection with the request including any related administrative or judicial litigation, including, without limitation, expenses of in-house counsel and other City staff and outside counsel, expert witnesses including, without limitation, rate consultants, to conduct investigations, present evidence and advise the Council on such requested increase; and

(j) regulate the granting of franchises for the supply of modes of transportation, including the rates or fares charged, the quality of vehicles used therein, and the qualifications of drivers thereof.

Section 11.06 Rate Transparency and Non-Discrimination

(a) **Transparency.** All public utility franchise holders' rates and charges shall be published in a form approved by the City and readily available to the public.

(b) **Non-Discrimination**. All franchise holders' rates and services shall be nondiscriminatory as to all persons and organizations of similar classes, under similar circumstances and conditions. Franchise holders shall apply their rates in accordance with governing law and, with similar rates and charges for all customers receiving similar services, without regard to race, color, ethnic, or national origin, religion, age, sex, sexual orientation, marital, military, or economic status, or physical or mental disability or geographic location in franchise holders' franchise area.

Section 11.07 Penalties and Remedies Concerning Public Utilities

It shall be unlawful to attempt to construct, construct, advertise for current service, or operate any public utility franchise including, without limitation, any public service for water, wastewater, natural gas, electricity, telecommunications, cable television or similar utility service, or any rail, bus, taxi, ambulance or other transportation service, or any solid waste or recycling service to the public within the City except under franchise, except that the Council may by ordinance use a non-exclusive licensing or non-exclusive permit scheme for transportation services instead of franchises. Any such activities without a franchise that occur within a public right-of-way or on public property will be, in addition to any other legal and equitable remedies actionable by the City as purprestures and, if done knowingly, punishable by a fine as allowed by state law.

ARTICLE XII GENERAL PROVISIONS

Section 12.01 Financial Interests to Comply with State Law

The Mayor, Council Members, and all City elected or appointed officials shall comply with the state laws, rules and regulations regarding personal financial interests in City contracts and other affairs.

Section 12.02 Oaths of Office

Every person elected or appointed to any office of the City shall, before entering upon the duties of that office, take and subscribe to the oath of office prescribed by state law.

Section 12.03 Prohibited Activities

(a) **Non-Discrimination.** No person shall be appointed to, removed from, or in any way favored or discriminated against with respect to any City position or appointive City administrative office because of race, gender, age, disability, religion, country of origin or political affiliation.

(b) **No Gratuities.** No person who seeks appointment or promotion with respect to any City position or appointive City administrative office shall directly or indirectly give, render or pay any money, service or other valuable thing to any person for or in connection with their test, appointment, promotion or proposed promotion.

(c) **Forfeitures and Penalties.** In addition to any other disabilities, forfeitures or punishments under state law or this Charter, any person convicted of a violation of this section shall be ineligible for a period of five (5) years following such conviction to hold any City office or position and, if an officer or employee of the City, shall immediately forfeit the office or position. The Council may establish by ordinance such further non-ex post facto penalties for such violations as it may deem appropriate.

Section 12.04 Claims Against the City

(a) **Notice of Claims Required.** Before the City can be subject to the jurisdiction of any court for suit upon any tort, contract, equitable, statutory, constitutional or other claim, the claimant must first have provided timely notice with substantially the specifics and in the form as required by Council through ordinance. This notice requirement is jurisdictional.

(a) **Meritorious Administrative Claims**. Council may establish by ordinance procedures for submission by allegedly injured persons and consideration by the City Manager of claims for compensation for alleged injury, including death, by the City or its agents, and actual monetary damages for alleged breach of contract by the City. The ordinance may provide for investigation of such claims, and for payment of such claims if meritorious by the City Manager without further Council approval up to an amount set by the ordinance and by Council in any amount. Any such payment must be conditioned upon releases approved by the City Attorney in form and substance. However, no claim can be paid by the City Manager or Council in amount exceeding the amount claimed or the amount of direct damages. No other claims, including without limitation, consequential damages, punitive damages, attorney's fees, consultant fees, and other expenses are not payable. The decision of the City Manager or Council upon such claims as authorized by the subsection will be a final decision, and no request for reconsideration will be required unless otherwise provided by Council through ordinance. Exhaustion of available administrative claims procedures established in accordance with this subjection will be a jurisdictional condition precedent for any subsequent litigation against the City related to the events or transactions that could have been the bases for such claims.

(b) **No Waiver**. Nothing in this section or elsewhere in this Charter shall be construed to waive any rights, privileges, defenses or immunities including, without limitation, governmental immunity from suit.

Section 12.05 Liens, Assignment, Execution, Garnishment, and Security Bonds

(a) **Liens, Assignment, and Execution.** The real and personal property belonging to the City shall not be liable for and shall be exempt and immune from sale or appropriation under any writ or execution or cost bill, and no lien of any kind shall ever exist against any such property owned by the City except that the lien be created or expressly authorized by this Charter or state law.

(b) **Garnishment**. The funds and other property equitably or legally belonging to or owed to the City in the hands of any person, firm or corporation shall not be liable to and are exempt from lien, garnishment, attachment and sequestration. The City shall not be liable to garnishment on account of any debt it may owe or funds or other property of which it may have possession, custody or control, or amount it may owe to any person. Neither the City nor any of its officers or agents shall be required to answer any such writ or garnishment on any account whatever. The City shall not recognize any assignment of wages or funds by its employees, agents or contractors except as required by court order or expressly permitted by state law.

(c) **Security Bonds.** The City shall be exempt from any supersedeas and other bond and security requirements in any judicial proceedings.

Section 12.06 References to State Law

Wherever in this Charter reference is made to state law, unless explicitly provided otherwise, such reference shall mean Texas state law in effect as of the date of the event or transaction at issue and shall not be limited to state law as it existed at the time of adoption of this Charter, or of any relevant portion hereof.

Section 12.07 Severability

If any section or part of a section of this Charter is held to be invalid or unconstitutional by final judgment of a court of competent jurisdiction, such invalidity shall not invalidate or impair the validity, force or effect of any other section or part of a section of this Charter.

Section 12.08 Charter Amendment

Amendments to this Charter may be framed and submitted to the voters of the City in the manner prescribed by state law. The Council shall, at intervals not to exceed five (5) years, formally consider the need for revision(s) to the Charter. This review shall be based on a written report from the City Manager, with special attention given to conflicts, if any, between the Charter and state law, and recommending such amendments to the Charter as may seem necessary for legal, administrative or other reasons.

Section 12.09 Clerical Charter Amendments by Council

The Council shall have the power, by ordinance, to renumber and rearrange all articles, sections, subsections, paragraphs and subparagraphs of this Charter or any amendments hereto, as the Council shall deem appropriate, including the power to correct typographical errors and to conform cross-references in the body of the text of this Charter, so long as no substantive change is made without complying with Section 12.08 of this Charter.

ARTICLE XIII TRANSITIONAL PROVISIONS

Section 13.01 Officers and Employees

Nothing in this Charter except as otherwise specifically provided in this Charter shall affect or impair the vested rights or privileges of persons who are City officers or employees at the time of its adoption.

Section 13.02 Effect on Existing Laws

(a) **Non-conflicting Laws.** All City ordinances, resolutions, rules, regulations, manuals, directives, approvals, and policies, or any portion of any of them, in force at the time of adoption of this Charter and not in conflict with this Charter are hereby ratified and shall remain in force until altered, amended or repealed by the Council except to the extent otherwise mandated by a final judgment of a court of competent jurisdiction. All rights of the City under existing franchises and contracts are preserved in full force and effect.

(b) **Conflicting Laws.** All City ordinances, resolutions, rules, regulations, manuals, directives and policies, or any portion of any of them, in force at the time of adoption of this Charter that materially conflict with or that are materially inconsistent with this Charter are repealed as of the effective date of this Charter, except that they remain in effect to the extent necessary for the conduct of City business until replaced.

TO:	City Council
DATE:	October 9, 2025
ITEM #:	8.C
SUBJECT:	**O-25-33** Consider approval of an ordinance amending Section 2-1 of Chapter 2 of the Code of Ordinances of the City of Marshall relating to time and place of council meetings. (City Secretary)

Recommendation for Action: Recommending approval of an ordinance amending Section 2-1 of Chapter 2 of the Code of Ordinances of the City of Marshall relating to time and place of council meetings.

Executive Summary: Ordinance O-82-7 states that our meetings are held on the 2nd and 4th Thursdays at noon and 6:30 and that the meeting times and dates may be changed by approval of a majority of the Commission.

The Commission changed the time to 6:00 PM for both meetings at the February 13, 2014, meeting. The Code of Ordinances still reflects the noon & 6:30 time. This item is being presented to allow the Code of Ordinances to reflect the change implemented by the City Commission in 2014.

Focus Area(s): This item aligns with the following council adopted focus area(s): Improving Communication

Budget Cost: N/A

Staff Contact: Nikki Smith, City Secretary

Attachments: 1. O-25-XX Update Ch 2 Meeting Time

Ordinance No. O-25-__

AN ORDINANCE AMENDING SECTION 2-1 OF CHAPTER 2 OF THE CODE OF ORDINANCES OF THE CITY OF MARSHALL RELATING TO TIME AND PLACE OF COUNCIL MEETINGS

WHEREAS, the current ordinance relating to the time and place of Council meetings was previously changed by a majority vote of the City Council, which resolved to hold Council meetings at 6:00 o'clock PM; and

WHEREAS, the City Council desires to update the Code of Ordinances to reflect this change.

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

SECTION 1. That Section 2-1 of Chapter 2 of the Code of Ordinances of Marshall, Texas is hereby amended to read as follows:

"Sec. 2-1. Council Meetings – Place and Time of Holding.
The City Council shall hold its regular meetings in the Council Chambers in City Hall or in such other location within the City Limits as may be selected by a majority of the Council on the 2nd and 4th Thursdays of each month. The meetings shall be held at 6:00 o'clock PM. Meeting times and dates may be changed by approval of a majority of the Council."

SECTION 2. That if any section, article paragraph, sentence, clause, phrase or word in this Ordinance, or application thereto any persons or circumstances is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 3. That all provisions of the Ordinances of the City of Marshall, Texas, in conflict with the provisions of this Ordinance be, and the same are hereby amended, repealed, and all other provisions of the ordinances of the City not in conflict with the provisions of this
Ordinance shall remain in full force and effect.

SECTION 4. That this Ordinance shall become effective from and after its date of passage in accordance with law.

Passed, Approved and Adopted this _____ day of October, 2025.

Ayes: _________
Noes: _________
Abstain: _________

APPROVED:

____
Mayor of the City Council
of the City of Marshall, Texas

ATTEST:

____
City Secretary

TO:	City Council
DATE:	October 9, 2025
ITEM #:	9.A
SUBJECT:	**R-25-16** Consider approval of a Resolution to make nominations to the Board of Directors of the Harrison Central Appraisal District. (City Manager)

Recommendation for Action: Consider a resolution nominating candidates to the Harrison County Appraisal District.

Executive Summary: The purpose of the Harrison County Appraisal District is to establish appraisals of property within Harrison County. The Harrison County Appraisal District has a five-member board which is elected by entities within their jurisdiction. This board serves on two-year terms, and this year marks the end of the current two-year term for each of their Board of Directors. New terms for these nominees begin January 1, 2024 and continue through December 31, 2025.

The Harrison County Appraisal District has requested nominations for the Board of Directors, and Property Code, Section 6.03(g) provides that a governing body of a taxing unit may nominate, by resolution adopted by its governing body, one candidate for each position to be filled on the Board of Directors. This allows the City of Marshall to nominate up to 5 Board members and nominations must be formally submitted before October 16, 2023.

Focus Area(s): Improving Communication

Budget Cost: N/A

Staff Contact: Terrell Smith, City Manager

Attachments:
1. HCAD Resolution Nomination Resolution 10-9-25
2. HCAD _2026-2027 Nomination Packet COM

A RESOLUTION IN ORDER To MAKE NOMINATIONS TO THE BOARD OF DIRECTORS OF Harrison Central Appraisal District

WHEREAS, Section 6.03(c) of the Texas Property Tax Code requires the election of the board of directors of an appraisal district by vote of the governing bodies of the participating taxing entities entitled by the Code to vote; and

WHEREAS, the Harrison Central Appraisal District Board of Directors is comprised of five elected members; and

WHEREAS, the City of Marshall is a participating taxing entity of the Harrison Central Appraisal District entitled to vote; and

WHEREAS, the City of Marshall is entitled to submit up to five nominees by resolution to the Chief Appraiser for members to serve two-year terms beginning January 1, 2026;

NOW, THEREFORE, BE IT RESOLVED that the City of Marshall submits the following nominee(s) for the Board of Directors, Harrison Central Appraisal District:

Nominee(s)

Ted Huffhines (Current Member)
1728 Kings Road
Marshall, TX 75672

Jacob Fullbright
5134 Sue Bell Lake Road
Marshall, TX 75670

INTRODUCED AND PASSED by the City Council of the City of Marshall, this 9th day of October 2025.

ATTEST:

Presiding Officer

Senetay

City of Marshall

Harrison Central Appraisal District

PO Box 818 ◊ 201 W. Grand Avenue Marshall, TX 75671 ◊ 903-935-1991

J. Lee Flowers, B.S., RPA, RTA

Chief Appraiser

Date: 2-Sep-2025

To: All Taxing Units, Presiding Officers and County Commissioners

From: Chief Appraiser

Re: 2026-2027 HCAD Director Nominations & Election

Folks:

This fall marks the coming end of the two year term for each of the five members of our Board of Directors. In light of this, we must begin the statutory process for nominating and voting for the new terms that commence January 1 of next year. There is a time frame for doing this. It will be necessary to place this action on your meeting agendas in time to meet the various deadlines.

Nomination Process –

Deadline: 10/14/2025

This process begins by nominating candidates for the five Board slots. To do this, please nominate up to five individuals by official ordinance or resolution. These nominations should be returned to me before 10/14/2025. Please include the home address of the nominee in order for us to confirm their property tax status.

Election Process –

Deadline: 12/15/2025

Upon receipt of the nominations, I will prepare a ballot listing all nominees. This ballot will be sent to you prior to October 30th and you must cast your votes by official action and file a copy of that action with me before 12/15/2025. Enclosed, I have compiled a list of the total number of votes that each unit may cast for your consideration.

After receiving all resolutions before the December deadline, I will count the votes, declare the winners and notify you of the results before December 31st.

I also have enclosed regulations concerning who may serve on the Board, as well as, a copy of a resolution form that you can use if you desire. Please do not hesitate to call me if you have questions.

Respectfully yours,

J. Lee Flowers

Chief Appraiser

Encl.

Cc: HCAD Directors

Statutory Eligibility Requirements for Service on the HCAD Board

1. Two year resident of Harrison County prior to taking office.
2. Employees of a jurisdiction are **not** eligible unless they are also a member of a participating governing body or an elected official of a participating taxing unit.
3. Elected officials of jurisdictions are eligible.
4. Persons related to an individual who appraises property for use in ARB proceedings, or individuals who represent taxpayers in property tax matters are **ineligible**. Degrees of relation are specific. Contact the Chief Appraiser for questions regarding degrees of relation.

(4a) Individuals who in the past three years have prepared an appraisal for use in proceedings under the Property Tax Code, or who have represented property owners in matters subject to the Property Tax Code are **ineligible**.

5. Persons who have delinquent taxes are generally **ineligible**. Contact the Chief Appraiser for exceptions to this restriction.
6. Persons who have a substantial interest or who have a close relative who has a substantial interest in any contractual arrangement with the CAD are **ineligible**.
7. Persons who have a substantial interest or who have a close relative who has a substantial interest in any contractual arrangement with any participating taxing unit are **ineligible** if the contract relates to activities governed by the Texas Property Tax Code.
8. Persons who are related to employees of the CAD are **ineligible**.

Voting Allocation for HCAD

2026-2027 Directorship Terms

§6.03(d) Texas Property Tax Code

Unit	In County 2024 Tax Rolls	(1) ÷ (2)	(3) x 1,000 Votes	(4) x 5 Places
	(1)	(3)	(4)	Allocated Votes
Elysian Fields ISD (Harrison Co)	$6,879,935	5.86400%	58.64000	**293**
Hallsville ISD	$25,737,823	21.93700%	219.37000	**1,097**
Harleton ISD	$1,770,032	1.50900%	15.09000	**75**
Karnack ISD	$2,055,267	1.75200%	17.52000	**88**
Marshall ISD	$28,583,558	24.36300%	243.63000	**1,218**
New Diana ISD (Harrison Co)	$97,011	0.08300%	0.83000	**4**
Ore City ISD (Harrison Co)	$37,180	0.03200%	0.32000	**2**
Waskom ISD	$6,689,340	5.70200%	57.02000	**285**
City of Hallsville	$1,135,761	0.96800%	9.68000	**48**
City of Longview (Harrison Co)	$2,929,707	2.49700%	24.97000	**125**
City of Marshall	$8,341,585	7.11000%	71.10000	**356**
City of Waskom	$704,927	0.60100%	6.01000	**30**
Harrison County	$32,363,162	27.58400%	275.84000	**1,379**
	(2)			
In-County Totals	**$117,325,286**	**100.00%**	1,000	5,000

Harrison Central Appraisal District

P.O. Box 818 Marshall, Texas 75671

2024-2025 Board of Directors

Chair	Mr. Chase Palmer
Vice Chair	Mr. Jason Ainsworth
Secretary	Mr. Ted Huffhines
	Mr. Albert Tiller
	Mr. Ross Brown
County Assessor	Hon. Elizabeth Cook

A RESOLUTION IN ORDER TO MAKE NOMINATIONS TO THE BOARD OF DIRECTORS OF Harrison Central Appraisal District

WHEREAS, Section 6.03(c) of the Texas Property Tax Code requires the election of the board of directors of an appraisal district by vote of the governing bodies of the participating taxing entities entitled by the Code to vote; and

WHEREAS, the Harrison Central Appraisal District Board of Directors is comprised of five elected members; and

WHEREAS, the City of Marshall is a participating taxing entity of the Harrison Central Appraisal District entitled to vote; and

WHEREAS, the City of Marshall is entitled to submit up to five nominees by resolution to the Chief Appraiser for members to serve two-year terms beginning January 1, 2026;

NOW, THEREFORE, BE IT RESOLVED that the City of Marshall submits the following nominee(s) for the Board of Directors, Harrison Central Appraisal District:

Nominee(s)

____

____

____

____

____

INTRODUCED AND PASSED by the City Council of the City of Marshall, this ________day of ___________, 2025.

ATTEST:

____
Presiding Officer

____
Secretary

City of Marshall

	TO:	City Council
	DATE:	October 9, 2025
	ITEM #:	10.A
	SUBJECT:	Consider Approval of the FY25 Capital Improvement Program (CIP). (Interim Budget Manager & City Manager)

Recommendation for Action: Approve the FY25 Capital Improvements Program

Executive Summary: The City of Marshall City Council is taking a very proactive position addressing needed infrastructure throughout the community. The plan continues the investments in parks, streets and water / wastewater improvements. For the first time, there is a planned comprehensive improvement to City parking facilities that include the Library, Golf Course, City Park and other locations. There is also a planned, comprehensive improvement program being developed to address the over 250 air conditioning units in City facilities with the first year dedicated to replacing the system at the Library. To facilitate operations, there is also a planned program to upgrade generators at key locations. While over $800,000, the CIP initiates a replacement program for Fire equipment and also provides funds to begin to examine the relocation of Fire Stations to reflect the growth patterns in the City as well as develop a training facility. A total of $10,175,000 is available for the total program or $2.4M for water / wastewater projects and $7.775M for all other projects.

At the Special Call Council Meeting earlier on Thursday, Council will have had the opportunity to discuss the proposed FY25 CIP projects. With the approval of the Ordinance on this agenda to finalize the financing for the projects, it is necessary to finalize the projects as well.

There is a companion item on the agenda to approve an Ordinance for the sales of the bonds necessary to support the FY25 CIP improvements.

Focus Area(s): This item aligns with all the Council's adopted focus area(s): Improving Infrastructure; Improving Community Appearance; Investing in our Workforce; Improving Customer Service; and Improving Communication.

Budget Cost: The FY25 CIP will be supported by the sale of bonds to finance these improvements.

Staff Contact: Interim Budget Manager Julie Richards / Melissa Byrne Vossmer City Manager

Attachments: 1. PROPOSED_Capital Improvement Plan modified 9.24.25_0400pm -to Council

CAPITAL IMPROVEMENT PLAN
2025-2030

Current Estimated Capacity
$7,775,000

Project Description	Funding Source	2025	2026 YEAR 1	2027 YEAR 2	Project Adjustment from 8/28/25	2028	2029	2030	ORGANIZATION PRIORITY
Annual Street Improvements	Bonding		$ 700,000	$ 600,000	Staff increased 100k in year 1	$ 600,000	$ 500,000	$ 400,000	1
ERP System	Bonding	$ 200,000	$ 500,000		Staff and IT committee already identifying current issues that must be addressed now and cannot wait for bond issuance				2
1. Fire Apparatus (Pumper w/Equipment) YEAR1 2. Fire Apparatus (Pumper w/Equipment) FUTURE CIP YEARS	Bonding		$ 825,000		Staff has collapsed these two separate equipment into one project phasing in at different times			$ 825,000	3
Citywide Facility Improvements and Replacement Cycle Committment - Facilities Needs Assessment, HVACs CITYWIDE (Library specifically) , Generator CITYWIDE (Police and Fire specifically), Chillers , electrical, etc.	Bonding		$ 500,000	$ 500,000	Through budget process and current emergent issues, replacement cycles already being created and tackling CITYWIDE	$ 550,000	$ 550,000	$ -	4
IT Infrastructure Upgrades - including assessment, design and engineering fees, storage upgrades, fiber optic cable/wireless upgrades for City facilities, NAS Data storage capacity, cyber security	Bonding	$ 400,000	$ 555,000	$ 450,000	Staff and IT committee already identifying current issues that must be addressed now and cannot wait for bond issuance	$ 400,000	$ 300,000	$ 200,000	5
Water/WasteWater - 50% of Trickling Filter Upgrades Revenue Bond 50% of Trickling Filter Upgrades to CIP $56 M	Water/WasteWater (Revenue Bond)	$ 500,000			No Change				6
Water/WasteWater- 50% Bio Tower Media Replacement Revenue Bond 50% Bio Tower Media Replacement CIP $56 M	Water/WasteWater (Revenue Bond)	$ 1,000,000			No Change				7
Water/WasteWater- 50% Replacement/Uprgrade of UV Disinfection System Revenue Bond 50% Replacement/Upgrade of UV Disinfection System	Water/WasteWater (Revenue Bond)	$ 900,000			No Change				7
Enhancements to Parks - City Park, Smith Park, playground equipment, CITYWIDE	Bonding		$ 280,000		Proposed changing funding source from CDBG. Reallocation of CDBG funds will be brought back to Council		$ 750,000		8
Airport Park - Restrooms and Shading Structures	EXISTING PROJECT ALLOCATIONS	$ 400,000			Staff would like to take the existing 400k already allocated to this project and begin work in 2025 to restore bathrooms and shading structures				9
Upgrade to City Facility Parking/ Parking Lots - to include Library, Oaklawn Golf Course, Arena, Airport Park, City Park, and expansion of Marshall Police Department, and any other identifiable parking lot issue.	Bonding		$ 550,000	$ 200,000	Through budget process and current emergent issues, replacement cycles already being created and tackling CITYWIDE				10
2026/2027 Capital Improvement Project - Contingency	Bonding		$ 300,000		No Change				11
Upgrades to Marshall Police Department - Emergency Command Center, Training Room Expansion (Includes Technology Upgrades), Evidence Room Expansion	Bonding		$ 40,000	$ 300,000	Police have estimated this project to cost 340,000				12
Upgrades to Oaklawn Golf Course- cart paths, greens, fairways, and T boxes	Bonding		$ 45,000	$ 230,000	Reassessed from golf course survey	$ 150,000			13
Fire Station 2 - Replace & Relocation of Fire Station 2 with Fire Training Facility - Including land acquisition, design & engineering, and construction of multi-bay fire station.	Bonding		$ 320,000	$ 280,000	No change	$ 3,664,000			14
Fire Station 4 - Replace & Relocation. Including land acquisition, design & engineering, and construction of multi- bay fire station.	Bonding				No Change	$ 150,000	$ 675,000	$ 675,000	15
Aerial Fire Apparatus (Ladder Truck)	Bonding				No Change	$ 2,348,000			16
Roof Replacement - City Arena	Bonding				No Change	$ 800,000			17
Swimming Pool Replacement - Study/Identify Locations	Bonding				No Change	$ 250,000	$ 500,000	$ 3,500,000	18
FY 2025/FY26/FY27 PROJECT COSTING: $10,575,000 (as proposed)		$ 3,400,000	$ 4,615,000	$ 2,560,000		$ 8,912,000	$ 3,275,000	$ 5,600,000	TOTAL LIFE CYCLE FY2025-2030 TO OF PROJECTS COST: PRESENT DAY PROJECTION $28,362,000

Total 2026/2027 CIP DEBT CAPACITY PER HILLTOP AS OF 8/28/25		$ 10,175,000
Total 2026/2027 CIP DEBT CAPACITY PER HILLTOP AS OF 9/8/25	$ 10,575,000	
(-) Less Estimated Available Capacity W/WW Utility Revenue	$ (2,400,000)	$ (2,400,000)
(-) Less Estimated Available Capacity	$ (7,775,000)	$ (7,775,000)
Estimated Prior Year Existing Project Funding (not bonded in FY2025)	$ (400,000)	$ (400,000)
Capacity Not Accessible Due to Original Notice of Intent	$ 400,000	$ -

PROPOSED FUNDING IN 2025/2026/2027
$7,775,000

TO:	City Council
DATE:	October 9, 2025
ITEM #:	10.B
SUBJECT:	Consider approval to authorize the Mayor to award and execute a contract for consulting services to Searight Internetwork Consulting not to exceed the amount of $145,000.00. (Support Services)

Recommendation for Action: The Council IT Committee and Staff recommends approval of the contract with Searight Internetwork Consulting (SIC).

Executive Summary: Attached is a proposal for Searight Internetwork Consulting (SIC) to prepare an RFP and manage the selection and implementation of a new enterprise resource management (ERP) software for the City including the Needs Assessment & Stakeholder Engagement, RFP Development & Release, Vendor Review & Due Diligence, Contract Negotiation & Implementation Advisory, Implementation & Change Enablement and final Go-Live & Hyper-Care on an aggressive 13 month timeline. The Staff/Council IT committee met with Mike Searight (SIC) and reviewed his proposal. Mike is recommended based on his years of extensive experience with municipal government. This specialized knowledge will be critical for navigating complex projects and ensuring efficiency. To address any concerns regarding this major expenditure, we will commit to a high degree of transparency: the more we share on this major expenditure, the better for building public trust and demonstrating the necessity and value of this investment. SIC will provide project management and updates throughout the life of the project, closely working with staff to ensure success.

Focus Area(s): This item aligns with the following council adopted focus area(s): Improving Infrastructure

Budget Cost: $145,000.00

Staff Contact: Randy Pritchard, Support Services Director

Attachments:
1. Proposal for ERP timeline 13 month
2. PSA_with_Proposal_City_of_Marshall

Proposal for ERP / Financial System Selection & Implementation

Submitted to: City of Marshall, Texas
Submitted by: Searight Internetwork Consulting (SIC)
Date: September 2025

Introduction

The City of Marshall is at a pivotal juncture following the termination of its existing Harris financial system contract on September 11, 2025. With a 13-month window to select and implement a new financial system before October 2026, the City requires a **structured, transparent, and technically rigorous approach**.

Scope of Services

Phase 0: Mobilization & Governance

- Establish Executive Steering Committee (ESC), project manager, change management lead, functional leads (Finance, HR/Payroll, Budget, AP/AR, Procurement), and technical lead.
- Approve Project Charter, risk register, and decision log.
- Draft Data Governance & Security posture (require SOC 2 Type II compliance from vendors).

Phase 1: Needs Assessment & Stakeholder Engagement

- Conduct interviews with City leadership, Finance, HR, and departmental staff.
- Map current vs. desired future-state processes.
- Build requirements matrix, integration inventory, report catalog, and data conversion scope.
- Develop evaluation rubric and demo scripts aligned to Marshall workflows.
- Deliverable: Needs Assessment Report & Functional/Technical Requirements Matrix.

Phase 2: RFP Development & Release

- Draft RFP including SOW, functional/technical requirements, vendor background, pricing templates, and evaluation rubric.
- Ensure compliance with Texas Local Government Code Ch. 252 (two-week public notice; ≥14 days before opening proposals).
- Conduct pre-proposal conference; manage vendor Q&A and addenda.
- Deliverable: Complete RFP package ready for release.

Phase 3: Vendor Review & Due Diligence

- Screen proposals for compliance; score written responses.
- Shortlist 2–3 vendors for scripted demonstrations.
- Facilitate structured demos using scripted scenarios.
- Perform due diligence: references, SOC 2 review, implementation plan, cost/TCO analysis.
- Deliverable: Finalist Vendor Recommendation Report to City Manager and Council.

Phase 4: Contract Negotiation & Implementation Advisory

- Support contract negotiations: license/SaaS terms, SLAs, price escalator caps, data ownership, and milestone payments.
- Advise on implementation planning, data migration, risk mitigation, training, and organizational change management.
- Deliverable: Contract package with negotiated protections & Implementation Advisory Roadmap.

Phase 5: Implementation & Change Enablement

a) Project planning: Integrated project plan (City + vendor), environments, cutover windows.
b) Data: Chart of accounts redesign, vendor/customer cleansing, 3 mock conversions (MC1 structure, MC2 balances, MC3 near-production).
c) Configuration & integrations: Finance, budget, AP/AR, procurement, payroll (if in scope), and API-based integrations.
d) Testing: SIT, UAT with scripted scenarios, performance/volume testing, parallel payroll.
e) OCM & training: Change Management Plan; role-based training paths, sandbox practice, office hours.
f) Go-live readiness: Cutover checklist, command center, rollback criteria.

Phase 6: Go-Live & Hyper-Care

- Launch in October 2026.
- Provide daily stabilization standups, triage, knowledge transfer, backlog grooming.
- Deliverable: 90-Day Hyper-Care Report & Benefits Realization Plan.

Project Timeline (15 Months)

Month	Milestone	Key Outputs
1	**Mobilize & Charter**	ESC formed; Charter/RACI; risk register; governance model
1–2	**Needs Assessment**	Requirements matrix; integration inventory; report catalog; demo scripts
2-3	**RFP Release**	Draft finalized; 2-week legal notice; pre-proposal Q&A; vendor outreach
3-4	**Evaluate & Shortlist**	Written scoring; shortlist vendors; demo planning

4-5	**Demos & Due Diligence**	Scripted demos; references; SOC 2 review; cost/TCO analysis
5-6	**Contracting**	Negotiate license, SLAs, escalators, milestone payments; Council approval
6-7	**Implementation Planning**	Integrated plan; environments; OCM launch; data strategy
7-10	**Configuration & Integrations**	Core modules; APIs; security roles; workflows
9-11	**Testing & Data Conversion**	Mock conversions (MC1–MC3); SIT; UAT; performance testing
11-13	**Go-Live Readiness**	Cutover rehearsal; support playbooks; go/no-go checkpoint
13	**Go-Live & Hyper-Care**	Go-live; 90-day stabilization; adoption metrics

Deliverables

- Needs Assessment Report & Requirements Matrix
- RFP Package & Evaluation Rubric
- Vendor Demonstration Scripts & Evaluation Tools
- Comparative Analysis Report (pros/cons, scoring)
- Contract Negotiation Guidance
- Implementation Advisory & Roadmap
- Hyper-Care Report & Benefits Realization Plan

Pricing & Investment

Phase	Estimated Cost
Phase 1 – Needs Assessment	$27,000
Phase 2 – RFP Development	$31,500
Phase 3 – Vendor Due Diligence	$38,000
Phase 4 – Contract Advisory	$40,500
Subtotal	$135,000
Contractor Expenses (NTE)	$8,000
Total Not-to-Exceed	$145,000

- Engagement based on ~600 project hours.
- Monthly invoicing based on actual time/expenses.
- Hours adjustable to meet City needs.

Why Searight Internetwork Consulting?

- **Proven ERP & Public Sector Expertise:** 30+ years CIO experience with ERP, cybersecurity, governance, and modernization.
- **Independent Partner:** Not tied to any vendor or reseller.
- **Hands-On CIO Perspective:** Direct involvement from principal consultant.

Recommendations for Success

- **Governance:** One-page Governance Charter with clear roles and decision rights.
- **Change Management:** Dedicated OCM workstream with measurable KPIs.
- **Contract Safeguards:** Include SOC 2 Type II compliance, price escalator caps, data ownership protections.
- **Data Migration Discipline:** Require three mock conversions before cutover.
- **Testing Rigor:** End-to-end process scripts; parallel payroll where applicable.
- **Training Investment:** Role-based learning paths, quick guides, sandbox practice.
- **Transparency:** Align with Texas Local Gov Code procurement and Council timelines.
- **Benefits Realization:** Establish KPIs (close cycle reduction, paperless POs, AP cycle time, reporting speed).

Acceptance

If acceptable, SIC will provide a Professional Services Agreement for Council approval.

Searight Internetwork Consulting
Mike Searight
Principal Consultant & CIO

Submitted to:
Melissa Byrne Vossmer
City Manager
City of Marshall, Texas

Professional Services Agreement

Between

City of Marshall, Texas
and
Searight Internetwork Consulting

Professional Services Agreement

This Professional Services Agreement ("Agreement") is entered into by and between the City of Marshall, Texas ("Client"), and Searight Internetwork Consulting ("Consultant"), a Texas-based professional consulting firm, effective as of the date of the last signature below. This Agreement sets forth the terms and conditions under which Consultant will provide professional services to assist the Client with ERP/Financial System selection, procurement, and implementation advisory.

1. Scope of Services

Consultant shall perform the services described in the ERP Proposal, which is hereby incorporated in full into this Agreement. Key phases include Needs Assessment, RFP Development, Vendor Review, Contract Negotiation, Implementation Advisory, and Go-Live/Hyper-Care support.

2. Deliverables and Timeline

Deliverables and milestones are as described in the ERP Proposal, including Needs Assessment Report, RFP Package, Vendor Demonstration Scripts, Evaluation Tools, Comparative Analysis Report, Contract Advisory, Implementation Roadmap, and 90-Day Hyper-Care Report.

3. Fees and Payment Terms

The total professional services are not-to-exceed $145,000, including travel and expenses (NTE $8,000). Consultant will invoice monthly based on actual time and expenses incurred. Payment terms are Net 30 days. Additional services requested outside the scope of this Agreement will require written authorization.

4. Responsibilities

Consultant shall perform services with due care, skill, and diligence consistent with industry best practices. The City shall provide timely access to staff, data, systems, and facilities as reasonably required to complete the project.

5. Confidentiality and Data Ownership

Consultant agrees to maintain the confidentiality of Client data and information, except as required by law. All work product, deliverables, and documentation prepared under this Agreement shall be the property of the Client.

6. Limitation of Liability and Indemnification

Consultant's liability under this Agreement shall be limited to the total fees paid under this Agreement. In no event shall Consultant be liable for indirect, incidental, or consequential damages.

7. Term and Termination

This Agreement shall remain in effect from the Effective Date until completion of services unless terminated earlier. Either party may terminate this Agreement with 30 days' written notice.

8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any disputes shall lie in the appropriate courts of Harrison County, Texas.

9. Entire Agreement and Amendments

This Agreement represents the entire understanding of the parties with respect to the subject matter herein. Any amendment must be in writing and signed by both parties.

Consultant shall comply with all applicable federal, state, and local laws, including but not limited to Texas procurement statutes, cybersecurity and data privacy requirements, and professional ethical standards.

10. Compliance with Laws

During the term of this Agreement and for twelve (12) months following termination, the City agrees not to solicit for employment, hire, or contract directly with Consultant's employees without Consultant's prior written consent.

11. Non-Solicitation

All deliverables created specifically for the City under this Agreement shall be the property of the City. Consultant retains ownership of its pre-existing intellectual property, proprietary methodologies, templates, and know-how.

12. Intellectual Property

Any modification to scope, schedule, or fees must be documented in writing and signed by both parties through a Change Order.

13. Change Orders

The parties agree to attempt in good faith to resolve any dispute arising under this Agreement through negotiation. If negotiation fails, the parties agree to mediation prior to initiating litigation. Venue for mediation or litigation shall remain in Harrison County, Texas.

14. Dispute Resolution

Neither party shall be liable for failure to perform its obligations under this Agreement if such failure is caused by acts of God, natural disasters, pandemics, war, civil disturbance, labor disputes, or other causes beyond its reasonable control. In such cases, timelines will be extended accordingly.

15. Force Majeure

Consultant shall maintain, at its own expense, during the term of this Agreement: Professional Liability Insurance, Commercial General Liability Insurance, and Cybersecurity/Errors & Omissions coverage. Certificates of insurance shall be provided to the City upon request.

Signatures

City of Marshall, Texas

By: ___________________________

Melissa Byrne Vossmer, City Manager

Date: _________________________

Searight Internetwork Consulting

By: ___________________________

Mike Searight, Principal Consultant & CIO

Date: _________________________

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Recommendations for Success

1. **Governance:** One-page Governance Charter with clear roles and decision rights.
2. **Change Management:** Dedicated OCM workstream with measurable KPIs.
3. **Contract Safeguards:** Include SOC 2 Type II compliance, price escalator caps, data ownership protections.
4. **Data Migration Discipline:** Require three mock conversions before cutover.
5. **Testing Rigor:** End-to-end process scripts; parallel payroll where applicable.
6. **Training Investment:** Role-based learning paths, quick guides, sandbox practice.
7. **Transparency:** Align with Texas Local Gov Code procurement and Council timelines.

8. **Benefits Realization:** Establish KPIs (close cycle reduction, paperless POs, AP cycle time, reporting speed).

Acceptance

If acceptable, SIC will provide a Professional Services Agreement for Council approval.

Searight Internetwork Consulting
Mike Searight
Principal Consultant & CIO

Submitted to:
Melissa Byrne Vossmer
City Manager
City of Marshall, Texas

TO:	City Council
DATE:	October 9, 2025
ITEM #:	10.C
SUBJECT:	Discussion and consideration regarding the need to establish a Charter Review Committee, possible amendments, composition and timeline. (Council)

Recommendation for Action: Possible approval of establishing a Charter Committee, composition and timeline.

Executive Summary: The City of Marshall Charter states:

Section 12.08 Charter Amendment

Amendments to this Charter may be framed and submitted to the voters of the City in the manner prescribed by state law. The Council shall, at intervals not to exceed five (5) years, formally consider the need for revision(s) to the Charter. This review shall be based on a written report from the City Manager, with special attention given to conflicts, if any, between the Charter and state law, and recommending such amendments to the Charter as may seem necessary for legal, administrative or other reasons.

During the September 25, 2025, Council meeting, it was stated that Council would provide suggested Charter amendments to the City Secretary to compile the information and bring it back to Council for review.

This item is on the Council Agenda to provide the opportunity for Council to discuss the creation of a Charter Review Committee, possible amendments, composition and timeline of work to finalize the ballot language, if needed, no later than the February 12, 2026, City Council Meeting.

Focus Area(s): This item aligns with the following council adopted focus area(s): Improving Communication, and Improving Customer Service.

Budget Cost: Funds are included in the Proposed FY26 Budget for an election in May 2026. Costs associated with the use of an attorney to help with this process are not specifically identified, but I believe funds can be made available. At this time, we didn't know if the Council would move in the direction of use of an Attorney for this purpose and how many hours would be required, which is partially based on the number of recommended amendments.

Staff Contact: Nikki Smith, City Secretary

Attachments: None

TO:	City Council
DATE:	October 9, 2025
ITEM #:	10.D
SUBJECT:	Consider authorizing the City Manager to execute a contract with Texas First for Interim Planning & Zoning Director Services. (Human Resources & Assistant City Manager)

Recommendation for Action: Authorize the City Manage to execute a contract with Texas First for Interim Planning & Zoning Director Services

Executive Summary:

Focus Area(s): This item aligns with the following council adopted focus area(s):

Budget Cost:

Staff Contact:

Attachments: None

TO:	City Council
DATE:	October 9, 2025
ITEM #:	11.A
SUBJECT:	Report regarding needed appointments and reappointments to the various City boards, commissions, and committees. (City Secretary)

Recommendation for Action: Report regarding needed appointments and reappointments to the various City boards, commission, and committees.

Executive Summary: We have announced vacancies on the various City boards, commissions, and committees to Council. We advertised in the local newspaper, and we are advertising on the City television channel, social media sites, and website to encourage interested citizens to contact City Hall about serving. The deadline for citizens to respond is October 24th.

The following Volunteer Boards, Committees and Commissions have members whose terms will expire on 12/31/2025. We also have several boards with vacancies that need to be filled. Some members of the boards, committees and commissions are eligible for reappointment for a new term.

Community Development Advisory Committee
Historic Landmark Preservation Board
Keep Marshall Beautiful Advisory Board
Main Street Advisory Board
Marshall Downtown Development Corporation
Marshall Public Library Board of Trustees
Parks Advisory Board
Visit Marshall Advisory Board
Zoning Board of Adjustment

Information is attached that provides a summary of the responsibilities of each of the City boards, commissions and committees.

Focus Area(s):

Budget Cost: N/A

Staff Contact: Nikki Smith, City Secretary

Attachments: 1. board info

CITY BOARDS, COMMISSIONS, AND COMMITTEES

COMMUNITY DEVELOPMENT ADVISORY COMMITTEE

Responsibilities: Assists with establishing long-range goals and objectives for the Community Development Block Grant (CDBG) program and makes recommendations on the annual plan and budget for this annual federal grant

Meeting Schedule: Meets on an as-needed basis, typically 1-2 times per year

Staff Liaison: Alex Agnor, Assistant City Manager/Director of Economic Development & Strategic Initiatives

Current Members: LeaShondria Harden, Keith Hill, Blake Langley, Loretta Martin, Ernest Morrow, Earnest Spencer, Charles Tutt

HISTORIC LANDMARK PRESERVATON BOARD

Responsibilities: Responsible for the historic landmark preservation plan and makes recommendations on establishing historic landmark preservation districts in the city limits

Meeting Schedule: Monthly

Staff Liaison: Lacy Burson, Main Street Manager

Current Members: Jay Carriker, Charles Cornish, Raymond Fogg, Kristal Jeans, Travis Keeney, Rita Louise, Jonathan McCarty

(Appointees to this board required to have knowledge and experience in history, art, architecture, or real estate planning and development and have demonstrated interest, competence, or knowledge in historic preservation)

KEEP MARSHALL BEAUTIFUL BOARD (formerly IMAGE ADVISORY BOARD)

Responsibilities: Advises the City Council on issues related to littering and property appearance

Meeting Schedule: Monthly

Staff Liaison: Alex Agnor, Assistant City Manager/Director of Economic Development & Strategic Initiatives

Current Members: Corey Brown, Renae DeVere, Blanca Jenkins, Judith Journey, Linda Scott, Melanie Valdez, Robert Wood

MAIN STREET ADVISORY BOARD

Responsibilities: Assists in the economic revitalization and promotion of downtown Marshall

Meeting Schedule: Monthly

Staff Liaison: Lacy Burson, Main Street Manager

Current Members: Lori Acker, Stacy Adams, Richie Arnold, Corey Brown, Kim Brown, Cheryel Carpenter, Tracy Jackson, Raven Lenz, Mary Lynne O'Neal, Debbie Parker, Stephanie Phelps, Bridget Wanjiku

(Appointees to this board represent both public and private sector interests)

MARSHALL DOWNTOWN DEVELOPMENT CORPORATION

Responsibilities: Assists with the development of projects that benefit downtown, historic preservation, and beautification of Marshall

Meeting Schedule: Monthly

Staff Liaison: Alex Agnor, Assistant City Manager/Director of Economic Development & Strategic Initiatives

Current Members: Glenn Bickerdike, George Carter, Ashli Dansby, Jim Davis, Dinora Harris, Garrett Hill, Scott McCurdy

MARSHALL PUBLIC LIBRARY BOARD OF TRUSTEES

Responsibilities: Serves as the advisory board for the Marshall Public Library

Meeting Schedule: Monthly

Staff Liaison: Terri Nalls, Library Director

Current Members: Dana Jean, Lacee Lovely Lawson, Vivian Lewis, Shirley McNeel, Elizabeth Ponder, Laurie Smith, Bonnie Strauss

(Seven member board; at least five members must be residents of the City of Marshall)

PARKS ADVISORY BOARD

Responsibilities: Serves as advisory committee to the City Council and City staff in establishing plans or procedures concerning usage, planning, goals, and objectives of parks and recreation services

Meeting Schedule: Monthly

Staff Liaison: Marina Garcia-Heredia, Director of Parks and Recreation

Current Members: Colin Brady, Jerry Calderon, LaDarius Carter, Roy Fox, Mike Haynes, Gloria Moon, James Runnels

(Seven member board; at least five members must be residents of the City of Marshall)

PLANNING & ZONING COMMISSION

Responsibilities: Hears and makes recommendations on requests for zoning changes and special use permits. This commission also reviews and approves subdivision plats in the city limits and within one mile of the city limits

Meeting Schedule: Monthly

Staff Liaison: Alex Agnor, Assistant City Manager/Director of Economic Development & Strategic Initiatives

Current Members: Stacy Adams, Richie Arnold, LaDarius Carter, Anthony Glanton, Brooke LaBouve, Robert Lisman, Ken Moon

(All members of this commission must be resident citizens and qualified to be voters in the City of Marshall)

TAX INCREMENT REINVESTMENT ZONE NUMBER ONE BOARD

Responsibilities: Serves in an advisory capacity with respect to the Zone and shall exercise only those powers which are either granted to the Board pursuant to the Act or delegated to the Board by the City Council

Meeting Schedule: Meets on an as-needed basis

Staff Liaison: Alex Agnor, Assistant City Manager/Director of Economic Development & Strategic Initiatives

Current Members: Amanda Abraham, Dathaniel Campbell, Micah Fenton, Reba Godfrey, Risa Jordan-Anderson, Leo Morris, Amy Ware

VISIT MARSHALL ADVISORY BOARD (formerly CONVENTION AND VISITOR BUREAU)

Responsibilities: Assists with establishing operating policies for Visit Marshall and for evaluating the progress of Visit Marshall in the attainment of its goals.

Meeting Schedule: Monthly

Staff Liaison: Alex Agnor, Assistant City Manager/Director of Economic Development & Strategic Initiatives

Current Members: Gary Arthur, Sara Braun, Krysta Coleman, Glynn Duncan, Vivian Lewis, Vinod Patel, Texas Ruegg, Council Member Micah Fenton

(The composition of the board shall consist of various hospitality representatives from the following businesses/fields: Hotel/motel, bed & breakfast, food & beverage establishments, travel industry professionals, transportation, downtown property/business owners, college/universities, museums and attractions.)

ZONING BOARD OF ADJUSTMENT

Responsibilities: Conducts hearings on appeals to enforcement of the City's Zoning Ordinance, decides on exceptions to the Zoning Ordinance, and grants variances to the Zoning Ordinance

Meeting Schedule: Meets on an as-needed basis

Staff Liaison: Alex Agnor, Assistant City Manager/Director of Economic Development & Strategic Initiatives

Current Members: Clayton Allen, Elton Brock, Sam Fogle, Steve Hammond, LeaShondria Harden, Zachary Henderson, Nathan McDaniel