CITY OF MARSHALL, TEXAS
REGULAR CITY COMMISSION MEETING
COMMISSION CHAMBERS, CITY HALL, 401 SOUTH ALAMO
THURSDAY, AUGUST 8, 2019, 6:00 P.M.

****
AGENDA INFORMATION PACKET IS AVAILABLE FOR THE PUBLIC TO REVIEW ON THE CITY'S WEB SITE AFTER 8:00 A.M. ON WEDNESDAY BEFORE THE MEETING AT
www.marshalltexas.net
****

1. **CALL TO ORDER AND ROLL CALL**
   Page 1

2. **INVOCATION AND PLEDGES**
   Page 2

3. **CITIZEN COMMENTS**
   Page 3

4. **ITEMS TO BE WITHDRAWN FROM CONSENT AGENDA**
   Page 4

5. **CONSENT AGENDA**

   The items on the Consent Agenda require little or no deliberation by the Commission. 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 Commissioner 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 June July 11, 2019 Regular meeting and the July 25, 2019 Regular meeting.
      Page 5

B. Consider approval of a Resolution authorizing the City to enter into an interlocal agreement with Region 8 Education Service Center for cooperative purchasing services through The Interlocal Purchasing System (TIPS) Program.
Page 14

6. **<u>PROCLAMATION</u>**

A. Presentation of a Proclamation in recognition of the Marshall Rotary Club's 100th Anniversary. (Mayor Brown)
Page 21

7. **<u>SECOND READING OF ORDINANCE</u>**

A. Consider approval of a zoning ordinance text amendment specifically related to Section 18 entitled "Permits". (Director of Community & Economic Development)
Page 24

8. **<u>RESOLUTION</u>**

A. Consider approval of a Resolution setting a date and time for a Public Hearing on the fiscal year 2020 budget. (Finance Director)
Page 31

9. **<u>CITY MANAGER REPORTS AND REQUESTS FOR CITY COMMISSION CONSIDERATION</u>**

A. Consider approval of an agreement between the City of Marshall and Wiley College for closure of the 700 Block of Wiley Avenue and authorize the City Manager to execute agreement. (Chief of Police)
Page 34

B. Consider approval for the purchase of peripheral equipment and software upgrades for deployment of new Mobile Data Computers in police patrol cars. (Chief of Police)
Page 42

C. Report regarding financial summary of the Memorial City Hall renovation project. (Support Services Director)
Page 45

10. **ORDINANCES**

A. Consider and act upon an ordinance authorizing the issuance and sale of City of Marshall, Texas, General Obligation Refunding Bond, Series 2019; levying an annual ad valorem tax and providing for the security for and payment of said bond; and enacting other provisions relating to the subject. (City Manager)
Page 52

B. Consider and act upon an ordinance authorizing the issuance and sale of City of Marshall, Texas Limited Tax Note, Series 2019, levying an annual ad valorem tax and providing for the security for and payment of said note; and enacting other provisions relating to the subject. (City Manager)
Page 81

C. Consider approval of an Ordinance amending Chapter 27, Article IV – Traffic Code of the City of Marshall Code of Ordinances. (Police Chief)
Page 108

11. **CONSIDERATION OF ITEMS WITHDRAWN FROM THE CONSENT AGENDA**
Page 113

12. **EXECUTIVE SESSION**

A. An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel Matters: Consider, discuss, and deliberate personnel matters.
Page 114

13. **ADJOURNMENT**
Page 115

Posted: August 5, 2019
5:00 p.m.
Y. Graham

This meeting will be conducted in accordance with the Americans with Disabilities Act. The facility is wheelchair accessible and disabled parking is available. Requests for sign interpretive services will be available with at least 48-hour notice prior to the meeting. To make arrangements for these services, please call Elaine Altman at 903-935-4519.

ITEM 1

CALL TO ORDER AND ROLL CALL

ITEM 2

INVOCATION AND PLEDGES

ITEM 3

CITIZEN COMMENTS

ITEM 4

ITEMS TO BE WITHDRAWN FROM CONSENT AGENDA

ITEM 5A

CONSENT AGENDA

APPROVAL OF THE MINUTES FROM THE JUNE JULY 11, 2019 REGULAR MEETING AND THE JULY 25, 2019 REGULAR MEETING

MINUTES OF THE REGULAR MEETING OF THE
CITY COMMISSION OF THE CITY OF MARSHALL
THURSDAY, JULY 11, 2019
6:00 PM

Mayor Terri Brown called the Regular meeting to order in the Commission Chambers, City Hall at 6:00 p.m.

PRESENT:

MAYOR: Terri Brown, District 3

COMMISSIONERS:
Marvin Bonner, District 1
Gail Beil, District 2
Amy Ware, District 4
Vernia Calhoun, District 5
Doug Lewis, District 7

ABSENT: Larry Hurta, District 6

ADMINISTRATIVE STAFF PRESENT:
Mark Rohr, City Manager
Reggie Cooper, Fire Chief
Scott Rectenwald, Acting City Attorney
Cliff Carruth, Police Chief
Jack Redmon, Support Services Director
Randy Pritchard, Support Services Superintendant
Wes Morrison, Community & Economic Development Director
Elaine Altman, City Secretary/Finance Director
Eric Powell, Public Services Director

INVOCATION & PLEDGE: Mayor Terri Brown and Avah and Josiah Flanagan, 6^{th} and 7^{th} grade students at Marshall Jr. High and Keyshaun Alejandro, 4^{th} grade student at Travis Elementary School.

Mark Rohr, City Manager, introduced Eric Powell the new Public Works Director.

176. **CITIZEN COMMENTS**

Fred Badalamente, 6800 Hwy 80 East #611, Scottsville, discussed his mission for the Visual Art Center and stated the minimum bid requirement for the building sale was too high. He also expressed his frustration with the bidding process.

Mark Rohr, City Manager, addressed Mr. Badalamente's comments.

177. **ITEMS TO BE WITHDRAWN FROM CONSENT AGENDA**

There were no items withdrawn from the Consent Agenda.

178. **CONSENT AGENDA**

Commissioner Beil made a motion to approve the Consent Agenda. Commissioner Calhoun seconded the motion, which passed with a vote of 6:0.

A. Consider approval of the minutes from the June 27, 2019 Regular meeting.

B. Report regarding the status of the Memorial City Hall renovation project.

C. Consider approval of Change Order #7 to a contract with Stiles Electric, Inc. for the Memorial City Hall Renovation Project.

ORDINANCE

179. CONSIDER APPROVAL OF AN ORDINANCE AMENDING THE 2019 ANNUAL BUDGET TO APPROPRIATE FUNDS FOR PROJECTS APPROVED BY THE CITY COMMISSION.

Elaine Altman, Finance Director, asked for approval of an ordinance amending the 2019 annual budget to appropriate funds for projects approved by the City Commission.

Commissioner Lewis made a motion to approve an ordinance amending the 2019 annual budget to appropriate funds for projects approved by the City Commission. Commissioner Calhoun seconded the motion, which passed with a vote of 6:0.

180. CONSIDER AN ORDINANCE AMENDING THE ZONING MAP REGARDING A 1.09 ACRES BEING ALL OF OUTLOT 55 FROM C-2 (RETAIL COMMERCIAL) TO C-3 (GENERAL COMMERCIAL). THE SUBJECT PROPERTY IS LOCATED ON THE SOUTH SIDE OF WEST GRAND AVENUE AND NORTH OF WEST BURLESON STREET, COMMONLY KNOWN AS 1006 WEST GRAND AVENUE.

Wes Morrison, Community & Economic Development Director, presented the ordinance and explained this was previously denied but the applicant requested an amendment.

Commissioners asked questions and discussed.

Commissioner Calhoun made a motion to approve the ordinance amending the zoning map regarding 1.09 acres being all of Outlot 55 from C-2 (Retail Commercial) to C-3 (General Commercial). Commissioner Beil seconded the motion, which passed with a vote of 6:0.

SECOND READING OF ORDINANCE

181. CONSIDER APPROVAL OF AN ORDINANCE DESIGNATING THE NUMBER OF POSITIONS IN EACH CLASSIFICATION FOR POLICE OFFICERS.

Cliff Carruth, Chief of Police, stated there were no changes since the last reading.

Commissioner Lewis made a motion to approve the Ordinance designating the number of positions in each classification for police officers. Commissioner Ware seconded the motion, which passed with a vote of 6:0.

182. CONSIDER APPROVAL OF AN ORDINANCE AMENDING THE 2019 ANNUAL BUDGET TO APPROPRIATE FUNDS FOR CITY DEPARTMENTS REORGANIZATION.

Mark Rohr stated there were no changes since the last reading.

Commissioner Calhoun made a motion to approve the Ordinance amending the 2019 annual budget to appropriate funds for the City department's reorganization. Commissioner Beil seconded the motion, which passed with the following vote:

Ayes: 5, Mayor Brown, Commissioners Calhoun, Beil, Ware and Bonner
Nays: 1, Commissioner Lewis

RESOLUTION

183. CONSIDER APPROVAL OF A RESOLUTION REGARDING A RIGHT-OF-WAY ABANDONMENT REQUEST TO IMPROVE RIGHT-OF-WAY OF EAST AVENUE AND HARVEY STREET, BOTH LOCATED ON THE WEST SIDE OF GROVE STREET OR FM 1997.

Wes Morrison asked for approval of a resolution regarding a right-of-way abandonment request to improve right-of-way of East Avenue and Harvey Street, both located on the west side of Grove Street or FM 1997. He stated the Planning and Zoning Commission asked for an easement and added conditions.

Commissioners asked questions and discussed.

Commissioner Calhoun made a motion to approve the resolution regarding a right-of-way abandonment request to improve right-of-way of East Avenue and Harvey Street, both located on the west side of Grove Street or FM 1997. Mayor Brown seconded the motion, which passed with a vote of 6:0.

CITY MANAGER REPORTS AND REQUESTS FOR CITY COMMISSION CONSIDERATION

184. CONSIDER APPROVAL TO AWARD VARIOUS BIDS RELATED TO SELLING CITY PROPERTY AS ADVERTISED FOR BID# 2019-001/SALE OF PROPERTY.

Wes Morrison stated 13 properties received bids; eight (8) did not.

Mark Rohr requested the properties that did not receive bids be placed back on the market as Staff sees fit. He also highlighted the benefits of selling surplus properties: 1. Infusion of cash, 2. No longer having to maintain the property, and 3. The property is back on the tax rolls.

Commissioner Calhoun made a motion to award various bids related to selling City Property as advertised for Bid# 2019-001/Sale of Property. Commissioner Ware seconded the motion, which passed with a vote of 6:0.

185. CONSIDER APPROVAL TO AWARD VARIOUS BIDS RELATED TO SELLING CITY PROPERTY AS ADVERTISED FOR BID# 2019-002/SALE OF PROPERTY.

Wes Morrison stated these properties did not receive bids or minimum qualifications. He is requesting Staff be allowed to examine the bid packet to see what changes can be made.

Commissioners asked questions and discussed.

Commissioner Beil made a motion to allow City Staff to examine the bid packet and make necessary changes regarding Bid# 2019-002/Sale of Property. Commissioner Calhoun seconded the motion, which passed with a vote of 6:0.

186. CONSIDER APPROVAL OF AN AMENDMENT TO AN AGREEMENT BETWEEN THE CITY OF MARSHALL AND TANOS EXPLORATION II, LLC. FOR RECLAIMED WATER USE.

Nancy Pasel, Assistant Public Services Director, presented an amendment to an agreement between the City of Marshall and Tanos Exploration II, LLC. for reclaimed water use changing the terms from five (5) years to eight (8) years. Nancy stated Tanos partnered with Revolution Pipeline and this agreement can transfer to them once TCEQ requirements are met.

Commissioners asked questions and discussed.

Commissioner Lewis made a motion to approve amendment to an agreement between the City of Marshall and Tanos Exploration II, LLC. for reclaimed water use changing the terms from five (5) years to eight (8) years. Commissioner Bonner seconded the motion, which passed with a vote of 6:0.

187. CONSIDER THE APPOINTMENT OF A MEMBER OF THE CITY COMMISSION TO REPRESENT THE CITY OF MARSHALL ON THE TEXAS EASTERN 911 BOARD OF DIRECTORS.

Mark Rohr stated this is a procedural matter and asked the Commission to decide on which member will be their representative on this board.

Commissioners asked questions and discussed.

Commissioner Calhoun nominated Commissioner Lewis to represent the City of Marshall on the Texas Eastern 911 Board of Directors. Commissioner Ware seconded the motion, which passed with a vote of 6:0.

188. PRESENTATION REGARDING PROGRAM TO ADDRESS COMMUNITY APPEARANCE.

Mark Rohr presented the program to address community appearance and highlighted steps to enhance community appearance.

Wes Morrison spoke regarding a rental inspection program, hiring staff to assist in neighborhood organization and amending the ordinance regarding the height of grass.

Commissioners asked questions and discussed.

189. **CONSIDERATION OF ITEMS WITHDRAWN FROM THE CONSENT AGENDA**

There were no items withdrawn from the Consent Agenda.

190. **EXECUTIVE SESSION**

A. Pursuant to the Open Meetings Act, Section 551.071 of the Texas Government Code – Consultation with Attorney 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.

B. An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel Matters: Consider, discuss and deliberate personnel matters.

Commissioner Beil made a motion to enter into Executive Session. Commissioner Calhoun seconded the motion, which passed with a vote of 6:0. The time was 7:07.

Commissioner Beil left prior to the conclusion of the Executive Session.

The Commissioners reconvened from Executive Session. The time was 8:42.

Commissioner Calhoun made a motion for Scott Rectenwald to review the costs of Executive Session Item A. Commissioner Ware seconded the motion, which passed with a vote of 5:0.

Commissioner Ware made a motion for Mark Rohr to investigate and report back regarding Executive Session Item B. Commissioner Lewis seconded the motion, which passed with a vote of 5:0.

191. **ADJOURNMENT**

Commissioner Calhoun made a motion for adjournment. Commissioner Ware seconded the motion, which passed with a vote of 5:0.

APPROVED:

____
Chairman of the City Commission
of the City of Marshall, Texas

ATTEST:

____
City Secretary

Ordinances: O-19-11
O-19-12
O-19-13
O-19-14
Resolution: R-19-16

MINUTES OF THE REGULAR MEETING OF THE
CITY COMMISSION OF THE CITY OF MARSHALL
THURSDAY, JULY 25, 2019
6:00 PM

Mayor Terri Brown called the Regular meeting to order in the Commission Chambers, City Hall at 6:00 p.m.

PRESENT:

MAYOR: Terri Brown, District 3

COMMISSIONERS:
Marvin Bonner, District 1 | Amy Ware, District 4
Larry Hurta, District 6 | Doug Lewis, District 7

ABSENT: Gail Beil, District 2 | Vernia Calhoun, District 5

ADMINISTRATIVE STAFF PRESENT:
Mark Rohr, City Manager | Reggie Cooper, Fire Chief
Scott Rectenwald, Acting City Attorney | Cliff Carruth, Police Chief
Jack Redmon, Support Services Director
Randy Pritchard, Support Services Superintendant
Wes Morrison, Community & Economic Development Director
Elaine Altman, City Secretary/Finance Director
Eric Powell, Public Works Director

INVOCATION & PLEDGE: Commissioner Bonner and Mayor Terri Brown

192. **CITIZEN COMMENTS**

David Collins, 301 Eastmoor Drive, stated the Marshall Rotary Club will celebrate a century and is hosting a celebration at the Convention Center. He invited everyone to attend at 5:30 pm on August 24th. The cost is $50.

193. **ITEMS TO BE WITHDRAWN FROM CONSENT AGENDA**

There were no items withdrawn from the Consent Agenda.

194. **CONSENT AGENDA**

Commissioner Lewis made a motion to approve the Consent Agenda. Commissioner Ware seconded the motion, which passed with a vote of 5:0.

A. Report regarding the status of the Memorial City Hall renovation project.

B. Monthly financial report.

C. Code Enforcement report.

D. Consider approval of a temporary contract extension between the City of Marshall and Texas Bank and Trust.

PUBLIC HEARING AND ORDINANCE

195. CONDUCT A PUBLIC HEARING AND AN AMENDMENT TO OFFICIAL ZONING MAP REGARDING A REQUEST OF 0.545 ACRES BEING ALL OF OUTLOTS 57 FROM R-2 (SINGLE-FAMILY RESIDENTIAL) TO R-6 (DUPLEX). THE SUBJECT PROPERTY IS LOCATED ON THE NORTH SIDE OF WEST BURLESON STREET, COMMONLY KNOWN AS 805 WEST BURLESON STREET.

This item was withdrawn due to a lack of a super majority, or six (6) of the seven (7) Commissioners.

196. CONDUCT A PUBLIC HEARING AND CONSIDER APPROVAL OF A ZONING ORDINANCE TEXT AMENDMENT SPECIFICALLY RELATED TO SECTION 18 ENTITLED “PERMITS”.

Wes Morrison, Community & Economic Development Director, presented this ordinance and summarized the changes. He stated the Planning and Zoning Commission voted 6:0 in support of this amendment.

Mayor Brown opened the Public Hearing.

No one came forward.

Mayor Brown closed the Public Hearing.

Commissioner Lewis made a motion to approve a zoning ordinance text amendment specifically related to Section 18 entitled “Permits”. Commissioner Hurta seconded the motion, which passed with a vote of 5:0.

SECOND READING OF ORDINANCES

197. CONSIDER APPROVAL OF AN ORDINANCE AMENDING THE 2019 ANNUAL BUDGET TO APPROPRIATE FUNDS FOR PROJECTS APPROVED BY THE CITY COMMISSION.

Elaine Altman, Finance Director, stated there was no new information regarding this item.

Commissioner Lewis made a motion to approve an ordinance amending the 2019 annual budget to appropriate funds for projects approved by the City Commission. Commissioner Ware seconded the motion, which passed with a vote of 5:0.

198. CONSIDER AN ORDINANCE AMENDING THE ZONING MAP REGARDING A 1.09 ACRES BEING ALL OF OUTLOT 55 FROM C-2 (RETAIL COMMERCIAL) TO C-3 (GENERAL COMMERCIAL). THE SUBJECT PROPERTY IS LOCATED ON THE SOUTH SIDE OF WEST GRAND AVENUE AND NORTH OF WEST BURLESON STREET, COMMONLY KNOWN AS 1006 WEST GRAND AVENUE.

Wes Morrison stated there was no new information regarding this item.

Commissioners asked questions and discussed.

Mayor Brown made a motion to approve the ordinance amending the zoning map regarding 1.09 acres being all of Outlot 55 from C-2 (Retail Commercial) to C-3 (General Commercial). Commissioner Lewis seconded the motion, which passed with a vote of 5:0.

CITY MANAGER REPORTS AND REQUESTS FOR CITY COMMISSION CONSIDERATION

199. PRESENTATION OF A REPORT ON THE 2018 WONDERLAND OF LIGHTS FESTIVAL.

Wes Morrison and Rachel Skowronek, Main Street Manager, presented a report on the 2018 Wonderland of Lights Festival and answered questions from Commissioners.

200. DISCUSSION AND CONSIDERATION OF THE SALE OF SURPLUS CITY PROPERTIES.

Wes Morrison stated the City revised the minimum bid costs based on improvements and needed repairs for the Annex and VAC.

Commissioner Lewis made a motion to approve the sale of surplus City properties. Commissioner Bonner seconded the motion, which passed with a vote of 5:0.

201. PRESENTATION AND DISCUSSION OF THE DESIGN-BUILD METHOD OF CONSTRUCTION PROCUREMENT.

Mark Rohr, City Manager, presented ten phases of the Design-Build method of construction to potentially apply to the adoption center.

Commissioners asked questions and discussed.

Based on feedback from the Commission, a resolution utilizing the design-build method for constructing the adoption center will be prepared.

202. **CONSIDERATION OF ITEMS WITHDRAWN FROM THE CONSENT AGENDA**

There were no items withdrawn from the Consent Agenda.

203. **ADJOURNMENT**

Commissioner Lewis made a motion for adjournment. Commissioner Ware seconded the motion, which passed with a vote of 5:0.

APPROVED:

____

Chairman of the City Commission
of the City of Marshall, Texas

ATTEST:

____

City Secretary

Ordinances: O-19-13
O-19-14
O-19-15

ITEM 5B

CONSENT AGENDA

APPROVAL OF A RESOLUTION AUTHORIZING THE CITY TO ENTER INTO AN INTERLOCAL AGREEMENT WITH REGION 8 EDUCATION SERVICE CENTER FOR COOPERATIVE PURCHASING SERVICES THROUGH THE INTERLOCAL PURCHASING SYSTEM (TIPS) PROGRAM

MEMORANDUM

To: Mark Rohr, City Manager

From: Yvette Graham, Executive Secretary/Purchasing Manager

Date: August 1, 2019

Subject: Consider Approval of a Resolution Authorizing the City to Enter into an Interlocal Agreement with Region 8 Education Service Center for Cooperative Purchasing Services through The Interlocal Purchasing System (TIPS) Program

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The City of Marshall is eligible to participate in the TIPS Purchasing Cooperative offered by Region 8 Education Service Center. The purpose of the TIPS Program is to improve procurement process efficiencies and assist in achieving best value for participating agencies.

Cooperatives are managed relationships where one entity will act as the lead agency by bidding and awarding contracts which can be used by other governmental and non-profit agencies that make up the membership. This is extremely advantageous from a time saving perspective because the competitive procurement process has been completed by the cooperative.

Participating in TIPS will also provide another resource to ensure we are getting the best price, quality and service for the taxpayer's dollar. There is no fee for participation.

Other surrounding area agencies that participate with TIPS include Marshall ISD, Harrison County, City of Longview, Longview ISD, City of Henderson, and Henderson ISD to name a few.

Attached is a Resolution for consideration by the Commission authorizing the City to enter into an interlocal agreement with Region 8 Education Service for participation in the TIPS Program. The interlocal agreement is also provided. Both documents have been reviewed by the City Attorney.

TIPS BOARD RESOLUTION

STATE OF TEXAS

FOR: THE REGION VIII EDUCATION SERVICE CENTER

WHEREAS, the City Commission of City of Marshall, Marshall, *Texas*,
(Named Public Agency) *(City)*

pursuant to the authority granted by TEX. GOV'T CODE § 791.001, *et seq*, desires to participate in the TIPS Purchasing Cooperative offered by Region VIII Education Service Center, and in the Opinion that participating in this program will be highly beneficial to the taxpayers through the anticipated savings to be realized.

Therefore, be it RESOLVED that the City of Marshall requests a stated need for
(Named Public Agency)

participation in The Interlocal Purchasing System (TIPS) whereby Mark Rohr
(Name of Authorized Person)

is authorized and directed to sign and deliver any and all necessary requests and documents in connection therewith for and on behalf of City of Marshall.
(Named Public Agency)

I certify that the foregoing is a true and correct original Resolution duly adopted by the City of Marshall and is filed on record at the TIPS office.
(Named Public Agency)

In witness thereof, I have set my hand and signature this 8th day of August, 2019.

By: ______________________________
(Authorized Signature)

Terri Brown
(Printed Authorized Name)

Mayor
(Title)

<u>This legal document will remain current on file until either party severs the agreement.</u>

AN INTERLOCAL AGREEMENT
Between Region 8 Education Service Center and a
TEXAS PUBLIC ENTITY OR LOCAL GOVERNMENT
(School, College, University, State, City, County, or Other Political Subdivision)

City of Marshall

TEXAS PUBLIC ENTITY NAME

_________-__________

Control Number (TIPS will Assign)
Schools enter County-District Number

Region 8 Education Service Center
Pittsburg, Texas

225 - 950
County-District Number

Texas Education Code §8.002 permits regional education service centers, at the direction of the Commissioner of Education, to provide services to assist school districts, colleges and universities in improving student performance and increasing the efficiency and effectiveness of school, college and university operations. Authority for an Interlocal agreement to provide such services is granted under Texas Government Code § 791 *et seq* as amended. Cooperative Purchasing Services under this agreement are extended to all Texas State, City or County Government Agencies, or any other legally eligible Local Government Entity as defined in the Texas Government Code § 791.003.

This Interlocal Agreement (hereinafter the "Agreement") is effective______________________and shall be automatically renewed unless either party gives sixty (60) days prior written notice of non-renewal. This Agreement may be terminated without cause by either party upon (60) days prior written notice, or may also be determined for cause at any time upon written notice stating the reason for and effective date of such terminations and after giving the affected party a thirty (30) day period to cure any breach.

Statement of Services to be Performed:
Region 8 Education Service Center, by this Agreement, agrees to provide cooperative purchasing services to the above-named public entity through a Program known as The Interlocal Purchasing System (TIPS) Program.

The purpose of the TIPS Program shall be to improve procurement process efficiencies and assist in achieving best value for participating School District, University, College, Community College, City, County or Other Public Agencies through cooperative purchasing.

Roles of the TIPS Purchasing Cooperative:
- Provide for the organizational structure of the program.
- Provide staff for efficient operation of the program.
- Promote marketing of the TIPS Program.
- Coordinate the Competitively Bid Process for all Vendor Awarded Contracts.
- Provide members with procedures for placing orders through TIPS PO System.
- Maintain filing system for Due Diligence Documentation.
- Collect fees from vendors to support the costs of operations of TIPS.

Role of the Public Entity:
- Commit to participate in the program by an authorized signature on membership forms.
- Designate a Primary Contact and Secondary Contact for entity.

- Commit to purchase products and services from TIPS Vendors when in the best interest of the entity.
- Submit Purchase Orders and/or Vendor Contracts through the TIPS PO System by emailing the pdf document to tipspo@tips-usa.com.
- Accept shipments of products ordered from Awarded Vendors.
- Process Payments to Awarded Vendors in a timely manner.

General Provisions:

The Parties agree to comply fully with all applicable federal, state, and local statutes, ordinances, rules, and regulations in connection with the programs contemplated under this Agreement. This Agreement is subject to all applicable present and future valid laws governing such programs.

This Agreement shall be governed by the law of the State of Texas and venue shall be in the county in which the administrative offices of RESC 8 are located which is Camp County, Texas.

This Agreement contains the entire agreement of the Parties hereto with respect to the matters covered by its terms, and it may not be modified in any manner without the express written consent of the Parties.

If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect.

The Parties to this Agreement expressly acknowledge and agree that all monies paid pursuant to this Agreement shall be paid from legally appropriated and budgeted available funds for the current fiscal year of each such entity.

No jointly owned property shall be created by this agreement and, therefore, no provision to dispose of jointly held property is required.

Before any party may resort to litigation, any claims, disputes or other matters in question between the Parties to this Agreement shall be submitted to nonbinding mediation. The site of the mediation shall be in Camp County, Texas or a site mutually agreed by the parties. The selection of the mediator shall be mutually agreed. The cost of mediation shall be shared equally. No Party to this Agreement waives or relinquishes any immunity or defense on behalf of themselves, their directors, officers, employees, and agents as a result of its execution of this Agreement and performance of the functions and obligations described herein.

No Party to this Agreement waives or relinquishes any immunity or defense on behalf of themselves, their directors, officers, employees, and agents as a result of its execution of this Agreement and performance of the functions and obligations described herein.

This Agreement may be negotiated and transmitted between the Parties by electronic means and the terms and conditions agreed to are binding upon the Parties.

Authorization:

Region 8 Education Service Center and The Interlocal Purchasing System (TIPS) Program have entered

into an Agreement to provide cooperative purchasing opportunities to public agencies.
This Agreement was approved by the governing boards of the respective parties at meetings that were posted and held in accordance with the Texas Open Meetings Act, Texas Government Code Chapter 551. (If required by the entity.)

The individuals signing below are authorized to do so by the respective parties to this Agreement.

Member Entity:

City of Marshall
Entity or District Name

By: ______________________________
Authorized Signature

Print Name: Mark Rohr

Title: City Manager

August 9, 2019
Date

Purchasing Cooperative Lead Agency:

Region 8 Education Service Center

By: ______________________________
Authorized Signature

Dr. David Fitts
Title: Executive Director Region 8 ESC

____
Date

<u>Public Entity Contact Information</u>

Yvette Graham
Primary Purchasing Person Name

401 S. Alamo Blvd. - P O Box 698
Street Address

Marshall, TX 75671
City, State Zip

903-935-4421
Telephone Number

903-938-3531
Fax Number

ygraham@marshalltexas.net
Primary Person Email Address

Elaine Altman
Secondary Person Name

altman.elaine@marshalltexas.net
Secondary Person Email Address

The state of Texas requires an Interlocal Agreement be approved by the respective entities governing board. You may email completed Interlocal Agreement to tips@tips-usa.com.

Texas Authority

Texas Education Code §8.002 permits regional education service centers, at the direction of the Commissioner of Education, to provide services to assist school districts, colleges and universities in improving student performance and increasing the efficiency and effectiveness of school, college and university operations. Authority for such services is granted under Texas Government Code §§ 791.001 *et seq* as amended. Cooperative Purchasing Services are extended to all Texas State, City and County Government Agencies.

ITEM 6A

PROCLAMATION

PRESENTATION OF A PROCLAMATION IN RECOGNITION OF THE MARSHALL ROTARY CLUB'S 100TH ANNIVERSARY

MEMORANDUM

To: Members of the City Commission

From: Mark Rohr, City Manager

Date: July 31, 2019

Subject: Presentation of a Proclamation in Recognition of the Marshall Rotary Club's 100th Anniversary

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Mayor Brown will present a Proclamation in recognition of the Marshall Rotary Club's 100-year Anniversary

A representative of the organization will be in attendance at the meeting to accept the Proclamation.

PROCLAMATION

Marshall Rotary Club 100th Anniversary

WHEREAS, the Marshall Rotary Club was instituted on the 10th day of June 1919 and is celebrating a century of "Changing Lives in Marshall – and Beyond"; and

WHEREAS, the Marshall Rotary Club celebrates a long history of service in our community serving many individuals and many groups who, with this dedication of Rotary has made their lives, and our lives richer; and

WHEREAS, the Marshall Rotary Club has been an active supporter of worthy causes in the community including: Boy Scouts, Society for Crippled Children, YMCA, Boys & Girls Club, PTA, Red Cross and Camp Fire Girls; and

WHEREAS, the Marshall Rotary Club promotes literacy in our community, actively supporting the colleges of Marshall and providing hundreds of college scholarships in addition to supporting such activities as the annual spelling bee and distributing dictionaries to every Harrison County third-grade student; and

WHEREAS, the Marshall Rotary Club has significantly contributed to the Rotary's worldwide efforts to eradicate polio. An alarming 350,000 cases of polio worldwide in 1988 have been reduced to less than 100 today; and

WHEREAS, the Marshall Rotary Club is committed to making a difference not only locally but worldwide.

NOW, THEREFORE, I, Mayor Terri Brown, along with the Marshall City Commission, recognize and celebrate the Marshall Rotary Club's 100 years of service to this community and extend our deepest appreciation for all their efforts in our community.

Presented this 8th day of August 2019.

____

Terri Brown, Mayor
Marshall City Commission

City of MARSHALL TEXAS

ITEM 7A

SECOND READING OF ORDINANCE

APPROVAL OF A ZONING ORDINANCE TEXT AMENDMENT SPECIFICALLY RELATED TO SECTION 18 ENTITLED "PERMITS"

Agenda Information Sheet
August 8, 2019

Agenda Item
Consider an ordinance amending the zoning ordinance specifically related to Section 18 entitled "Permits".

The Planning & Zoning Commission recommended approval by a vote of 6-0-0.

The City Commission approved the first reading by a vote of 5-0-0.

Background & Summary
A recommendation from the Comprehensive Plan adopted in January of this year stated that infill housing should be designed and constructed in a manner that is compatible with the existing neighborhood. In addition, the Mobilize Marshall Plan placed an emphasis on neighborhood revitalization.

The purpose is to allow staff to require building elevations for all construction during the permitting process and if it is determined to be infill development then staff is able to look at other developed properties within the existing block to determine the compatibility of the proposed structure.

Some highlights include:

- Setbacks and Orientation of the building
- Architectural Style, scale, mass, and foundation height
- Porches and stoops
- Exterior materials and roof design
- Windows and door placement and size

The proposed revision also allows the property to appeal any staff decision to the Planning & Zoning Commission for final approval.

Attachments:
Redlined Version of Section 18
Draft Ordinance

SECTION 18
PERMITS

18.01 Site Plan Required.
No permits for the erection, alteration, construction, or reconstruction~~, use or maintenance~~ of any building, or the use of any premises shall be issued by the ~~Building Inspector~~city ~~unless there shall first be filed in his office by the applicant therefore~~until a site plan~~ in duplicate,~~ drawn to scale, correctly showing the location and actual dimensions of the lot to be occupied, the dimensions and location on the lot of the building to be erected, constructed, reconstructed, or altered, ~~used or maintained~~, with measurements and elevations of the building. ~~, together~~along with a true statement, in writing, signed, by the applicant showing the use for which building or premises is arranged, intended or designed and the location and dimensions of all accessory buildings or structures; and no permit shall be issued by ~~said Building Inspector~~by the city unless such plan shall show in all details that such building or structure is to be erected~~, used or maintained,~~ and ~~such~~ premises are to be used in conformity with all the provisions of this article. A record of such and plans shall be kept in the office of the ~~Building Inspector~~Building Inspections office and an approved set shall be kept on the job site.

18.02 Failure to comply with plans and conditions of permit.
Failure of any applicant or of his agent, servants or employees to erect, construction, reconstruction, alter, use or maintain any building, structure or premises in conformance with such plans on which such permit is issued, when such failure constitutes a violation of any provisions of this article, shall render such permit void, and the Building Inspector is hereby authorized and directed to revoke any such permits by giving written notice to the applicant, or his agents, servants or employees and all work upon such building, structure or premises shall be immediately discontinued on the serving of such notice until such building, structures or premises shall be changed so as to comply with such plans and permit.

18.03 Infill Residential Development
Infill is defined as development that occurs on a vacant tract or redevelopment of an existing site surrounded by other improved properties. In an effort to ensure all infill development in our residential areas is compatible with the surrounding neighborhood the following items should be considered when reviewing elevations for residential uses:

a. Setbacks and orientation of the structure shall be similar to those existing structures within the same block as the proposed structure;
b. Architectural style, scale, mass, and foundation height shall be similar to those existing structures within the same block as the proposed structure;
c. Porches and stoops shall be similar in depth and length as those on existing structures within the same block as the proposed structure;

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d. Exterior materials and roof design/materials shall be similar to those of existing structures within the same block as the proposed structure; and
e. Windows and doors shall be of similar shape and placement to those of existing structures within the same block as the proposed structure.

Elevations will be reviewed during the permitting process to ensure neighborhood compatibility. An appeal of any staff determination will be forwarded to the Planning and Zoning Commission to determine if the proposed structure meets the compatibility requires outlined in this section.

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ORDINANCE NO. _________

AN ORDINANCE REPEALING AND REPLACING IN ITS ENTIRETY CHAPTER 32 SECTION 18 OF THE CITY OF MARSHALL, TEXAS CODE OF ORDINANCES ENTITLED "PERMITS" FINDING THAT THE MEETING AT WHICH THIS ORDINANCE WAS PASSED WAS CONDUCTED IN STRICT COMPLIANCE WITH THE TEXAS OPEN MEETINGS ACT; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the proposed amend to the Zoning Ordinance is now before the City Commission after being acted upon by the Planning & Zoning Commission as required by state law and city ordinance and after legal notices, requirements, conditions, and prerequisites have been complied with; and

WHEREAS, the City Commission of the City of Marshall, Texas (the "City") deems it necessary and proper and in the best interests of the citizens of the City to repeal and replace Chapter 32 Section 18 of the Marshall Code of Ordinances entitled "Permits";

WHEREAS, the City Commission finds that there is now public necessity for the adoption of this amendment to the Zoning Ordinance;

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

Section 1. That the findings set out in the preamble to this ordinance are hereby in all things approved.

Section 2. That Chapter 32 Section 18, in the City of Marshall's Code of Ordinances the new subsection shall read as follows:

"Permits

18.01 Site Plan Required.

No permits for the erection, alteration, construction, or reconstruction of any building, or the use of any premises shall be issued by the city until a site plan drawn to scale, correctly showing the location and actual dimensions of the lot to be occupied, the dimensions and location on the lot of the building to be erected, constructed, reconstructed, or altered, , with measurements and elevations of the building. along with a true statement, in writing, signed, by the applicant showing the use for which building or premises is arranged, intended or designed and the location and dimensions of all accessory buildings or structures; and no permit shall be issued by by the city unless such plan shall show in all details that such building or structure is to be erected and premises are to be used in conformity with all the provisions of this article. A record of such and plans shall be kept in the office of the Building Inspections office and an approved set shall be kept on the job site.

18.02 Failure to comply with plans and conditions of permit.
Failure of any applicant or of his agent, servants or employees to erect, construction, reconstruction, alter, use or maintain any building, structure or premises in conformance with such plans on which such permit is issued, when such failure constitutes a violation of any provisions of this article, shall render such permit void, and the Building Inspector is hereby authorized and directed to revoke any such permits by giving written notice to the applicant, or his agents, servants or employees and all work upon such building, structure or premises shall be immediately discontinued on the serving of such notice until such building, structures or premises shall be changed so as to comply with such plans and permit.

18.03 Infill Residential Development
Infill is defined as development that occurs on a vacant tract or redevelopment of an existing site surrounded by other improved properties. In an effort to ensure all infill development in our residential areas is compatible with the surrounding neighborhood the following items should be considered when reviewing elevations for residential uses:

a. Setbacks and orientation of the structure shall be similar to those existing structures within the same block as the proposed structure;
b. Architectural style, scale, mass, and foundation height shall be similar to those existing structures within the same block as the proposed structure;
c. Porches and stoops shall be similar in depth and length as those on existing structures within the same block as the proposed structure;
d. Exterior materials and roof design/materials shall be similar to those of existing structures within the same block as the proposed structure; and
e. Windows and doors shall be of similar shape and placement to those of existing structures within the same block as the proposed structure.

Elevations will be reviewed during the permitting process to ensure neighborhood compatibility. An appeal of any staff determination will be forwarded to the Planning and Zoning Commission to determine if the proposed structure meets the compatibility requires outlined in this section.“

Section 3. That the meeting at which this ordinance was passed was conducted in strict compliance with the Texas Open Meetings Act (Texas Government Code Chapter 551).

Section 4. That all other prior ordinances or portions of ordinances of the City of Marshall in conflict with the terms and provisions of this ordinance are hereby repealed to the extent of such conflict only.

Section 5. That the repeal of any ordinance or portion of an ordinance by this ordinance shall not affect the validity of any pending enforcement action or fines outstanding and due and payable on or before the effective date of this ordinance.

Section 6. That if any section, paragraph, subdivision, clause, phrase or provision of this ordinance is hereafter determined to be invalid or in violation of the laws of the State of Texas or the Constitution of the United States by a court of appropriate jurisdiction, such finding of invalidity shall affect the continued enforcement only of the provision or provisions so determined to be invalid, it being the intent of the City Commission of the City of Marshall that all other terms and provisions of this ordinance not affected thereby shall remain in full force and effect.

Section 7. That this ordinance shall be effective from and after its passage and publication as required by law.

Section 8. The provisions of this ordinance shall be included and incorporated in the City of Marshall Code of Ordinances as an addition and/or amendment thereto.

PASSED AND APPROVED this _______ day of _____________, 2019.
AYES: ___________
NOES: ___________
ABSTAINED: ____________

PASSED, APPROVED AND ADOPTED this _______ day of _____________, 2019.
AYES: ___________
NOES: ___________
ABSTAINED: ____________

____
MAYOR OF THE CITY COMMISSION OF
THE CITY OF MARSHALL, TEXAS

Attest:

____
Elaine Altman, City Secretary

ITEM 8A

RESOLUTION

APPROVAL OF A RESOLUTION SETTING A DATE AND TIME FOR A PUBLIC HEARING ON THE FISCAL YEAR 2020 BUDGET

M E M O R A N D U M

To: Mark Rohr, City Manager

From: Elaine Altman, Finance Director

Date: July 31, 2019

Subject: Resolution Calling a Public Hearing for the 2020 Budget

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Section 78 of the City Charter and Chapter 102 of the Texas Local Government Code require that the City Commission hold a public hearing on the proposed fiscal budget. The Charter also requires the Commission to fix the time and place of the public hearing at the meeting at which the budget is submitted. The purpose of the public hearing is to give all interested persons an opportunity to make requests for the budget or make comments about the proposed budget.

Following this memorandum is a Resolution, fixing the time and place for the public hearing. The public hearing will be at 6:00 p.m. August 22, 2019. This is the next regular meeting of the City Commission.

RESOLUTION NO. ____________

RESOLUTION OF THE CITY OF MARSHALL, TEXAS, SETTING THE DATE AND TIME TO CONDUCT A PUBLIC HEARING ON THE FISCAL 2020 CITY BUDGET

WHEREAS, Section 78 of the City Charter and Chapter 102 of the Texas Local Government Code require that the City Commission hold a Public Hearing on its proposed Fiscal Budget; and,

WHEREAS, the City Commission will hold a meeting at 6:00 p.m. on August 22, 2019; now, therefore,

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MARSHALL, TEXAS:

That the City Commission will meet on Thursday, August 22, 2019, in the City Commission Chambers, Marshall City Hall, 401 South Alamo, to conduct a Public Hearing at 6:00 p.m. concerning the City's 2020 Budget for the fiscal period January 1, 2020 through December 31, 2020.

PASSED, APPROVED AND ADOPTED this ________ day of August, 2019.

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

ATTEST:

____
Elaine Altman, City Secretary

ITEM 9A

APPROVAL OF AN AGREEMENT BETWEEN THE CITY OF MARSHALL AND WILEY COLLEGE FOR CLOSURE OF THE 700 BLOCK OF WILEY AVENUE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AGREEMENT

CITY OF MARSHALL

COMMISSION AGENDA INFORMATION SHEET

MEETING DATE: 7/11/19

PROJECT: Request from Police Department to enter into an agreement with Wiley College to close the 700 Block of Wiley Avenue.

DESCRIPTION: Wiley College, at their own expense, will erect barriers to close the 700 Block of Wiley Avenue to vehicular traffic. The city will retain ownership of the street and all utilities in the designated area. Access will be allowed to emergency personnel and any necessary City of Marshall Personnel. Said barriers, will be approved by City of Marshall personnel before any construction begins.

COST:
There will be no cost to the City of Marshall.

RECOMMENDED ACTION:

Authorize City of Marshall Personnel to enter into an agreement with Wiley College.

CITY CONTACT: Cliff Carruth – Chief of Police

cc: File

Street Closure – 700 Block of Wiley Avenue

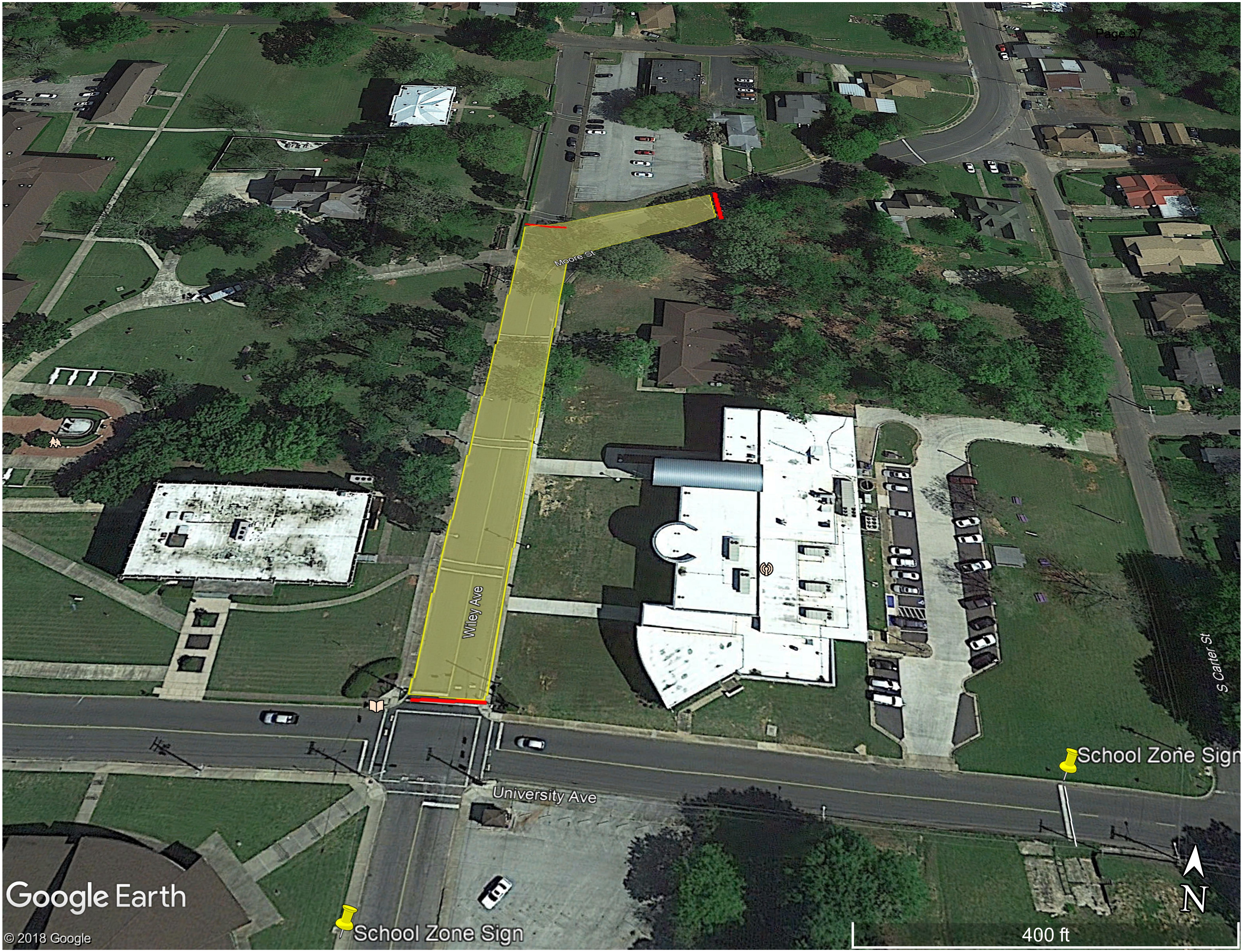
The City of Marshall shall allow Wiley College, at their expense, to semi-permanently block motor vehicle traffic from entering the 700 block of Wiley Avenue. Wiley College will, at their expense, place barriers to normal vehicular traffic at the following locations:

1. Across Wiley Avenue on the North side of the intersection of the 700 Block of Wiley Avenue and the 700 Block University Avenue. *
2. Across Moore Street at the Intersection of the 700 Block of Moore Street and the 700 Block of Wiley Avenue. *
3. Across the 700 Block of Wiley avenue approximately 140 feet northeast of the intersection of the 700 Block of Wiley Avenue and the 700 Block of Moore St.*

Barriers will be designed so that they may be easily opened should emergency access be required. Barrier system will be approved by the City of Marshall prior to installation. The barriers will be subject to inspection by City of Marshall Personnel. Any required maintenance will be performed by or paid for by Wiley College.

The City of Marshall shall retain ownership of the roads and all city utilities in the closed area.

*see attached map


Page 37
Moore St
Wiley Ave
University Ave
S Carter St
School Zone Sign
School Zone Sign
Google Earth
© 2018 Google
400 ft
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AGREEMENT BETWEEN THE CITY OF MARSHALL, TEXAS AND WILEY COLLEGE FOR CLOSURE OF THE 700 BLOCK OF WILEY AVENUE, A STREET IN THE CITY OF MARSHALL, TEXAS

STATE OF TEXAS

COUNTY OF HARRISON

THIS AGREEMENT is by and between the City of Marshall, Texas, a Texas Home-Rule Municipality, acting by and through its City Manager, heretofore duly authorized by the City Commission of said City, hereinafter called "City of Marshall" and Wiley College and acting by and through its President, hereinafter called "Wiley College", upon the terms, provisions and conditions set forth below:

WHEREAS, Section 311.007 of the Texas Transportation Code authorizes Home Rule Mumicipalities to vacate, abandon, or close a city street or alley by ordinance; and

WHEREAS, Article XVIII, Section 265 of the Charter for the City of Marshall, Texas provides that the City commission shall have the power to lay out, establish, open, alter, widen, extend, grade, narrow, care for, pave, supervise, maintain and improve streets, alleys, sidewalks, squares, parks, public places and bridges, and shall have exclusive power and control over same, and over such streets, alleys, sidewalks and public places and bridges that now are or which shall hereafter exist in said city, and shall have the power to vacate and close the same, and to regulate the use thereof; and

WHEREAS, City of Marshall, through its City Commission, anticipates adopting an ordinance for the closure of the 700 block of Wiley Avenue, beginning at the north end of the intersection of Wiley Ave and University Avenue to approximately 140 feet northeast of the intersection of the 700 Block of Wiley Avenue and the 700 Block of Moore St., all in Marshall, Texas; and

WHEREAS the City of Marshall and Wiley College have determined that there exists both a traffic control need and a student pedestrian safety need for the partial, non-permanent closure of the 700 Block of Wiley Ave. in Marshall, Texas; and

WHEREAS, both the City and Wiley College find it mutually desirable to enter into this Agreement to enable the City of Marshall to confer on Wiley College the power to manage the details of the street closure contemplated herein;

NOW, THEREFORE in consideration of the mutual convents hereinafter set forth, the County and City agree:

1. The City may adopt an ordinance for the closure of the 700 block of Wiley Avenue, beginning at the north end of the intersection of Wiley Ave and University Avenue to approximately 140 feet northeast of the intersection of the 700 Block of Wiley Avenue and the 700 Block of Moore St.;

2. In consideration of the closure called for in paragraph 1, and upon adoption of the ordinance referenced in paragraph 1, Wiley College shall, at its expense, place barriers to normal vehicular traffic at the following locations:

A. Across Wiley Avenue on the North side of the intersection of the 700 Block of Wiley Avenue and the 700 Block University Avenue.
B. Across Moore Street at the Intersection of the 700 Block of Moore Street and the 700 Block of Wiley Avenue.
C. Across the 700 Block of Wiley avenue approximately 140 feet northeast of the intersection of the 700 Block of Wiley Avenue and the 700 Block of Moore St.

Street closing shall be effective upon erection of the barrier system by Wiley College.

3. Wiley College agrees that the barriers called for in paragraph 2 will be designed so that they may be easily opened should emergency access by the City of Marshall be required, and further agrees that the City of Marshall will have the right to approve the design of the barrier system prior to installation. The barriers will be subject to inspection by City of Marshall Personnel, and any required maintenance will be performed by or paid for by Wiley College.

4. The City of Marshall shall retain ownership of the roads and all city utilities in the area enclosed by the barrier system provided by Wiley College, and the right to enter upon the enclosed area at any time, including the right to provide emergency services, utility repair or any other service normally provided by the City .

5. Wiley College, subject to the written consent of the City of Marshall (which will not be unreasonably withheld) shall have control, administration, and direction of the area enclosed.

6. No party to this Agreement waives or relinquishes any immunity or defense on behalf of itself, its officers, employees, and agents as a result of its execution of this Agreement and performance to the covenants contained herein. Each party specifically reserves any claim it may have to sovereign, qualified, or official immunity as a defense to any action arising in conjunction with this Agreement.

7. The City of Marshall may terminate this agreement upon 30 days written notice.

8. Hold Harmless and Indemnification. WILEY COLLEGE AGREES THAT THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES SHALL NOT BE HELD LIABLE OR RESPONSIBLE FOR, AND SHALL BE SAVED, INDEMNIFIED, AND HELD HARMLESS BY BUYER FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS OF ANY KIND, SUITS, ACTIONS, ENFORCEMENT ACTIONS, LOSSES, DAMAGES, OR LIABILITY, INCLUDING ALL LITIGATION, COSTS, AND ATTORNEYS' FEES BROUGHT BY ANY PERSON, ENTITY, OR REGULATORY AUTHORITY ARISING OUT OF, OR OCCASIONED BY, THIS AGREEMENT, THE OF WILEY COLLEGE OR ITS AGENTS OR EMPLOYEES IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT. THE CITY OF MARSHALL MAY SELECT ITS OWN PROFESSIONALS PURSUANT TO SUCH INDEMNIFICATION, AND MAY PROVIDE INDEMNIFICATION DEMANDS TO WILEY COLLEGE FOR REIMBURSEMENT FOR SUCH SERVICES RENDERED BY THE CITY'S SELECTED PROFESSIONALS. UPON RECEIPT OF SUCH DEMANDS, WILEY COLLEGE SHALL PROMPTLY REIMBURSE THE CITY.

9. Compliance with Laws. Each Party agrees to comply with all applicable federal, state, and local laws and any applicable ordinances, rules, orders, and regulations of any of the authorities having jurisdiction over the activities contemplated by this Agreement.

10. Nothing in this Agreement shall be deemed in any way or for any purpose to constitute the Parties hereto as partners, joint venturers, employers, or employees, principals or agents, or as having any other relationship except that of independent Parties to this Agreement. Neither Party is authorized to make any contract, agreement, warranty, or representation or to create any obligation, express or implied, on behalf of the other except where explicitly indicated in this Agreement.

11. No person other than the Parties may rely on or be a beneficiary of this Agreement.

12. This Agreement and the rights and obligations of the Parties hereunder may not be assigned.

13. The obligations of Wiley College under this agreement are wholly contingent upon the City of Marshall's adoption of the ordinance called for in paragraph 1 by a lawful, properly noticed vote of the Commissioners for the City of Marshall.

WITNESS THE EXECUTION HEREOF, in duplicate, this ___ day of _______, 2019.

ATTEST:

BY: ________ ____________________

Elaine Altman, City Secretary

CITY OF MARSHALL

BY: ______________________________

Mark Rohr, City Manager

Wiley College

By:_____________________________

Herman Felton, President

ITEM 9B

APPROVAL FOR THE PURCHASE OF PERIPHERAL EQUIPMENT AND SOFTWARE UPGRADES FOR DEPLOYMENT OF NEW MOBILE DATA COMPUTERS IN POLICE PATROL CARS

CITY OF MARSHALL

COMMISSION AGENDA INFORMATION SHEET

MEETING DATE: 8/8/19

PROJECT: Mobile Data Computers

DESCRIPTION: The Police Department wishes to purchase the remaining, peripheral equipment and software upgrades for deployment of new Mobile Data Computers in MPD Patrol cars. The laptops computers were previously approved by the commission and have been purchased.

COST:
$518,500 which will be taken from red light program funds

RECOMMENDED ACTION:

Authorize City of Marshall Personnel to purchase the requested equipment and software upgrades.

CITY CONTACT: Cliff Carruth – Chief of Police

cc: File

MDT Project Budget		State Contract Program	
Laptops	$131,000	N/A Competitive Bid Awarded	
Tablets - CID	$21,000	Texas Department of Information Resources Contract	DIR-TSO-3763
KeyBoard/Screen/mount	$107,500	Buyboard Contract Pricing	524-17
Dock for laptop	$0	Buyboard Contract Pricing	524-17
Install vehicles	$4,800	Local	
Cradle Point Harware	$71,000	Lantana Communications	DIR-TSO-3991
AT&T Service	$4,000	Texas Department of Information Resources Contract	DIR-TSO-3420
CIS Software and Training	$240,000	CIS Sole Provider	
Servers Hardware	$70,000	CIS Sole Provider	
Total Project	$649,300		
Less previous Purchases (laptops)	-$131,000		
Total Current Purchase	**$518,300**		

ITEM 9C

REPORT REGARDING FINANCIAL SUMMARY OF THE MEMORIAL CITY HALL RENOVATION PROJECT

July 16, 2019

To: Mark Rohr
Marshall City Commission

From: Jack Redmon
Director of Support Services

RE: Memorial City Expenses

As you are aware Memorial City Hall has been a fight on all levels. We've experienced problems from shoring up the elevator column to securing the beams in the ceiling and just about everything in between. Our time line has been tested as well as our pocket books. I have gone over all the expenditures as well as the donations and we will be about 823k short by the time this project is finished. Thank you for your patients and devotion to the project.

I have attached financials as of the end of May and made my projections knowing what we have coming to finish. I have also included the June financials.

We received a significant gift in July that will be reflected on the July financials.

Outside labor	\$84,000.00
Furniture and equipment	\$121,000.00
change orders	\$9,500.00
pavers and curbing	\$19,000.00
Counter Tops	\$13,300.00
Scaffolding	\$5,000.00
Inmates (guard)	\$29,000.00
Feed Inmates	\$2,200.00
Vent Hood	\$2,000.00
Wheel Chair Lift	\$8,000.00
Sound panels	\$2,000.00
Total	\$295,000.00

Since this memo is built from the May 31st figures I will use those in the tabulation for the end of the project as listed below. I have attached a detailed list for you also.

Grand total as of May 31 was -\$528,177.00 adding the \$295.00 is \$823,177.00

We have known change orders of \$7700.00 for the dumb waiter and one coming from the Fire Sprinkler company for a about \$25,000.00. If there are any more we are not aware and would be an emergency.

FUND 75 -- MEMORIAL CITY HALL

As of 5/31/19

Income:	
Interest Income	79,999.49
Bond Proceeds (4,100,000-80,587.94 Cost)	4,019,412.06
Revenue Performance Bond	41,385.03
Asap Grant	36,000.00
Harrison County Historical Museum	39,000.00
Sale of Benches	7,700.00
Total - Income	4,223,496.58
Expenses:	
Payroll Cost	-414,545.26
Telephone-Cellular	-4,342.42
(a) Other Supplies	-93,402.73
(b) Small Tools & Equip	-78,986.40
(c)Professional Fees	-605,031.81
(d) Advertising	-3,249.89
(e) Contracted Services	-242,579.52
(f) Rentals	-331,406.36
(g) Building Improvements	-2,304,141.69
(h) Miscellaneous	-337,481.67
(i) Other Machinery & Equipment	-12,859.70
(j) Improvements	-15,014.85
(k) Improvements-Data Processing	-36,965.25
(l) Furniture & Fixtures	-7,012.44
(m) Printing & Reproduction	-1,628.60
(n) Fuel, Oil, & Lube for Forklift	-2,408.02
Cost of Benches	-12,600.00
Total - Expenses	-4,503,656.61
Fund 75 Balance	-280,160.03
General Fund Reserves ($250,000.00 - 37,547.47)	212,452.53
Donations	201,783.00
Outstanding Contracts	-725,119.85
Outstanding other Costs*	-113,833.40
Updated by J. Redman 6/21/19	
Subtotal	-704,877.75
* Projected Additional Revenue	
Sale of Rooms	159,900.00
Sale of Additional Benches	16,800.00
	176,700.00
Grand Total	-528,177.75

FUND 75 -- MEMORIAL CITY HALL

As of 6/30/19

Income:	
Interest Income	79,999.49
Bond Proceeds (4,100,000-80,587.94 Cost)	4,019,412.06
Revenue Performance Bond	41,385.03
Asap Grant	36,000.00
Harrison County Historical Museum	39,000.00
Sale of Benches	7,700.00
Total - Income	4,223,496.58
Expenses:	
Payroll Cost	-419,497.18
Telephone-Cellular	-4,459.62
(a) Other Supplies	-95,412.51
(b) Small Tools & Equip	-79,877.96
(c)Professional Fees	-605,031.81
(d) Advertising	-3,276.77
(e) Contracted Services	-246,945.39
(f) Rentals	-343,993.43
(g) Building Improvements	-2,362,138.76
(h) Miscellaneous	-359,621.77
(i) Other Machinery & Equipment	-12,859.70
(j) Improvements	-23,080.35
(k) Improvements-Data Processing	-33,965.25
(l) Furniture & Fixtures	-8,087.54
(m) Printing & Reproduction	-1,628.60
(n) Fuel, Oil, & Lube for Forklift	-2,408.02
Cost of Benches	-12,600.00
Total - Expenses	-4,614,884.66
Fund 75 Balance	-391,388.08
General Fund Reserves ($250,000.00 - 37,547.47)	212,452.53
Donations	201,783.00
Outstanding Contracts	-675,064.35
Outstanding other Costs*	-113,833.40
Updated by J. Redman 6/21/19	
Subtotal	-766,050.30
* Projected Additional Revenue	
Sale of Rooms	159,900.00
Sale of Additional Benches	16,800.00
	176,700.00
Grand Total	-589,350.30

FUND 75 -- MEMORIAL CITY HALL

As of 7/31/19

Income:	
Interest Income	79,999.49
Bond Proceeds (4,100,000-80,587.94 Cost)	4,019,412.06
Revenue Performance Bond	41,385.03
Asap Grant	36,000.00
Harrison County Historical Museum	39,000.00
Sale of Benches	7,700.00
Total - Income	4,223,496.58
Expenses:	
Payroll Cost	-424,449.10
Telephone-Cellular	-4,536.38
(a) Other Supplies	-95,730.36
(b) Small Tools & Equip	-79,940.84
(c)Professional Fees	-605,031.81
(d) Advertising	-3,276.77
(e) Contracted Services	-251,045.92
(f) Rentals	-344,811.43
(g) Building Improvements	-2,523,941.63
(h) Miscellaneous	-381,064.04
(i) Other Machinery & Equipment	-12,859.70
(j) Improvements	-48,047.35
(k) Improvements-Data Processing	-33,965.25
(l) Furniture & Fixtures	-8,332.77
(m) Printing & Reproduction	-1,628.60
(n) Fuel, Oil, & Lube for Forklift	-2,408.02
Cost of Benches	-12,600.00
Total - Expenses	-4,833,669.97
Fund 75 Balance	-610,173.39
General Fund Reserves ($250,000.00 - 37,547.47)	212,452.53
Donations	226,783.00
Outstanding Contracts	-518,381.66
Outstanding other Costs*	-277,860.00
Updated by J. Redman 7/19/19	
possible change orders	-7,700.00
possible change orders	-25,000.00
Subtotal	-999,879.52
* Projected Additional Revenue	
Sale of Rooms	159,900.00
Sale of Additional Benches	16,800.00
	176,700.00
Grand Total	-823,179.52

FUND 75 -- MEMORIAL CITY HALL

Revenue and Expenses July , 2019

Income:	
Donations	25,000.00
Total - Income	0.00
Expenses:	
Payroll Cost	4,951.92
Telephone-Cellular	76.76
(a) Other Supplies	317.85
(b) Small Tools & Equip	62.88
(c)Professional Fees	0.00
(d) Advertising	0.00
(e) Contracted Services	4,100.53
(f) Rentals	818.00
(g) Building Improvements	161,802.87
(h) Miscellaneous	21,442.27
(i) Other Machinery and Equipment	0.00
(j) Improvements	24,967.00
(k) Improvements-Data Processing	0.00
(l) Furniture and Fixtures	245.23
(m) Printing and Reproduction	0.00
(n) Fuel, Oil, & Lube for Forklift	0.00
Total - Expenses	218,785.31

(a) Other Supplies

Cassidy Jones	44.46
Sherwin Williams	273.39
Total Other Supplies	317.85

(b) Small Tools & Equip

Cassidy Jones	62.88
Total Small Tools & Equip	62.88

(c) Professional Fees

	0.00
Total Advertising	

(d) Advertising

Total Advertising	0.00

(e) Contracted Services

Harrison County	4,100.53
Total Contracted Services	4,100.53

(f) Rentals

A-1 Rent All	-564.00
East TX Septic Tank & Grease	780.00
AP Equipment & Rental	602.00
Total Rentals	818.00

(g) Building Improvements

Creative AVL Solutions,, LLC	19,000.00
David Rutherford	16,517.27
Texas Scenic	90,687.00
Slone Construction	32,702.92
Sherwin Williams	518.99
Cassity Jones Lumber Co	2,376.69
Total Building Improvements	161,802.87

(h) Miscellaneous

C & S	375.00
Luis A Hernandez Vazquez	10,000.00
Christopher Lee Jones	125.00
Molindo's	10,800.00
American Yard	142.27
Total Miscellaneous	21,442.27

(i) Other Machinery & Equipment

	0.00
Total Furniture & Fixtures	0.00

(j) Improvements

Darren Pryor	20,090.00
RVP Construction	4,877.00
Total Furniture & Fixtures	24,967.00

(k) Improvements Data Processing

Total Improvements Data Processing	0.00

(l) Furniture & Fixtures

Muse Work, LLC	245.23
Total Furniture & Fixtures	245.23

(n) Fuel, Oil, & Lube for Forklift

Various Vendors	
Total Fuel , Oil, & Lube	0.00

ITEM 10A

ORDINANCE

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF MARSHALL, TEXAS, GENERAL OBLIGATION REFUNDING BOND, SERIES 2019; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BOND

MEMORANDUM

To: Members of the City Commission

From: Mark Rohr, City Manager

Date: July 31, 2019

Subject: Consider and Act Upon an Ordinance Authorizing the Issuance and Sale of City of Marshall, Texas, General Obligation Refunding Bond, Series 2019; Levying an Annual Ad Valorem Tax and Providing for the Security for and Payment of Said Bond; and Enacting Other Provisions relating to the Subject

---

This item has been placed on the agenda for consideration of an ordinance that authorizes the issuance of General Obligation Refunding Bonds to refinance the City's 2010A Certificates of Obligation. Attached is preliminary refunding analysis information from John Martin, Hilltop Securities and an information sheet to outline the proposed financing plan. There are no changes in the information that was previously provided to the Commission.

A representative from the bond counsel will be in attendance at the meeting on Thursday to answer any questions the Commission may have.

The ordinance provided contains blanks that can only be completed after bids for the bond are received and evaluated. Final ordinance and related documents will be presented at the meeting.

CITY OF MARSHALL
(Harrison County, Texas)

OUTLINE OF FINANCING PLAN

August 8, 2019

- The City needs an additional $823,000 to complete Memorial City Hall (MCH). A financing program to provide these funds while preserving cash flow has been developed.

- In 2017, the City issued $2,000,000 of Certificates of Obligation to pay for the renovation of MCH. Those CO's were issued with a term of 15 years and at an interest rate of 2.17%. This issue is payable from HOT taxes. This debt will remain outstanding at this time.

- The City issued the Series 2010A COs which are also payable from HOT taxes. Those CO's have $990,000 outstanding and have interest rates ranging from 3.50% to 4.00%. The City has the option to redeem this debt either by paying it off with cash or issuing refunding bonds to replace the debt with new debt; similar to refinancing your mortgage.

- In order to provide the remaining funds necessary to complete MCH, and not create too much cash flow stress on the HOT tax revenue, the proposal is to (i) refund and slightly extend the 2010A CO's through the issuance of bonds and (ii) issue Tax Notes to fund the remaining amount required to complete the project.

- We have negotiated an interest rate with Amegy Bank of 2.33% for the 7 year Tax Notes and 2.34% for the 10 year General Obligation Refunding Bonds.

- By pushing the payments out on from the original 2010A issue, the HOT tax cash flow benefits close to $70,000 during the term of the Tax Notes (7 years). The proposed structure would require payments from HOT taxes of just under $370,000, rather than $440,000. Due to the extension of the 2010A CO's for four years, there is additional debt service of under $50,000 associated with this structure.

CITY OF MARSHALL
Harrison County, Texas

Tax Notes, Series 2019
(with refunding of 2010A)

Debt Service Schedule - Preliminary

July 31, 2019

Fisc Year	Existing Payments			Tax Note, Series 2019			New Combined Totals		
Ending	AV Taxes	WW & SS	HOT Tax	Principal	Interest	Total	AV Taxes	WW & SS	HOT Tax
12/31/2019	$ 548,338	$ 2,648,588	$ 289,245				$ 548,338	$ 2,648,588	$ 289,245
12/31/2020	553,244	832,847	229,036	$ 114,000	$ 19,102	$ 133,102	553,244	832,847	362,138
12/31/2021	546,044	672,384	229,230	116,000	17,219	133,219	546,044	672,384	362,449
12/31/2022	551,666	149,556	230,323	119,000	14,516	133,516	551,666	149,556	363,839
12/31/2023	556,594	150,424	230,311	122,000	11,743	133,743	556,594	150,424	364,054
12/31/2024	449,950	150,161	231,193	125,000	8,901	133,901	449,950	150,161	365,094
12/31/2025	447,900		230,979	127,000	5,988	132,988	447,900	-	363,967
12/31/2026	451,300		228,786	130,000	3,029	133,029	451,300	-	361,815
12/31/2027	453,900		366,972				453,900	-	366,972
12/31/2028			367,384				-	-	367,384
12/31/2029			367,618				-	-	367,618
12/31/2030			216,463				-	-	216,463
12/31/2031			216,954				-	-	216,954
12/31/2032			217,336				-	-	217,336
	$ 4,558,934	$ 4,603,960	$ 3,651,830	$ 853,000	$ 80,497	$ 933,497	$ 4,558,934	$ 4,603,960	$ 4,585,328

Notes: Notes are assumed to be dated and delivered on August 29, 2019 for illustrative purposes
Notes are due on August 15 of each year. Interest is payable February 15 and August 15 of each year beginning February 15, 2020.
Interest on the Notes is computed at 2.33%, which reflects the indicative interest rate from Amegy Bank.
The Notes include Costs of Issuance of $30,000.

HilltopSecurities
A Hilltop Holdings Company.

CITY OF MARSHALL

Harrison County, Texas

General Obligation Refunding Bonds, Series 2019

Debt Service Schedule - Preliminary

July 31, 2019

Fisc Year Ending	Existing Payments	Refunded Payments	GO Refunding, Series 2019 Principal	Interest	Total	New Combined Payments	Annual Savings
12/31/2019	$ 300,340	$ (18,213)		$ 7,117	$ 7,117	$ 289,245	$ 11,095
12/31/2020	298,729	(183,800)	$ 91,000	23,108	114,108	229,036	69,693
12/31/2021	296,762	(183,463)	95,000	20,931	115,931	229,230	67,531
12/31/2022	299,565	(182,950)	95,000	18,708	113,708	230,323	69,242
12/31/2023	297,106	(187,175)	104,000	16,380	120,380	230,311	66,795
12/31/2024	298,947	(185,700)	104,000	13,946	117,946	231,193	67,754
12/31/2025	300,054	(183,600)	103,000	11,525	114,525	230,979	69,076
12/31/2026	218,466		-	10,319	10,319	228,786	(10,319)
12/31/2027	214,338		144,000	8,635	152,635	366,972	(152,635)
12/31/2028	215,155		147,000	5,230	152,230	367,384	(152,230)
12/31/2029	215,863		150,000	1,755	151,755	367,618	(151,755)
12/31/2030	216,463					216,463	-
12/31/2031	216,954					216,954	-
12/31/2032	217,336					217,336	-
	$ 3,606,076	$ (1,124,900)	$ 1,033,000	$ 137,654	$ 1,170,654	$ 3,651,830	$ (45,754)

Notes: Payments shown are only those supported by HOT taxes for Certificates of Obligation.
Bonds are assumed to be dated and delivered on August 29, 2019 for illustrative purposes
Bonds are due on June 15 of each year.
Interest on the Bonds is payable June 15 and December 15 of each year beginning December 15, 2019.
Interest on the Bonds is computed at 2.34%, which reflects the indicative interest rate from Amegy Bank.

HilltopSecurities
A Hilltop Holdings Company.

CITY OF MARSHALL
(Harrison County, Texas)

Tax Notes, Series 2019
General Obligation Refunding Bonds, 2019

Proposed Schedule of Events

July 2019						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August 2019						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Proposed Date	Action
July 31, 2019	Hilltop identifies lender based upon indications of rates and terms.
August 5, 2019	Lender submits initial Term Sheet with proposed terms.
August 7, 2019	Term Sheet from lender finalized.
August 8, 2019	**City Council considers Ordinances Authorizing Issuance of Notes and Bonds (6:30 Regular Meeting)**
August 12, 2019	Bond Counsel submits documentation to Attorney General's Office.
August 26, 2019	Hilltop to notify all parties of closing and delivery instructions.
August 29, 2019	Closing and Delivery.

HilltopSecurities
A Hilltop Holdings Company.

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS
HARRISON COUNTY
CITY OF MARSHALL

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

1. The City Commission of the City convened in a regular meeting on August 8, 2019, at the designated meeting place, and the roll was called of the duly constituted officers and members of said City Commission, to-wit:

Chairwoman Terri Brown	Gail Beil
Larry Hurta	Amy Ware
Vernia Calhoun	Marvin Bonner
Doug Lewis	

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

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF MARSHALL, TEXAS, GENERAL OBLIGATION REFUNDING BOND, SERIES 2019; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BOND; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of said City Commission. 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: __________ ABSTENTIONS: __________

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 Commission's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Commission'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 Commission as indicated therein; that each of the officers and members of said City Commission 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 Chairman of said City has approved and hereby approves the aforesaid Ordinance; that the Chairman and the City Secretary of said City have duly signed said Ordinance; and that the Chairman 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.

PASSED, APPROVED AND ADOPTED ON AUGUST 8, 2019.

AYES: ____
NOES: ____
ABSTAINED: ____

____
CHAIRMAN OF THE COMMISSION OF THE
CITY OF MARSHALL

ATTEST:

____
CITY SECRETARY

{SEAL}

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF MARSHALL, TEXAS, GENERAL OBLIGATION REFUNDING BOND, SERIES 2019; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BOND; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City of Marshall, Texas (the "*Issuer*") has previously issued, and there are presently outstanding, obligations of the Issuer payable from a pledge of the net revenues of the Issuer's waterworks and sewer system;

WHEREAS, certain of such previously issued and outstanding obligations are intended to be and shall be refunded pursuant to this Ordinance, the obligations to be refunded being those described in Schedule I hereto (the "*Refunded Obligations*");

WHEREAS, Chapter 1207, Texas Government Code ("*Chapter 1207*"), authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Obligations, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof together with any other available funds or resources directly with a paying agent for the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the Issuer and such deposit, if made before the payment dates of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, further authorizes the Issuer to enter into an escrow or similar agreement with any such paying agent or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent or trust company or commercial bank may agree;

WHEREAS, the City Commission hereby finds and declares a public purpose and it is in the best interests of the Issuer to refund the Refunded Obligations to lower the City's debt service payments, and that such refunding will result in a present value debt service savings of $[] and an actual debt service savings of $[] to the Issuer, with $[] cash contribution from the Issuer from the debt service reserve fund established for the Refunded Obligations;

WHEREAS, the City Commission finds that the issuance of the Bond is in the best interests of the Issuer;

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bond hereinafter authorized;

WHEREAS, the bond hereafter authorized is being issued and delivered pursuant to said Chapter 1207, Texas Government Code; and

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

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MARSHALL:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BOND. 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 bond of the City of Marshall, Texas (the "*Issuer*") is hereby authorized to be issued and delivered in the aggregate principal amount of $[] for the public purpose of refunding the Refunded Obligations, and to pay the costs incurred in connection with the issuance of the Bond.

Section 2. DESIGNATION, DATE, DENOMINATION, NUMBER, AND MATURITY AND INTEREST RATE OF BOND.

(a) Each bond issued pursuant to this Ordinance shall be designated: "CITY OF MARSHALL, TEXAS GENERAL OBLIGATION REFUNDING BOND, SERIES 2019," and there shall be issued, sold, and delivered hereunder one fully registered bond, without interest coupons, dated August 15, 2019, in the denomination and principal amount of $[], numbered R-1, with any bond issued in replacement thereof being in the denomination of the full principal amount of the series of which the bond is issued and numbered consecutively from R-2 upward, payable in installments to the registered owner thereof, or to the registered assignee of said bond (in each case, the "*Registered Owner*"). Principal of said Bond shall mature and be payable in installments on the dates and in the amounts stated in the FORM OF BOND set forth in **Exhibit A** to this Ordinance.

(b) The Bond shall bear interest on the unpaid balance of the principal amount thereof from the date of delivery to the scheduled due date of the principal installments of the Bond at the rate of interest stated in the FORM OF BOND set forth in this Ordinance. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in this Bond.

(c) The term "Bond" as used in this Ordinance shall mean and include collectively the bond initially issued and delivered pursuant to this Ordinance and any substitute bond exchanged therefor, as well as any other substitute or replacement bond issued pursuant hereto, and the term "Bond" shall mean any such bond.

Section 3. CHARACTERISTICS OF THE BOND.

(a) Registration. The Issuer shall keep or cause to be kept at the principal corporate trust office of [], located in [], Texas (the "*Paying Agent/Registrar*"), books or records for the registration of the transfer and exchange of the Bond (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 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 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 Bond to which payments with respect to the Bond 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, exchange and delivery of a substitute Bond. Registration of assignments, transfers and exchanges of a Bond shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Transfer and Exchange; Authentication. Except as provided in Section 3(f) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so authenticated. The Paying Agent/Registrar promptly shall cancel any Bond surrendered for 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 exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of a substitute Bond in the manner prescribed herein. Pursuant to Chapter 1201, Government Code, as amended, the duty of transfer of a Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bond that initially was issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts. The Bond may be transferred and registered in the name of the new registered owner in whole but not in part.

(c) Payment of Bond 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 Bond, 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 Bond, shall properly and accurately record all payments on the Bond on the Registration Books, and shall keep proper records of all exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the 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 the 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 Bond (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bond to be payable only to the Registered Owner thereof, (ii) may be exchanged for another Bond, (iii) may be transferred and assigned, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bond shall be payable, and (vii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bond, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance.

(e) Paying Agent/Registrar. The Issuer covenants with the Registered Owner of the Bond that at all times while the Bond is 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 Bond 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 20 days written notice to the Paying Agent/Registrar, to be effective not later than 15 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 Bond, 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 the Registered Owner of the Bond, 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 Bond 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 Paying Agent/Registrar's Authentication Certificate 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 the Bond. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond 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 Bond 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) Delivery of Initial Bond. On the closing date, one initial Bond representing the entire principal amount of the Bond, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Chairman 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, and with the date of delivery inserted thereon by the Paying Agent/Registrar, will be delivered to such purchaser or its designee.

Section 4. FORM OF BOND. The form of the Bond, 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 Bond initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as shown in **Exhibit A**, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

Section 5. INTEREST AND SINKING FUND.

(a) A special "*Interest and Sinking Fund*" is hereby created and shall be established and maintained by the Issuer 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 Bond. All ad valorem taxes levied and collected for and on account of said Bond shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bond is 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 Bond as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bond as such principal matures (but never less than 2% of the original amount of said Bond 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 said Bond 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 Bond, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. If lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

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

Section 6. DEFEASANCE OF BOND.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "*Defeased Bond*") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will 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 the Defeased Bond shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(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 Bond 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 a Defeased Bond 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 Bond, 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 Bond, which currently includes the following: (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America., (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until the Defeased Bond shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bond 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.

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

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

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

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

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

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

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF BOND; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Chairman of the Issuer is hereby authorized to have control of the Bond initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bond pending its 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 Bond 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 Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers (if obtained) may, at the option of the Issuer, be printed on the Bond 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 Owner of the Bond. In addition, if bond insurance is obtained, the Bond may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Bond 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 Bond to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bond is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Chairman, and the Chairman is hereby authorized to execute such engagement letter.

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

(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 Bond as an obligation described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bond (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 Bond, 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 Bond 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 Bond (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 Bond being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bond 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 Bond, 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 Bond, other than investment property acquired with –

(A) proceeds of the Bond invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bond is 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 Bond;

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

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

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bond) 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 Bond has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to assure that the proceeds of the Bond are used solely to refund the Refunded Obligations.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations (hereinafter defined) 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 Bond. 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 (the "Treasury Regulations"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bond, 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 Bond under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bond, 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 Bond under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Chairman 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 Bond.

(d) Disposition of Projects. The Issuer covenants that the projects funded with the proceeds of the Refunded Obligations will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bond. 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.

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

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

Section 10. SALE OF BOND. The Bond is hereby initially sold and shall be delivered to [] (the "*Purchaser*"), for cash for the par value thereof, pursuant to the Private Placement Letter dated the date of the final passage of this Ordinance which the Chairman is hereby authorized to execute and deliver. The Bond shall initially be registered in the name of the Purchaser. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

Section 11. FURTHER PROCEDURES. The Chairman and City Secretary, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement (the form of which is hereby approved in the form presented at the meeting at which this Ordinance was adopted) 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 Bond, the sale of the Bond and the Official Statement, if such an Official Statement is prepared. In case any officer whose signature shall appear on any

Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 12. NO RULE 15c2-12 UNDERTAKING. The Issuer has not made an undertaking in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "*Rule*").

Section 13. 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 the Registered Owner, 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 Registered Owner 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 the Registered Owner, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in the Bond so as to:

(1) Make any change in the maturity of the Bond;

(2) Reduce the rate of interest borne by the Bond;

(3) Reduce the amount of the principal payable on the Bond;

(4) Modify the terms of payment of principal or of interest on the Bond or impose any condition with respect to such payment; or

(5) Change the requirement with respect to Registered Owner consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to the Registered Owner of the Bond a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owner of the Bond, 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 the Registered Owner of the Bond shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of the Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of the notice provided for in this

Section, and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six months from the date of the mailing of said notice by the Registered Owner, or by a successor in title, by filing notice with the Issuer.

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

Section 14. 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 the Bond when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owner of the Bond, 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 the Registered Owner to the Issuer.

(b) Remedies for Default. Upon the happening of any Event of Default, then and in every case, the Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owner 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 Owner hereunder or any combination of such remedies.

(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 Bond 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 Bond shall not be available as a remedy under this Ordinance.

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

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

Section 15. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. The Chairman of the Issuer is hereby authorized and directed to execute and deliver an Escrow Agreement with [] in Dallas, Texas ("Escrow Agent"), in substantially the form presented at this meeting. The Escrow Agent is the Paying Agent/Registrar for the Refunded Obligations. In addition, the Chairman or other officer of the Issuer is authorized to purchase such securities, to execute subscriptions for the purchase of escrow securities, and to authorize such contributions, as may be necessary for the Escrow Fund established in the Escrow Agreement.

Section 16. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) The Issuer hereby directs that the Refunded Obligations be called for redemption on the dates set forth on **Schedule I**. Such Refunded Obligations shall be redeemed at the redemption price of par plus accrued interest.

(b) In addition, [], the paying agent/registrar for the Refunded Obligations, is hereby directed to provide notice of redemption to the registered owners of the respective series of Refunded Obligations and are hereby directed to make appropriate arrangements so that the respective series of Refunded Obligations may be redeemed on their respective redemption date. The Refunded Obligations shall be presented for redemption at the paying agent/registrar therefor, and shall not bear interest after the date fixed for redemption.

(c) The source of funds for payment of the principal of and interest on the Refunded Obligations on their redemption date shall be from the funds deposited with the Escrow Agent, pursuant to the Escrow Agreement approved in Section 15 of this Ordinance.

Section 17. APPROPRIATION. To pay the debt service coming due on the Bond 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.

Section 19. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Commission.

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATIONS

CITY OF MARSHALL, TEXAS WATERWORKS & SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2006

EXHIBIT A

FORM OF BOND

A. The form of the Bond, 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 Bond 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–	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF MARSHALL, TEXAS GENERAL OBLIGATION REFUNDING BOND SERIES 2019	PRINCIPAL AMOUNT $[]

Interest Rate	Delivery Date
[]%	[], 2019

REGISTERED OWNER: []

PRINCIPAL AMOUNT: [] DOLLARS

The City of Marshall, Texas (the "Issuer"), being a political subdivision of the State of Texas located in Harrison County, for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns, the principal amount specified above, and to pay interest thereon, from the Delivery Date set forth above, on the balance of said principal amount from time to time remaining unpaid, at the rate per annum set forth above, calculated on the basis of a 360-day year of twelve 30-day months. The unpaid principal of this Bond shall mature and shall be paid in the Principal Installments on the Payment Dates set forth in the table below:

Maturity Date	Principal Amount

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges. The Issuer shall pay interest on this Bond on [], and on each June 15 and December 15 thereafter to the date of maturity. The last principal installment of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity at the principal office of [] located in [], Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of all other principal installments of and interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each principal and interest payment date by check or draft, dated as of such principal and interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Bond Ordinance to be on deposit with the Paying

Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "*Record Date*") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, principal and 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.

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

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

THIS BOND is dated August 15, 2019, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $[] for the public purpose of refunding certain outstanding obligations of the Issuer, and to pay the costs incurred in connection with the issuance of the Bond.

THE PRINCIPAL INSTALLMENTS OF THIS BOND ARE NOT SUBJECT TO REDEMPTION PRIOR TO THEIR SCHEDULED MATURITIES.

THE PAYING AGENT/REGISTRAR SHALL record in the Bond Registration Books all payments of principal installments on such Bond when made on their respective due dates.

THIS BOND is issuable in the form of one fully-registered Bond without coupons in the denomination of $[]. This Bond may be transferred or exchanged as provided in the Bond Ordinance, only upon the registration books kept for that purpose at the above-mentioned office of the Paying Agent/Registrar upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent/Registrar and duly executed by the registered owner or his duly authorized attorney, and thereupon a new Bond of the same maturity and in the same aggregate principal amount shall be issued by the Paying Agent/Registrar to the transferee in exchange therefor as provided in the Bond Ordinance, and upon payment of the charges therein prescribed. The Issuer and the Paying Agent/Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

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

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication shall have been executed by the Paying Agent/Registrar or the Comptroller's Registration Certificate hereon shall have been executed by the Texas Comptroller of Public Accounts.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owner of the Bond.

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

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

(signature)	(signature)
City Secretary City of Marshall	Chairman of the City Commission of the City of Marshall

(SEAL)

(B) Form of Payment Record.

PAYMENT RECORD

Date of Payment	Principal Prepayment (amount and installment(s) to which payment is applied)	Remaining Principal Balance	Name and Title of Authorized Officer making Entry	Signature of Authorized Officer

______	______	______	______	______
______	______	______	______	______
______	______	______	______	______
______	______	______	______	______

(c) Form of Paying Agent/Registrar's Authentication Certificate.

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

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in replacement of, or in exchange for, a Bond 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: ____________________.

[]
[], Texas
Paying Agent/Registrar

By: ___________________________________
Authorized Representative

(d) Form of Assignment.

ASSIGNMENT
(Please print or type clearly)

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

____
Please insert Social Security or Taxpayer Identification Number of Transferee

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

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

Dated: ____________________.

Signature Guaranteed:

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

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

(e) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.__________

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

Witness my signature and seal this ___________________________.

____
Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

EXHIBIT B

WRITTEN PROCEDURES FOR TAX COMPLIANCE

These procedures, together with any federal tax certifications, provisions included in the authorizing document (the "Ordinance") with respect to the issuance and sale of Obligations (as defined below), 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 any tax-exempt debt such as the Issuer's General Obligation Refunding Bond, Series 2019 (the "Obligations").

A. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Responsible Person (as defined below) 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 Issuer's City Manager and Finance Officer (together with other employees of the Issuer who report to or such officer, is collectively, 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 are 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;

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 of the Issue Date;

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.

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:

a. 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 Issues. 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 facilities;

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

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

B. 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 Persons will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the facilities financed or refinanced with the proceeds of the Obligations (the "Project") do not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Persons will:

1. Develop procedures or a "tracking system" to identify all property financed with tax-exempt debt;

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 has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;

4. 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 has a right to use the output of the facilities (e.g., water, gas, electricity);

5. 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 has a right to use the facilities to conduct or to direct the conduct of research;

6. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;

7. Monitor and record whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and

8. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the Project.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities 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 tax-exempt Obligations, such records shall be maintained until the three (3) years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each 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 the governing body's approval to engage or utilize existing advisors and agents for such purposes.

ITEM 10B

ORDINANCE

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF MARSHALL, TEXAS LIMITED TAX NOTE, SERIES 2019, LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID NOT

MEMORANDUM

To: Members of the City Commission

From: Mark Rohr, City Manager

Date: July 31, 2019

Subject: Consider and Act upon an Ordinance Authorizing the Issuance and Sale of City of Marshall, Texas Limited Tax Note, Series 2019, Levying an Annual Ad Valorem Tax and Providing for the Security for and Payment of Said Note; and Enacting Other Provisions Relating to the Subject

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This item has been placed on the agenda for consideration of an ordinance to authorize the issuance of the City's Limited Tax Note for completing Memorial City Hall. Preliminary information provided by John Martin, Hilltop Securities is provided with the previous companion agenda item. There are no changes in the information that was previously provided to the Commission.

A representative from the bond counsel will be in attendance at the meeting on Thursday to answer any questions the Commission may have.

The ordinance provided contains blanks that can only be completed after bids for the Tax Note are received and evaluated. Final ordinance and related documents will be presented at the meeting.

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS
COUNTY OF HARRISON
CITY OF MARSHALL

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

1. The City Commission of said City convened in regular meeting on August 8, 2019, at the designated meeting place, and the roll was called of the duly constituted officers and members of said City Commission, to-wit:

Chairwoman Terri Brown	Gail Beil
Larry Hurta	Amy Ware
Vernia Calhoun	Marvin Bonner
Doug Lewis	

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 Ordinance entitled

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF MARSHALL, TEXAS LIMITED TAX NOTE, SERIES 2019; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID NOTE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

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

AYES: __________ NOES: __________ ABSTENTIONS: __________

2. A true, full and correct copy of the aforesaid Ordinance passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Ordinance has been duly recorded in the official minutes of said City Commission; the above and foregoing paragraph is a true and correct excerpt from said minutes of said meeting pertaining to the passage of said Ordinance; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Ordinance, were the duly chosen, qualified and acting members of said City Commission as indicated therein; each of said officers and member 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 passage at said meeting; and 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 Texas Government Code, Chapter 551.

3. The Chairman of the City Commission of the City has approved and hereby approves the aforesaid Ordinance; that the Chairman and the City Secretary of said City have duly signed said Ordinance; and that the Chairman 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.

PASSED, APPROVED AND ADOPTED ON AUGUST 8, 2019.

AYES: ____
NOES: ____
ABSTAINED: ____

____
CHAIRMAN OF THE COMMISSION OF THE
CITY OF MARSHALL

ATTEST:

____
CITY SECRETARY

{SEAL}

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF MARSHALL, TEXAS LIMITED TAX NOTE, SERIES 2019; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID NOTE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Commission (the "City Commission") of the City of Marshall, Texas (the "Issuer") hereby finds and determines that it is necessary, useful and appropriate for the Issuer's public purposes to authorize and provide for the issuance and sale of a note of the Issuer for the purposes hereinafter set forth, as authorized by Chapter 1431, Texas Government Code, as amended; and

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

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

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE NOTE. 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 note of the City of Marshall, Texas (the "Issuer") is hereby authorized to be issued and delivered in the aggregate principal amount of $[] for the public purpose of (i) a renovating, equipping, and improving Memorial City Hall (the "Project") and (ii) payment of costs of issuance of the Note.

Section 2. DESIGNATION, DATE, DENOMINATION, NUMBER, AND MATURITY AND INTEREST RATE OF NOTE.

(a) Each note issued pursuant to this Ordinance shall be designated: "CITY OF MARSHALL, TEXAS LIMITED TAX NOTE, SERIES 2019," and there shall be issued, sold, and delivered hereunder one fully registered note, without interest coupons, dated August 15, 2019, in the denomination and principal amount of $[], numbered R-1, with any Note issued in replacement thereof being in the denomination and principal amount hereinafter stated and numbered consecutively from R-2 upward. Principal of said note shall mature and be payable in installments to [], or to the registered assignee of said note (in each case, the "Registered Owner") on the dates and in the amounts set forth below.

Principal Installment Payment Date	*Principal Installment Amount*

*Final Maturity

(b) The note shall bear interest on the unpaid balance of the principal amount thereof from the date of delivery to the scheduled due date of the principal installments of the note at a rate of []% per annum. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF NOTE set forth in this Ordinance.

(c) The term "Note" as used in this Ordinance shall mean and include collectively the note initially issued and delivered pursuant to this Ordinance and any substitute note exchanged therefor, as well as any other substitute or replacement note issued pursuant hereto, and the term "Note" shall mean any such note.

Section 3. CHARACTERISTICS OF THE NOTE.

(a) Registration. The Issuer shall keep or cause to be kept at the principal corporate trust office of [], located in [] (the "Paying Agent/Registrar"), books or records for the registration of the transfer and exchange of the Note (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 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 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 Note to which payments with respect to the Note 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, exchange and delivery of a substitute Note. Registration of assignments, transfers and exchanges of a Note shall be made in the manner provided and with the effect stated in the FORM OF NOTE set forth in this Ordinance. Each substitute Note shall bear a letter and/or number to distinguish it from each other Note.

(b) Transfer and Exchange. Except as provided in Section 3(f) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Note, date and manually sign said Note, and no such Note shall be deemed to be issued or outstanding unless such Note is so executed. The Paying Agent/Registrar promptly shall cancel any Note surrendered for 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 transfer and exchange of any Note, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of a substitute Note in the manner prescribed herein. Pursuant to Chapter 1201, Government Code, as amended, the duty of transfer of a Note as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Note, the exchanged Note shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Note that initially was issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts. The Note may be transferred and registered in the name of the new Registered Owner in whole but not in part.

(c) Payment of Note 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 Note, 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 Note, shall properly and accurately record all payments on the Note on the Registration Books, and shall keep proper records of all exchanges of the Note, and all replacements of the Note, as provided in this Ordinance. However, in the event of a nonpayment 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 past due interest shall be sent at least 5 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of the 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 Note (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Note to be payable only to the Registered Owner thereof, (ii) may be prepaid or redeemed prior to its scheduled maturity, (iii) may be exchanged for another Note, (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 Note 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 Note, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF NOTE set forth in this Ordinance. The Note 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 Note issued in exchange for any Note 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 NOTE.

(e) Paying Agent/Registrar. The Issuer covenants with the Registered Owner of the Note that at all times while the Note is 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 Note 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 20 days written notice to the Paying Agent/Registrar, to be effective not later than 15 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 Note, 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 the Registered Owner of the Note, 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 Note 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 the Note. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Note 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 Note 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) Delivery of Initial Note. On the closing date, one initial Note representing the entire principal amount of the Note, payable in stated installments to the Purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Chairman 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, and with the date of delivery inserted thereon by the Paying Agent/Registrar, will be delivered to such Purchaser or its designee.

Section 4. FORM OF NOTE. The form of the Note, 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 Note initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially in the FORM OF NOTE provided in **Exhibit A**, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

Section 5. INTEREST AND SINKING FUND.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer 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 Note. All ad valorem taxes levied and collected for and on account of said Note shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Note is 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 Note as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Note as such principal matures (but never less than 2% of the original amount of said Note 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 said Note is 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 Note, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. If lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

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

Section 6. DEFEASANCE OF NOTE.

(a) The Note and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Note") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Note, 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 the Defeased Note shall have become due and payable. At such time as a Note shall be deemed to be a Defeased Note hereunder, as aforesaid, such Note and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem a Defeased Note 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 Note for redemption; (2) gives notice of the reservation of that right to the Registered Owner of the Defeased Note 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 Note 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 a Defeased Note 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 Note, 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 Note, which currently includes the following: (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America., (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until the Defeased Note shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Note 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.

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

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

(b) Application for Replacement Note. Application for replacement of a damaged, mutilated, lost, stolen or destroyed Note shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Note, the Registered Owner applying for a replacement Note 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 Note, 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 Note, as the case may be. In every case of damage or mutilation of a Note, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Note so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Note 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 Note, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Note) instead of issuing a replacement Note, provided security or indemnity is furnished as above provided in this Section.

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

(e) Authority for Issuing Replacement Note. In accordance with Section 1206.022, Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Note 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 Note is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Note in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for a Note issued in exchange for another Note.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF NOTE; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND ENGAGEMENT OF BOND COUNSEL AND PLACEMENT AGENT.

(a) The Chairman of the Issuer is hereby authorized to have control of the Note initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Note pending its delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Note 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 Note, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Note. The approving legal opinion of the Issuer's Bond Counsel may, at the option of the Issuer, be printed on the Note issued and delivered under this Ordinance, but shall have no legal effect, and shall be solely for the convenience and information of the Registered Owner of the Note.

(b) The obligation of the Purchaser to accept delivery of the Note is subject to the 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 Note to the Purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Note is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Chairman, and the Chairman is hereby authorized to execute such engagement letter.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE NOTE; INTENT TO REIMBURSE PROJECT COSTS.

(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 Note as an obligation described in section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on which is not includable in the “gross income” of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Note (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 Project 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 Note, 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 Note or the Project 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 Note (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 Note being treated as a “private activity bond” within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Note 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 Note, 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 Note, other than investment property acquired with –

(A) proceeds of the Note invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Note is 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 Note;

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

(8) to refrain from using the proceeds of the Note or the proceeds of any prior bonds to pay debt services on another issue for more than ninety (90) days after the issuance of the Note in contravention of section 149(d) of the Code (relating to advance refunding);

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Note) 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 Note has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to assure that proceeds of the Note are used solely for "new money" projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations (hereinafter defined). 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 (the "Treasury Regulations"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Note, 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 Note under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Note, 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 Note under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Chairman 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 Note.

(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 financed with the proceeds of the Note 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 Note or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Note, or (2) the date the Note is 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 Note 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 Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Note. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Note. 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) Designation as a Qualified Tax-Exempt Obligation. The Issuer hereby designates the Note as a “qualified tax-exempt obligation” as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Note is issued, the Issuer (including any subordinate entities) has not designated nor will designate obligations that when aggregated with the Note, will result in more than $10,000,000 of “qualified tax-exempt obligations” being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Note is issued, by the Issuer (or any subordinate entities) will not exceed $10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, hereof, in order that the Note will not be considered a “private activity bond” within the meaning of section 141 of the Code.

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

Section 10. SALE OF NOTE. The Note is hereby initially sold and shall be delivered to [], located in [] (the "Purchaser"), for cash for the par value thereof, pursuant to the private placement letter dated the date of the final passage of this Ordinance which the Chairman is hereby authorized to execute and deliver. The Note shall initially be registered in the name of the Purchaser. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

Section 11. FURTHER PROCEDURES. The Chairman 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 Note and the sale of the Note. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 12. NO RULE 15c2-12 UNDERTAKING. The Issuer has not made an undertaking in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule").

Section 13. DEFAULT AND REMEDIES.

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

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

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owner of the Note, including, but not limited to its 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 the Registered Owner to the Issuer.

(b) Remedies for Default. Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owner 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 Owner hereunder or any combination of such remedies.

(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 Note 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 Note 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 Note authorized under this Ordinance, such Registered Owner agrees that the certifications contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the City Commission.

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 the Registered Owner, 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 Registered Owner 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 the Registered Owner, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in the Note so as to:

(1) Make any change in the maturity of the Note;

(2) Reduce the rate of interest borne by the Note;

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

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

(5) Change the requirement with respect to Registered Owner consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to the Registered Owner of the Note a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owner of the Note, 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 the Registered Owner of the Note shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of the Note pursuant to the provisions of this Section shall be irrevocable for a period of 6 months from the date of the mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Note during such period. Such consent may be revoked at any time after 6 months from the date of the mailing of said notice by the Registered Owner, or by a successor in title, by filing notice with the Issuer.

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

Section 15. PROJECT FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund or account to be entitled the “Series 2019 Note Project Fund” for use by the Issuer for payment of all lawful costs associated with the Project as hereinbefore provided, and to pay the costs of issuance of the Note. Upon payment of all such costs, any moneys remaining on deposit in said fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may place proceeds of the Note (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 Note will be used as soon as practicable for the purposes for which the Note is 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 16. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 17. APPROPRIATION. To pay the debt service coming due on the Note 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. 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 Commission.

EXHIBIT A

The form of the Note, 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 Note initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

(a) Form of Note.

NO. R–1	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF MARSHALL, TEXAS LIMITED TAX NOTE, SERIES 2019	PRINCIPAL AMOUNT $[]

Interest Rate	Delivery Date
[]%	[], 2019

REGISTERED OWNER: []

PRINCIPAL AMOUNT: [] DOLLARS

The City of Marshall, Texas (the "Issuer"), being a political subdivision of the State of Texas located in Harrison County, Texas, for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assign (the "Registered Owner"), the principal amount specified above, and to pay interest thereon, from the Delivery Date set forth above, on the balance of said principal amount from time to time remaining unpaid, at the rate per annum set forth above, calculated on the basis of a 360-day year of twelve 30-day months. The unpaid principal of this Note shall mature and be paid in Principal Installment Amounts on the Principal Installment Payment Dates set forth in the table below:

Principal Installment Payment Date	*Principal Installment Amount*

THE PRINCIPAL OF AND INTEREST ON THIS NOTE are payable in lawful money of the United States of America, without exchange or collection charges. The Issuer shall pay interest on this Note on [] and on each June 15 and December 15 thereafter to the date of maturity or redemption prior to maturity. The last principal installment of this Note shall be paid to the Registered Owner hereof upon presentation and surrender of this Note at maturity, or upon the date fixed for its redemption prior to maturity, at the principal office of [], located in [] which is the “Paying Agent/Registrar” for this Note. The payment of all other principal installments of and interest on this Note shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each principal and interest payment date by check or draft, dated as of such principal and 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 Note (the “Note 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 business day of the month next preceding each such date (the “Record Date”) on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, principal and 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.

ANY ACCRUED INTEREST due in connection with the final installment of principal of this Note or upon redemption of all or a portion of this Note at the option of the Issuer prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Note for payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Note that on or before each principal payment date and interest payment date for this Note it will make available to the Paying Agent/Registrar, from the “Interest and Sinking Fund” created by the Note Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Note, when due.

IF THE DATE for the payment of the principal of or interest on this Note 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 NOTE is dated August 15, 2019, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $[] for the public purpose of (i) a renovating, equipping, and improving Memorial City Hall (the “Project”) and (ii) payment of costs of issuance of the Note.

ON ANY DATE, the unpaid principal installments of this Note may be redeemed prior to their scheduled due dates, at the option of the Issuer, with funds derived from any available and lawful source, as a whole or in part, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium.

AT LEAST FIFTEEN DAYS PRIOR to the date fixed for any optional redemption of the Note 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 the Note at its address as it appeared on the Registration Books on the day such notice of redemption is mailed; 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 this Note. 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 Note or portions thereof which 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 Note or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for redemption, and 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.

UPON THE PAYMENT OR PARTIAL REDEMPTION of the outstanding principal balance of this Note, the Paying Agent/Registrar, shall note in the Payment Record appearing on this Note the amount of such payment or partial redemption, the date said payment was made and the remaining unpaid principal balance of this Note and shall then have said entry signed by an authorized official of the Paying Agent/Registrar. The Paying Agent/Registrar shall also record such information in the Note Registration Books, and the Paying Agent/Registrar shall also record in the Note Registration Books all payments of principal installments on such Note when made on their respective due dates.

THIS NOTE is issuable in the form of one fully-registered Note without coupons in the denomination of $[]. This Note may be transferred or exchanged as provided in the Note Ordinance, only upon the registration books kept for that purpose at the above-mentioned office of the Paying Agent/Registrar upon surrender of this Note together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent/Registrar and duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new Note of the same maturity and in the same aggregate principal amount shall be issued by the Paying Agent/Registrar to the transferee in exchange therefor as provided in the Note Ordinance, and upon payment of the charges therein prescribed. The Issuer and the Paying Agent/Registrar may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

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

THIS NOTE shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication shall have been executed by the Paying Agent/Registrar or the Comptroller's Registration Certificate hereon shall have been executed by the Texas Comptroller of Public Accounts.

IT IS HEREBY certified, recited and covenanted that this Note 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 Note 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 Note, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Note Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owner of the Note.

BY BECOMING the Registered Owner of this Note, the Registered Owner thereby acknowledges all of the terms and provisions of the Note Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Note 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 Note and the Note Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed with the manual or facsimile signature of the Chairman 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 Note.

(signature)	(signature)
City Secretary City of Marshall	Chairman of the City Commission of the City of Marshall

(b) Form of Payment Record.

PAYMENT RECORD

Date of Payment	Principal Payment (amount and installment(s) to which payment is applied)	Remaining Principal Balance	Name and Title of Authorized Officer making Entry	Signature of Authorized Officer

(c) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Note 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 Note has been issued under the provisions of the Note Ordinance described in the text of this Note; and that this Note has been issued in replacement of, or in exchange for, a Note that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: ____.

[]
[]

Paying Agent/Registrar

By: ______________________________
Authorized Representative

(d) Form of Assignment.

ASSIGNMENT
(Please print or type clearly)

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

____
Transferee's Social Security or Taxpayer Identification Number:

____
Transferee's name and address, including zip code:

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints ______________________________, attorney, to register the transfer of the within Note 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 Note in every particular, without alteration or enlargement or any change whatsoever.

(e) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.__________

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

Witness my signature and seal this _____________________.

____
Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

EXHIBIT B

PROCEDURES REGARDING COMPLIANCE WITH FEDERAL TAX COVENANTS

These procedures, together with any federal tax certifications, provisions included in the authorizing document (the "Ordinance") with respect to the issuance and sale of Obligations (as defined below), 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 any tax-exempt debt such as the Issuer's Limited Tax Note, Series 2019 (the "Obligations").

A. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Responsible Person (as defined below) 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 Issuer's City Manager (together with other employees of the Issuer who report to or such officer, is collectively, 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 are 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;

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 of the Issue Date;

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.

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:

a. 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 Issues. 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 facilities;

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

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

B. 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 Persons will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the facilities financed or refinanced with the proceeds of the Obligations (the “Project”) do not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Persons will:

1. Develop procedures or a "tracking system" to identify all property financed with tax-exempt debt;

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 has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;

4. 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 has a right to use the output of the facilities (e.g., water, gas, electricity);

5. 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 has a right to use the facilities to conduct or to direct the conduct of research;

6. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;

7. Monitor and record whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and

8. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the Project.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities 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 tax-exempt Obligations, such records shall be maintained until the three (3) years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each 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 the governing body's approval to engage or utilize existing advisors and agents for such purposes.

ITEM 10C

APPROVAL OF AN ORDINANCE AMENDING CHAPTER 27, ARTICLE IV – TRAFFIC CODE OF THE CITY OF MARSHALL CODE OF ORDINANCES

CITY OF MARSHALL

COMMISSION AGENDA INFORMATION SHEET

MEETING DATE: 7/11/19

PROJECT: Request from Police Department to modify the existing School Zone Speed Limit ordinance.

DESCRIPTION: ***Sec. 27-36.1. - Speed limits in school zones*** will be modified by adding "or as otherwise designated on posted signage" to the existing ordinance.

Sec. 27-36. - School zones. Will be modified by adding wording to include school zones adjacent to private schools and by allowing the City of Marshall Traffic Engineer or their designee to designate the locations for school zone signage.

COST:
Cost of placing new signs designating school zone hours

RECOMMENDED ACTION:

Authorize modification of ***Sec. 27-36.1. - Speed limits in school zones***.

CITY CONTACT: Cliff Carruth – Chief of Police

cc: File

ORDINANCE NO. __________

ORDINANCE TO AMEND ELEMENTARY SCHOOL ZONES

AN ORDINANCE AMENDING CHAPTER 27, ARTICLE IV – TRAFFIC CODE OF THE CITY OF MARSHALL CODE OF ORDINANCES TO ESTABLISH A 20 MPH SCHOOL ZONE FROM 7:00 AM – 4:30 PM (MONDAY – FRIDAY) OR OTHER TIME AS DESIGNATED BY POSTED SIGNAGE, IN ALL EXISTING SCHOOL ZONES, AND INSTALL SIGNAGE TO ACCOMMODATE AND PROVIDE FOR REGULATION IN ALL SCHOOL ZONES IN THE CITY OF MARSHALL, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Marshall, Texas ("City") previously designated elementary school zones in the City of Marshall; and

WHEREAS, the City desires to provide safer speeds in the area around all schools and provide safer routes to and from the schools by children and others enrolled in any school in the City; and

WHEREAS, the Marshall Independent School District has recently extended the discharge time at their elementary schools, making it necessary to install new signage extending the school zone times to 4:30 PM (Monday – Friday), and in order to provide uniform enforcement throughout the City, all school zones in public and private school zones should be uniform; and

WHEREAS, the Wiley College campus, located in the City at 711 Wiley Avenue, is operational 24 hours per day, it is beneficial to the safety of students, faculty and the public to make the school zones immediately adjacent to the Wiley College campus effective 24 hours per day, seven days per week.

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

SECTION 1 – FINDINGS AND PURPOSE

Chapter 27, Article IV of the City of Marshall Code of Ordinances hereby amends the 20 MPH school zone times in school zones in the City of Marshall to read 7:00 AM – 4:30 PM (Monday – Friday) or other hours as posted. The school zones immediately adjacent to Wiley College from the 700 block of University Avenue to the 1100 block of University Avenue, and the 1100 block of Wiley Avenue to the 700 block of Wiley

Avenue shall be designated as a school zone 24 hours a day, seven days per week, and signs shall be posted as said locations designating such.

SECTION 2 – SPEED LIMIT

Speed limit in school zones shall be 20 MPH – 7:00 AM – 4:30 PM (Monday – Friday) or other hours as posted.

SECTION 3 – DECLARING AN EMERGENCY

That the hereinabove speed and times for vehicular traffic traveling within the school zones is hereby found to be reasonable and safe prima facie speed limits therefore. The fact that this regulation of the speed of motor vehicles is needed and creates an emergency, which is for the immediate preservation of public safety and general welfare, requires that this Ordinance take effect immediately from and after its passage and it is accordingly so ordained.

SECTION 4 - SIGNAGE

The City of Marshall is authorized to erect signs indicating the new speed limit times within the existing school zones.

SECTION 5 – PENALTY

A violation of this Ordinance shall be a Class C misdemeanor and the penalty for violating this Ordinance shall be as provided for and as amended in the City of Marshall Code of Ordinances.

SECTION 6 – SEVERABILITY

The provisions of this Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new or revised provisions in compliance with the authority's decision or enactment.

SECTION 7 – GOVERNING LAW

This Ordinance shall be construed in accordance with the City Code(s) in effect on the date of passage of this Ordinance to the extent that such Code(s) are not in conflict with or in violation of the Constitution and laws of the United States or the State of Texas.

SECTION 8 – EFFECTIVE DATE

This Ordinance shall become effective immediately upon passage and publication required by law.

PASSED ON THIS FIRST AND FINAL READING UNDER THE EMERGENCY PROVISION by the City Commission of the City of Marshall, Texas, in regular meeting in the City Hall on this the 8th day of August, A.D., 2019.

____
MAYOR TERRI BROWN
CITY OF MARSHALL, TEXAS

ATTEST:

____
CITY SECRETARY
CITY OF MARSHALL, TEXAS

ITEM 11

ITEMS WITHDRAWN FROM THE CONSENT AGENDA

ITEM 12

EXECUTIVE SESSION

AN EXECUTIVE SESSION PURSUANT TO THE OPEN MEETINGS ACT, CHAPTER 551 OF THE TEXAS GOVERNMENT CODE UNDER SECTION 551.074 PERSONNEL MATTERS: CONSIDER, DISCUSS, AND DELIBERATE PERSONNEL MATTERS

ITEM 13

ADJOURNMENT