

**NOTICE OF LA MARQUE
SPECIAL CITY COUNCIL MEETING
BY TELEPHONE CONFERENCE AND IN-PERSON**

In accordance with order of the Office of the Governor issued March 16, 2020, the La Marque City Council will conduct a Special Meeting on Monday, January 24, 2022 beginning at 6:00 PM. In accordance with Section 551.127(b) of the Texas Government Code a quorum of the La Marque City Council and the Mayor intend to be and will be physically present at 1109-B Bayou Road, La Marque, Texas. This location will be open to the public and the meeting will be broadcast at this location and via YouTube.

This Notice, the meeting agenda, and the agenda packet can be found online at:

<https://ci.la-marque.tx.us/AgendaCenter>

The public will be permitted to offer public comments telephonically as provided below and as permitted by the Mayor during the meeting. A recording of the telephonic meeting will be made and will be available to the public in accordance with the Open Meetings Act upon written request.

THE PUBLIC TOLL-FREE DIAL-IN NUMBER TO PARTICIPATE IN THE MEETING IS:

1 (346) 248-7799

ONCE YOU ARE CONNECTED, YOU MUST ENTER THE FOLLOWING:

Meeting ID: 92493940502

Press *6 to mute or unmute your phone line. You may also connect to the meeting on your smartphone, tablet or computer by going to the following internet address:

<https://zoom.us/j/92493940502>

Once you are on the website, you may need to enter the following:

Meeting ID: 924 9394 0502

If you require accommodation to participate in this meeting, contact the City Clerk at 409-938-9259 or cityclerk@cityoflamarque.org at least 48 hours prior to the meeting start time.



1111 Bayou Road
La Marque, Texas
409-938-9202

Mayor - Keith Bell

Kimberley Yancy - District A

Councilmember Michael Carlson - District C

Mayor Pro-Tem Joe Compian - District B

Councilmember Casey McAuliffe - District D

ORDINANCE NO. O-2022-0002

RESOLUTION NO. R-2022-0001

**CITY OF LA MARQUE
CITY COUNCIL
AMENDED
SPECIAL MEETING
of
JANUARY 24, 2022**

Notice is hereby given that the City Council of the City of La Marque, Texas will conduct a **Special Meeting on January 24, 2022**, beginning at 6:00 **in the Council Chambers at 1109-B Bayou Road, La Marque, Texas as well as via videoconference hosted through (ZOOM).** In accordance with Section 551.127(b) of the Texas Government Code a quorum of the La Marque City Council and the Mayor intend to be and will be physically present at 1109-B Bayou Road, La Marque, Texas. This location will be open to the public and the meeting will be broadcast at this location and via YouTube. The council will meet for the purpose of considering the following agenda:

(1) CALL MEETING TO ORDER

(2) ROLL CALL

(3) INVOCATION AND PLEDGE OF ALLEGIANCE

(4) CITIZENS PARTICIPATION (Limited to three minutes per person)

Comments from the public will be heard at this time. Any person with city-related business who has signed up may speak to Council on a specific agenda item (limited to three (3) minutes) should give the Mayor your name and the item you wish to speak about. In compliance with Texas Open Meeting Act, the City may not deliberate on comments. Personal attacks will not be allowed, and personnel matters should be addressed to the City Manager during normal business hours. **Press *6 to mute or unmute if you are participating by telephone, press the unmute button if attending via zoom on a smartphone, tablet, or computer, or stand if attending in person, and the Mayor will call on you in turn.**

(5) PUBLIC HEARING

- a. Conduct Public Hearing to hear input regarding adopting Ordinance No. **O-2021-0018**, amending Section 8.8 of the City Code to allow for the keeping of hens; making various findings and providing for an effective date
- b. Conduct Public Hearing to hear input regarding adopting Ordinance No. **O-2021-0020**, amending the fiscal year 2020-21 budget for various funds' fund balances and increasing certain expenditures to individual budget accounts in various funds and increasing certain revenues
- c. Conduct Public Hearing to hear input regarding adopting Ordinance No. **O-2021-0021**, amending the city's zoning map and comprehensive plan by changing the zoning district for part of Block 25 (2500-8) Div. E Cook & Stewart Subdivision, located near Cedar Dr. and Lilac (Galveston County Property ID# 195743); providing a penalty in an amount not to exceed \$2000 for each violation; providing an effective date; and making other provisions related to the subject
- d. Conduct Public Hearing to hear input regarding adopting Ordinance No. **O-2022-0001**, authorizing the issuance and sale of the City of La Marque, Texas public property finance contractual obligations series 2022; levying a tax in payment thereof; and enacting other provisions relating thereto

(6) OLD BUSINESS

- a. Discussion/possible action regarding adopting Ordinance No. **O-2021-0018**, amending Section 8.8 of the City Code to allow for the keeping of hens; making various findings and providing for an effective date - Legal G. Knebel **THIS IS THE SECOND AND FINAL READING**
- b. Discussion/possible action regarding adopting Ordinance No. **O-2021-0020**, amending the fiscal year 2020-21 Budget for various funds' expenditures by decreasing various funds' fund balances and increasing certain expenditures to individual budget accounts in various funds and increasing certain revenues in various funds as set forth in Exhibit A- FINANCE Director S. Kou **THIS IS THE SECOND AND FINAL READING**
- c. Discussion/ possible action regarding adopting Ordinance No. **O-2021-0021**, amending the city's zoning map and comprehensive plan by changing the zoning district for part of Block 25 (2500-8) Div. E Cook & Stewart Subdivision, located near Cedar Dr. and Lilac (Galveston County Property ID# 195743); providing a penalty in an amount not to exceed \$2000 for each violation; providing an effective date; and making other provisions related to the subject- Development Services Director K. VanStavern **THIS IS THE SECOND AND FINAL READING**
- d. Discussion/ provide direction regarding acquisition of a police substation - Councilmember K. Yancy

- e. Discussion/ possible action regarding forming a Charter Review Committee- Mayor Pro-Tem J. Compian
- f. Discussion/ possible action regarding allocating funds received from American Rescue Plan Act- Mayor Pro- Tem J. Compian

(7) NEW BUSINESS

- a. Discussion/possible action regarding Resolution No. **R-2022-0001**, whereas the City desires to reimburse itself for the costs associated with the Financed Project from the proceeds of obligations to be issued subsequent to the date hereof- Finance Director S. Kou
- b. Discussion/possible action regarding Resolution No. **R-2022-0002**, whereas the City reasonably expects to reimburse itself for costs of facilities assessment and the design, construction, acquisition, and equipment of a public safety building and the costs of professional services prior to issuance of future related debts- Finance Director S. Kou
- c. Discussion/possible action regarding renewing contract with financial advisor (“Stifel”) to assist the City with GO Bond Election and other various financing transactions - Finance Director S. Kou
- d. Discussion/ possible action regarding adopting Ordinance No. **O-2022-0001**, authorizing the issuance and sale of the City of La Marque, Texas public property finance contractual obligations series 2022; levying a tax in payment thereof; and enacting other provisions relating thereto- Finance Director S. Kou
THIS IS THE FIRST AND FINAL READING
- e. Discussion/possible action regarding ratifying of a Capital expenditure to the Houston-Galveston Area Council for the cost of a new Gradall XL3300 All-Wheel Drive Excavator, in the amount of \$399,214.54- Public Works Director R. Sailer
- f. Discussion/possible action regarding approving (12) new laptops for police department patrol cars- IT Director K. Hunter
- g. Discussion/possible action regarding approving issuance of Unlimited Tax Refunding Bonds Series 2022 under Galveston County Municipal Utility District (MUD) 32 in the amount not to exceed \$1,900,000- Finance Director S. Kou
- h. Discussion/ possible direction regarding creating a Vacant Registry Program- Councilmember K. Yancy
- i. Discussion/ possible action regarding scheduling interviews of initial candidates for the City Manager position- Legal G. Knebel

(8) EXECUTIVE SESSION

The City Council for the City of La Marque, Texas reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized the Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.086 (Economic Development)

(9) REQUESTS AND ANNOUNCEMENTS

Requests by Mayor and Council Members for items to be placed on future City Council agendas and announcements on city events/community interests TEX. GOV'T CODE §551.415. (b), "items of community interest" includes:

- (1) expressions of thanks, congratulations, or condolence;*
- (2) information regarding holiday schedules;*
- (3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision;*
- (4) a reminder about an upcoming event organized or sponsored by the governing body;*
- (5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality or county; and*
- (6) announcements involving an imminent threat to the public health and safety of people in the municipality or county that has arisen after the posting of the agenda.*

(10) ADJOURNMENT

CERTIFICATION:

I hereby certify that the above notice of meeting was posted at 1109-B Bayou Road, La Marque, Texas on or before January 21, 2022, before 5:30 p.m.

Kierra K. Nance, TRMC
City Clerk



CITY COUNCIL AGENDA FORM

Meeting Date: 1.24.2022
Prepared by: Gus Knebel
Department: Interim Legal

Agenda item: 6a
Reviewed by: _____

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding adopting Ordinance No. **O-2021-0018**, amending Section 8.8 of the City Code to allow for the keeping of hens; making various findings and providing for an effective date **THIS IS THE SECOND AND FINAL READING**

X

ATTACHMENTS FOR REFERENCE

1. Proposed amended Ordinance

STAFF BRIEFING:

Discussion of the need of possible changes to the “fowl” ordinance has come before City Council several times within the last few years. Citizens have been able to speak for and against the reasons why or why not chickens should be allowed within the city limits. With the citizens concerns in mind, this Council has recently proposed some changes to be presented in the form of an amended ordinance. The proposed ordinance is in a draft form to allow changes, additions or omissions to be included in a proposed ordinance.

HISTORY:

In 1980, City Council adopted an ordinance “Animals and Fowl” that added a section to the Code that restricted “fowl” to be kept within 100 feet of an occupied dwelling. In 2006, an ordinance was adopted that included fowl not being able to run at large, and if their runs were not kept in a clean and sanitary manner to be considered a public nuisance. After much discussion with the community, Council has proposed changes to the ordinance in an effort to reach a common consensus on this matter.

TARGET IMPLEMENTATION: Depends on Council’s changes and recommendations

SIGNIFICANT ACTION DATES:

This past year, there have been several workshops and meetings relating to proposed changes of this ordinance.



CITY COUNCIL AGENDA FORM

ACTION:

- | | |
|---|---|
| ☒ Ordinance | ☐ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Municode Codification | |
| ☐ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Cost Details:

Budgeted	
Actual Bid	
Estimated Expenditure	
Acct. Name(s)	
Line Items #	
Other Funding	

STAFF'S RECOMMENDATION: Motion to adopt Ordinance No. **O-2021-0018**, amending Section 8.8 of the City Code to allow for the keeping of hens; making various findings and providing for an effective date **THIS IS THE SECOND AND FINAL READING**

(There may be changes, which would be deleted in the motion)- depends on Council's actions and recommendations

FISCAL IMPACT:

ORDINANCE NO. R-2021-0018

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS AMENDING SECTION 8-8 OF THE CITY CODE ALLOWING FOR THE KEEPING OF HENS; PROVIDING A PENALTY; PROVIDING AN EFFECTIVE DATE; AND MAKING OTHER PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, Section 8-8 of the City Code prohibits the keeping of any animal or fowl within 100 feet of any occupied building and

WHEREAS, the City Council desires to amend Section 8-8 of the City Code to allow for the keeping of Hens.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS THAT:

Section 1. The findings and recitals set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

Section 2. Section 8.8 of the Code of Ordinances, City of La Marque, Texas is deleted and amended to read as follows:

Sec. 8-8 Keeping of Hens

(a) Definitions:

Hen means a female chicken.

Fowl means chicken.

Rooster means a male chicken.

Coop means an enclosure having four sides at least four feet in height and covered at the top with a roof to prevent the Hens from escaping and protect them from the elements. The enclosure shall have a minimum of 3 square feet of space per Hen.

Chicken Run means a fenced outdoor area where the Hens have at least 10 square feet per Hen. The fence shall be at least four feet in height and prevent the Hens from escaping. For purposes of calculating a Chicken Run square footage a person may include the area within the Coop, if the Coop is connected to the Chicken Run.

(b) Keeping of Hens near residences.

It shall be unlawful for any person to keep, harbor, or maintain hens within twenty five feet of any occupied building or business, but excluding the owner's occupied building or business, within the City. The number of Hens shall be limited to a maximum twenty five (25) per lot.

(c) Keeping of Roosters.

It shall be unlawful for any person to keep, harbor, permit, or maintain Roosters within the City.

(d) Condition of the Premises where Hens are kept.

A person who keeps, harbors, permits, or maintains Hens in the City shall house the Hens in a Coop and a Chicken Run in accordance with this Section. Hens shall not be permitted to roam free in the City. The Coop and Chicken Run shall be kept in a clean and sanitary condition. The floor of Coop and Chicken Run shall be maintained such that no offensive odors are emitted therefrom. The floor of the roosting spaces shall be kept covered with deep dry litter. The Hens kept in the Coop and Chicken Run shall always have access to clean water.

(e) Food storage requirements.

Food for the Hens shall be kept in non-permeable storage bins. These bins shall be lockable to prevent pests and predators from accessing the food.

(f) Permit requirements.

(1) Every person who keeps Hens in the City shall apply for a permit from the City. Said permit shall be valid for one year after its issuance. A person who keeps Hens must apply for an annual renewal of the permit. There shall be a fee of \$30.00 for an initial permit under this Section. Annual renewals of fees under this Section shall be \$15.00.

(2) Prior to the issuance of a permit under this section Code Compliance shall inspect the Coop to ensure compliance with this section. Prior to the issuance of any permit renewal under this section Code Compliance may inspect the Coop to ensure compliance with this section.

(g) Enforcement

- (1) The provisions of this section shall be enforced by the Code Compliance Department. The Code Compliance Supervisor and its deputies shall have full authority to enforce this section and in doing so are empowered to enter upon any private property to ascertain whether Fowl are being kept in accordance with this section.
- (2) A person who violates this section shall for each violation or noncompliance be deemed guilty of a misdemeanor, and upon conviction, shall be fined as provided in Section 1-7 of the City Code. Upon the third conviction, within two years, of a person for violation of this Section such person may have its Permit to keep Hens under this section revoked by the Supervisor of Code Compliance. A person whose permit is revoked under this Section shall be ineligible for a permit for Five years after the third conviction of a violation of this Section.

Section 3. Repeal. This ordinance is intended to be cumulative and shall not repeal any provision of a previous ordinance or City Code provision, except to the extent that a provision is inconsistent and cannot be reconciled with this ordinance.

Section 4. Severability. In the event any clause, phrase, provision sentence, or part of this Ordinance or the application of the same to any person or circumstance for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. Effect on HOA Requirements. Nothing in this Ordinance or the application of it will affect any applicable deed restrictions or rules of homeowners' associations.

Section 6. Purpose. The purpose of passing this Ordinance is to control noise, safety, sanitary, and odor conditions.

Section 7. Publication and Effective Date. This Ordinance shall be effective One Hundred Eighty Days from the Council's adoption of this Ordinance, a public hearing in accordance with Section 2.19 of the City Charter, and publication of this ordinance or a caption that summarizes the purpose of this ordinance and the penalty for violating this ordinance in accordance with Chapter 52 of the Texas Local Government Code and Article II of the City Charter.

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on First Reading this 13 day of September, **2021**; and

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on Second and Final Reading this _____ day of _____, **2022**; and

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra K. Nance, TRMC, City Clerk

APPROVED AS TO FORM:

Gus Knebel
City Attorney



CITY COUNCIL AGENDA FORM

Meeting Date: January 24, 2022

Prepared by: Suzy Kou

Department: Finance

Agenda item: Leave blank

Reviewed by: Leave blank

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding adopting Ordinance No. O-2021-0020 Amending the fiscal year 2020-21 Budget for various funds' expenditures by decreasing various funds' fund balances and increasing certain expenditures to individual budget accounts in various funds and increasing certain revenues in various funds as set forth in Exhibit A. This is the Second Reading.



1. Ordinance
2. Exhibit A

STAFF BRIEFING:

- During the year, the City had a few unanticipated expenditure in General Fund, Utility Fund, and Capital Projects fund which were not included in the original adopted budget at the beginning of the year.
- The ordinance is to amend the budget administratively and to match with actual approved expenditures.
- All capital expenditures exceeding \$50,000 have been individually approved by Council during the fiscal year.

HISTORY:

December 13, 2021 - First reading of the ordinance

TARGET IMPLEMENTATION: January 24, 2022

SIGNIFICANT ACTION DATES:

December 13, 2021 - First reading of the ordinance

January 24, 2022 - Second reading of the ordinance

Cost Details:	
Budgeted	-0-
Actual Bid	



CITY COUNCIL AGENDA FORM

ACTION:

- | | |
|--|---|
| ☒ Ordinance | ☐ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Other | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Estimated Expenditure	See Exhibit A
Acct. Name(s)	See Exhibit A
Line Items #	See Exhibit A
Other Funding	

STAFF'S RECOMMENDATION: Motion to approve Ordinance No. O-2021-0020 Amending the 2020-21 budget.

FISCAL IMPACT: See Exhibit A

Budget Amendment FY 2020-21

Exhibit A

Accounts	Descriptions	Amounts	Comments
01-7030-06-00	10 YEAR LIFE ASSETS (VEHICLES)	592,242	Second fire truck
01-1090-99-00	EMPLOYMENT SETTLEMENT	80,000	Court settlement
01-1010-01-01	SALARY-ADMINISTRATION	68,030	New Assistant City Manager
01-1060-01-01	TAXES	6,222	New Assistant City Manager
01-1065-01-01	TMRS	10,946	New Assistant City Manager
01-1070-01-01	MEDICAL INSURANCE	1,761	New Assistant City Manager
01-1036-01-01	PHONE STIPENDS	1,102	New Assistant City Manager
01-1010-04-00	SALARY-COURT	5,000	Retirement pay out-Judge
01-2401-00-00	FUND BALANCE	-765,303	
02-7030-22-00	10 YEAR LIFE ASSETS (VEHICLES)	347,669	Vac truck
02-2401-00-00	FUND BALANCE	-347,669	
65-7101-12-00-IH45-4	IH 45 CORRIDOR PROJECT	71,603	2020 CO project-IH 45
65-2401-00-00	FUND BALANCE	-71,603	

ORDINANCE NO. O-2021-0021

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS AMENDING THE CITY'S ZONING MAP AND COMPREHENSIVE PLAN BY CHANGING THE ZONING DISTRICT FOR PART OF BLOCK 25 (2500-8) DIV. E COOK & STEWART SUBDIVISION, LOCATED NEAR CEDAR DR. AND LILAC (GALVESTON COUNTY PROPERTY ID # 195743); PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR EACH VIOLATION; PROVIDING AND EFFECTIVE DATE; AND MAKING OTHER PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, The Owner of Part of Block 25 (2500-8) Div. E Cook & Stewart Subdivision, located near Cedar Dr. and Lilac (Galveston County Property ID# 195743) the (the "Property") submitted an application for the City to amend the zoning district of Owner's property, from Restricted Commercial to Single Family Residential.

WHEREAS, The City Council has conducted, in the time and manner required by law, a public hearing on the proposal to change the zoning for the Property;

WHEREAS, the City Council finds the proposed change in zoning district is consistent with the City's comprehensive plan, and the comprehensive plan and zoning map of the City should be amended.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS THAT:

Section 1. That the adopted zoning map of the City is amended by changing the zoning district applicable to the Property from (C-2) Restricted Commercial to (R-1) Single Family Residential.

Section 2. The City's comprehensive plan is amended in accordance with this Ordinance.

Section 3. Penalty. As provided by Section 71-3 of the City Code, any person who shall violate any of the provisions of this ordinance or who shall erect or alter any building, or who shall commence to erect or alter any building in violation of any detailed statement of plan submitted or approved hereunder, shall for each violation or noncompliance be deemed guilty of a misdemeanor, and upon conviction, shall be fined as provided in Section 1-7 of the City Code. The owner of that building or premises or part thereof where anything in violation of this chapter shall be placed or shall exist, and any architect, builder contractor, agent, or corporation employed in connection

therewith who may have assisted in the commission of any such violation shall be subject to the penalties herein provided.

Section 4. Repeal. This ordinance is intended to be cumulative and shall not repeal any provision of a previous ordinance or City Code provision, except to the extent that a provision is inconsistent and cannot be reconciled with this ordinance.

Section 5. Severability. In the event any clause, phrase, provision sentence, or part of this Ordinance or the application of the same to any person or circumstance for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 6. Publication and Effective Date. This Ordinance shall be effective immediately upon adoption, public hearing in accordance with Section 2.19 of the City Charter, and publication of this ordinance or a caption that summarizes the purpose of this ordinance and the penalty for violating this ordinance in accordance with Chapter 52 of the Texas Local Government Code and Article II of the City Charter.

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on First Reading this **13th** day of **December, 2021**; and

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on Second and Final Reading this _____ day of _____, **2021**; and

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra Nance

APPROVED AS TO FORM:

Gus Knebel
City Attorney



CITY COUNCIL AGENDA FORM

Meeting Date: January 24, 2022

Agenda item: 7a

Prepared by: Suzy Kou

Reviewed by: _____

Department: Finance

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding Resolution No. **R-2022-0001**, whereas the City desires to reimburse itself for the costs associated with the Financed Project from the proceeds of obligations to be issued subsequent to the date hereof



1. Resolution

STAFF BRIEFING:

- Directors submitted a list of equipment needed to carry out operations in fiscal year 2022.
- List of equipment include: trash pumps, mowers, Gradall 4-wheel drive excavator, computers for police, digital video cameras for police.
- Due to significant increase to pricing after December 31, 2021, City had to lock in old price with vendor to stay within budget. This will prevent the City from paying unnecessary extra cost due to uncontrollable economic conditions.
- In certain circumstances, Federal and/or State law requires that the City express its official intent to issue obligations to reimburse itself for expenditures paid prior to the issuance of such obligations in order for such expenditures to be eligible for reimbursement from proceeds of such obligation. This can be achieved by way of Resolution.

HISTORY:

TARGET IMPLEMENTATION: January 24, 2022

SIGNIFICANT ACTION DATES:

Cost Details:	
Budgeted	N/A



CITY COUNCIL AGENDA FORM

ACTION:

- | | |
|--|--|
| ☐ Ordinance | ☒ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Other | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Actual Bid	
Estimated Expenditure	N/A
Acct. Name(s)	
Line Items #	
Other Funding	

STAFF'S RECOMMENDATION: Motion to approve Resolution No. **R-2022-0001**

FISCAL IMPACT: N/A

REIMBURSEMENT RESOLUTION EXPRESSING INTENT TO
FINANCE EXPENDITURES TO BE INCURRED

WHEREAS, City of La Marque, Texas (the “City”) is a political subdivision of the State of Texas authorized to finance its activities by issuing obligations; and

WHEREAS, the City will make, or has made not more than 60 days prior to the date hereof, payments with respect to the projects listed on **Exhibit A** attached hereto (collectively, the “Financed Project”); and

WHEREAS, in certain circumstances, federal and/or state law requires that the City express its official intent to issue obligations to reimburse itself for expenditures paid prior to the issuance of such obligations in order for such expenditures to be eligible for reimbursement from proceeds of such obligations; and

WHEREAS, the City desires to reimburse itself for the costs associated with the Financed Project from the proceeds of obligations to be issued subsequent to the date hereof; and

WHEREAS, the City reasonably expects to issue obligations to reimburse itself for the costs associated with the Financed Project; and

WHEREAS, Section 1.150-2(d)(2) of the Treasury Regulations sets forth limitations regarding the timing of reimbursements made from the proceeds of certain tax-exempt obligations; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS THAT:

Section 1. The City reasonably expects to reimburse itself for costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the Financed Project from the proceeds of obligations to be issued subsequent to the date hereof.

Section 2. The City reasonably expects that the maximum principal amount of obligations issued to reimburse the City for the costs associated with the Financed Project will not exceed the amounts identified in **Exhibit A**.

Section 3. Unless otherwise advised by bond counsel, any reimbursement allocation will be made not later than 18 months after the later of (1) the date the original expenditure is paid or (2) the date on which the Financed Project to which the expenditure relates is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

ADOPTED THIS ____ DAY OF _____, 2022.

CITY OF LA MARQUE, TEXAS

By: _____
Mayor
City of La Marque, Texas

ATTEST:

City Clerk
City of La Marque, Texas

EXHIBIT A

DESCRIPTION OF PROJECT

<u>Purpose/Project</u>	<u>Amount</u>
The purchase and installation of city equipment, including trash pumps, an excavator, mowers, mobile digital video cameras and mobile computer terminals.	\$626,000



CITY COUNCIL AGENDA FORM

Meeting Date: January 24, 2022

Agenda item: 7b

Prepared by: Suzy Kou

Reviewed by: _____

Department: Finance

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding Resolution No. **R-2022-0002**, whereas the City reasonably expects to reimburse itself for costs of facilities assessment and the design, construction, acquisition, and equipment of a public safety building and the costs of professional services prior to issuance of future related debt

☒

1. Resolution

STAFF BRIEFING:

- In certain circumstances, Federal and/or State law requires that the City express its official intent to issue obligations to reimburse itself for expenditures paid prior to the issuance of such obligations in order for such expenditures to be eligible for reimbursement from proceeds of such obligation. This can be achieved by way of Resolution.
- This resolution only applies if the May bond election passes to construct a police/court facility.

HISTORY:

TARGET IMPLEMENTATION: January 24, 2022

SIGNIFICANT ACTION DATES:

ACTION:

- | | |
|--|--|
| ☐ Ordinance | ☒ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Other | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Cost Details:

Budgeted	N/A
Actual Bid	
Estimated Expenditure	N/A
Acct. Name(s)	
Line Items #	
Other Funding	



CITY COUNCIL AGENDA FORM

STAFF'S RECOMMENDATION: Motion to approve Resolution No. **R-2022-0002**

FISCAL IMPACT: N/A

REIMBURSEMENT RESOLUTION EXPRESSING INTENT TO
FINANCE EXPENDITURES TO BE INCURRED

WHEREAS, City of La Marque, Texas (the “City”) is a political subdivision of the State of Texas authorized to finance its activities by issuing obligations; and

WHEREAS, the City will make, or has made not more than 60 days prior to the date hereof, payments with respect to the projects listed on **Exhibit A** attached hereto (collectively, the “Financed Project”); and

WHEREAS, in certain circumstances, federal and/or state law requires that the City express its official intent to issue obligations to reimburse itself for expenditures paid prior to the issuance of such obligations in order for such expenditures to be eligible for reimbursement from proceeds of such obligations; and

WHEREAS, the City desires to reimburse itself for the costs associated with the Financed Project from the proceeds of obligations to be issued subsequent to the date hereof; and

WHEREAS, the City reasonably expects to issue obligations to reimburse itself for the costs associated with the Financed Project; and

WHEREAS, Section 1.150-2(d)(2) of the Treasury Regulations sets forth limitations regarding the timing of reimbursements made from the proceeds of certain tax-exempt obligations; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS THAT:

Section 1. The City reasonably expects to reimburse itself for costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the Financed Project from the proceeds of obligations to be issued subsequent to the date hereof.

Section 2. The City reasonably expects that the maximum principal amount of obligations issued to reimburse the City for the costs associated with the Financed Project will not exceed the amounts identified in **Exhibit A**.

Section 3. Unless otherwise advised by bond counsel, any reimbursement allocation will be made not later than 18 months after the later of (1) the date the original expenditure is paid or (2) the date on which the Financed Project to which the expenditure relates is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

ADOPTED THIS ____ DAY OF _____, 2022.

CITY OF LA MARQUE, TEXAS

By: _____
Mayor
City of La Marque, Texas

ATTEST:

City Clerk
City of La Marque, Texas

EXHIBIT A

DESCRIPTION OF PROJECT

<u>Purpose/Project</u>	<u>Amount</u>
A facilities assessment and the design, construction, acquisition, and equipment of a police/court building and the costs of professional services.	\$10,000,000



CITY COUNCIL AGENDA FORM

Meeting Date: January 24, 2022
Prepared by: Suzy Kou
Department: Finance

Agenda item: 7c
Reviewed by: _____

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding renewing contract with financial advisor ("Stifel") to assist the City with GO Bond Election and other various financing transactions

☒ X

1. Proposed renewed contract

STAFF BRIEFING:

- The City has been using Stifel since 2019.
- Due to recent additional legislative changes, it is beneficial for city to have Stifel to assist with federal and state compliance.

HISTORY:

TARGET IMPLEMENTATION: January 24, 2022

SIGNIFICANT ACTION DATES:

ACTION:

- | | |
|--|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☒ Other | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Cost Details:

Budgeted	-0-
Actual Bid	
Estimated Expenditure	Based on principal issued
Acct. Name(s)	
Line Items #	
Other Funding	

STAFF'S RECOMMENDATION: Motion to approve renewal of financial advisor contract with Stifel

FISCAL IMPACT: Based on principal of issuance and usually cost is attached to the debt.



December 21, 2021

Suzy Kou, Finance Director
City of La Marque, Texas
1111 Bayou Road
La Marque, Texas 77568

RE: MUNICIPAL ADVISORY SERVICES AGREEMENT;
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2022

Dear Suzy Kou,

Stifel, Nicolaus & Company, Incorporated ("Stifel") presents for your acceptance this Agreement to retain Stifel as municipal advisor/financial advisor to the City of La Marque, Texas (the "Issuer"), specifically to perform the scope of services outlined below for the proposed Public Property Finance Contractual Obligations, Series 2022 and a period effective from the date this agreement is signed by the parties and ending 12/31/2023 ("Agreement"), at which time this Agreement will terminate. This Agreement may also be terminated on thirty (30) days written notice by either party. Stifel and the Issuer agree that during the term of this Agreement, Stifel will serve as the Issuer's municipal advisor for the issuance of bonds, notes, refunding bonds and/or the use of other financial instruments (such as bank loans and municipal leases and other non-municipal security financings) ("Transactions" and each a "Transaction") as well as the Issuer's municipal advisor between and outside of Transactions.

1. Scope of Work. Stifel agrees to perform the following services for the Issuer during the term of the Agreement:
 - a. Assume overall responsibility for the financial analysis and structuring recommendations for Transactions;
 - b. Assist counsel to the underwriter(s) and the Issuer in preparation of any preliminary and final official statements, offering memoranda, or term sheets for Transactions consistent with all federal and state requirements;
 - c. Assist in drafting the preliminary and final official statements, offering memoranda or term sheets ("Offering Documents") based on information provided by the Issuer as well as information derived from other sources. The information contained in the Offering Documents will be derived from the sources stated or, if not otherwise sourced, from the Issuer. Stifel makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in the Offering Document, and its assistance in preparing the Offering Document should not be construed as a representation that it has independently verified such information. The Issuer will be expected to examine,

approve and make certifications with respect to the information in the Offering Documents in accordance with its obligations under the federal securities laws.

- d. Assist Issuer, as requested, in the selection of an underwriter(s) or placement agent, including review of underwriter or placement agent recommendations to the extent requested in writing by the Issuer, and coordinate all activities of the underwriter(s) or placement agent;
- e. Coordinate with consultants, accountants, bond counsel, other attorneys and staff in connection with Transactions;
- f. Coordinate financing time schedules, distribution of documents, preliminary and final official statement printing, wire-transfers of funds, deliveries of bonds and bond closings;
- g. Assist the Issuer on the matter of bond rating(s) for any proposed issue and coordinate the preparation of credit information for submission and presentation to the rating agency(ies);
- h. Coordinate the Issuer's credit strategy, communications with the credit rating agencies, if any, and preparation of materials related to communications with the credit rating agencies related to agency surveillance, as applicable;
- i. Coordinate pre-pricing discussions of bond pricing and structuring, supervise the sale process, and advise on acceptability of offer to purchase bonds by the underwriters;
- j. If requested, assist the Issuer in procuring any appropriate ancillary financing-related products and services including, credit enhancement (e.g., bond insurance), paying agent/registrar/trustee, escrow agent (if applicable), escrow investments, and other such products and services as Issuer may deem necessary or desirable in connection with any financing.
- k. Attend Issuer meetings as requested, with reasonable advance notice;
- l. Provide such other services as are mutually agreed upon in writing by the Issuer and Stifel, including ongoing monitoring of refinancing as well as other future market opportunities.
- m. Perform the following services for Issuer with respect to a defeasance of Issuer's outstanding bonds:
 - i. Provide a calculation showing the application of funds on hand to retire debt for the Issuer to defease the bonds, taking into account the call

feature permitted by the Resolution for the bonds and the advice of bond counsel;

- ii. Coordinate with the Paying/Escrow Agent and Bond Counsel on behalf of the Issuer;
 - iii. Outline bond payoff process and timing and wire instructions;
 - iv. Review redemption notices and coordinate filing of advance refunding document, if applicable.
2. Issuer's Obligations. The Issuer agrees that its staff and consultants will cooperate with Stifel and make available any data in the possession of the Issuer necessary to perform Stifel's financial advisory services and regulatory obligations as described in Exhibit A to this agreement.
3. Regulatory Disclosures:
 - a. Issuer is aware of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Securities and Exchange Commission's adopted rule commonly known as the "Municipal Advisor Rule" (SEC Rule 15Ba1-1 to 15Ba1-8 - "the Rule"). Stifel will be serving as a municipal advisor to the Issuer under the Rule and this agreement documents the municipal advisory relationship between Stifel and the Issuer.
 - b. MSRB Rule G-42 requires that a municipal advisor provide its client with certain written disclosures. Please see Exhibit A to this agreement for those disclosures.
4. Compensation:

Transaction Fee: For the **Public Property Finance Contractual Obligations, Series 2022**, Stifel's financial advisory services and expenses in processing this bond series to be sold in a single negotiated sale, Stifel shall be paid a fee equal to \$10,000.

For any additional Transactions, Stifel's financial advisory services and expenses in processing Transactions shall be a fee equal to 2.00% of the first \$1,000,000 par amount of debt issued; plus 1.00% of the next \$1,000,000 par amount of debt issued; plus 0.75% of the next \$2,000,000 par amount of debt issued; plus 0.40% for all debt over \$4,000,000 par amount of debt issued to be paid at the completion of the sale of the debt. A minimum fee for any issue of debt will be of \$20,000 (excluding the Public Property Finance Contractual Obligations, Series 2022).

The Issuer will reimburse Stifel for all reasonable costs and expenses incurred by Stifel related to the Bonds being issued, in an amount not to exceed \$5,000.

All fees will be paid at the completion of the sale of the Bonds.

5. Authority to Direct Financial Advisor:
The following individuals have the authority to direct Stifel's performance of its scope of work under this agreement: **Suzy Kou, Finance Director and Keith Bell, Mayor**

Respectfully submitted this 22nd day of December, 2021.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: 

Name: Brad Angst

Title: Director

ACCEPTANCE

I, _____, acting in my capacity as _____,
upon approval by the governing body of the Issuer, hereby accept the agreement as submitted
by Stifel, Nicolaus & Company, Incorporated relative to the municipal advisory services, as
described herein.

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A
City of La Marque, Texas
Financial Advisory Engagement

MSRB Rule G-42 Disclosures

As municipal advisor to the City of La Marque, Texas (“you”), Stifel Nicolaus (“Stifel” or “we”) is subject to the rules of the Municipal Securities Rulemaking Board (MSRB), including MSRB Rule G-42. The rule directs us to make certain disclosures to you. Please review the following disclosures and contact your Stifel municipal advisor if you have any questions.

Our Duties as Your Municipal Advisor

Rule G-42 describes our basic duties to you. Most importantly, we owe you a fiduciary duty, the principal element of which is a duty of loyalty. Under the duty of loyalty, we are required to deal honestly and in the utmost good faith with you and to act in your best interests without regard to our financial or other interests. We may not serve as your municipal advisor if we believe that we have any conflicts of interest that we cannot manage or mitigate so that we can act in your best interests.

Rule G-42 also provides that we owe you a duty of care. As part of that duty, we must possess the degree of knowledge and expertise needed to provide you with informed advice. Also, under that duty, when we make recommendations to you or help you to evaluate the recommendations of others, we may need to ask questions to make sure that we have all the relevant facts.

Disclosure of Conflicts

Rule G-42 requires us to disclose to you any known material, actual or potential conflicts of interest that could reasonably be expected to impair our ability to provide you with advice, including any conflicts associated with contingent fee arrangements. As described in our engagement letter, the payment of our fee will be contingent on the closing of the bond issue described in the engagement letter [and the amount of compensation will be based on a percentage of the principal amount of the bond issue]. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since we may have an incentive to recommend a transaction to you that is unnecessary or to recommend that the size of the bond issue be larger than is necessary. We would, of course, be willing to discuss an alternative fee arrangement, if that is your preference.

Stifel has not identified any additional potential or actual material conflicts that require disclosure.

Legal and Disciplinary Event Disclosures

Each firm that is registered as a municipal advisor with the U.S. Securities and Exchange Commission (SEC) is required to file Form MA with the SEC and update that form periodically and as events change. The firm is also required to file a Form MA-I for each of its employees who is engaged in municipal advisory activities. Stifel's most recent Form MA and the Form MA-1 for each current Stifel municipal advisor employee may be found on the SEC's EDGAR website using the following hyperlink: <http://www.sec.gov/cgi-bin/browse-edgar?CIK=0000094403&owner=exclude&action=getcompany&Find=Search>.

Item 9 of Form MA requires each municipal advisor firm to disclose any criminal, regulatory violations, or self-regulatory violations and certain civil litigation. Because we are a broker-dealer firm, Form MA permits us to cross-reference to our Form BD, which is available on the website of the Financial Industry Regulatory Authority (FINRA), and our Form ADV, which is available on the SEC website. For your convenience, you may access our Form BD by using the following hyperlink: <http://brokercheck.finra.org/Firm/Summary/793>. You may access our Form ADV by using the following hyperlink: <https://www.adviserinfo.sec.gov/IAPD/IAPDSearch.aspx> and entering Firm 793 in the search field. Item 6 of each Form MA-I requires comparable disclosure about a municipal advisor individual, as well as customer complaint, arbitration, investigation, termination, financial, and judgment/lien disclosure. When an individual has a disciplinary history, Form MA-1 permits us to cross-reference to that individual's Form U-4. The disciplinary history on an individual's Form U-4 is accessible entering the individual's name in FINRA's "Broker-Check" service, using the following hyperlink: <http://brokercheck.finra.org/>.

In May 2020, Stifel, Nicolaus & Company, Incorporated (the Firm) entered into a Letter of Acceptance, Waiver and Consent (AWC) with the Financial Industry Regulatory Authority (FINRA) whereby the Firm without admitting or denying any specific findings, consented to findings that, from January 2012 through December 2016, the Firm failed to establish, maintain and enforce written supervisory procedures (WSPS) that were reasonably designed to achieve compliance with FINRA's suitability rule as it pertains to early rollovers of unit investment trusts (UITs). As a result the Firm violated NASD Rule 3010, FINRA Rule 3110, and FINRA Rule 2010. Additionally, the Firm consented to a further violation of FINRA Rule 2010 in connection with the sending of "switch letters" to customers containing inaccurate information about the costs they incurred as a result of the early UIT rollovers. The Firm agreed to pay a fine of \$1.75 million and restitution in the amount of \$1,891,188.13, plus interest. The FINRA staff did not require any remedial undertakings by the Firm in the AWC. The Firm has implemented various enhancements to its supervision and compliance oversight of early rollovers of UITs which it believes addresses the alleged deficiencies identified by FINRA. Those enhancements include implementation of a switch alert notification for early rollovers, a risk-based approach of compliance oversight for early rollover activity and a periodic "look-back" by the compliance department of early rollover activity by selected financial advisors.

None of the activities addressed in the AWC were municipal advisory services provided to our municipal entity or obligated person clients. We do not believe that any of the legal or disciplinary event disclosures described in our Form MA is material to our ability to serve as your municipal advisor.

Evaluation of Recommendations/Suitability

As provided in our engagement letter, we will assist you in evaluating recommendations, whether made by Stifel or, upon your written request, by third-parties, such as underwriters. We will provide you with our evaluation of the material risks, potential benefits, structure, and other characteristics of the transaction or product. We will discuss with you why we think a recommendation we make is suitable for you. In the case of recommendations made by an underwriter or other third-party that you request in writing that we review, we will discuss with you why we think the recommended transaction or product is or is not suitable for you. We will also inform you of any other reasonably feasible alternatives considered.

In order for us to evaluate whether we think a recommendation is suitable for you, we are required to consider the following factors and we may need information from you about those factors, much as if you were opening a brokerage account:

- financial situation and needs,
- objectives,
- tax status,
- risk tolerance,
- liquidity needs,
- experience with municipal securities transactions or municipal financial products generally or of the type and complexity being recommended,
- financial capacity to withstand changes in market conditions during the term of the municipal financial product or the period that municipal securities to be issued in the municipal securities transaction were reasonably expected to be outstanding, and
- any other material information known by the municipal advisor about the client and the municipal securities transaction or municipal financial product, after reasonable inquiry.

Additional Information

We also wish to inform you that Stifel is registered as a municipal advisor with both the SEC and the MSRB. Information about the duties of a municipal advisor, as well as the procedures for filing a complaint, may be found on the MSRB's website by clicking on the following link: <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure.ashx?la=en>. The general website for the MSRB is www.msrb.org. If you have any questions, please contact your municipal advisor.



CITY COUNCIL AGENDA FORM

Meeting Date: January 24, 2022

Agenda item: 7d

Prepared by: Suzy Kou

Reviewed by: _____

Department: Finance

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding Ordinance No. O-2022-0001 authorizing the issuance and sale of the City of La Marque, Texas, Public Property Finance Contractual Obligations Series 2022; Levying a tax in payment thereof; and enacting other provisions relating thereto

☒

1. Ordinance
2. Purchase Letter
3. Equipment list
4. Bid tab

STAFF BRIEFING:

- Directors submitted a list of equipment needed to carry out operations in fiscal year 2022.
- List of equipment include: trash pumps, mowers, Gradall 4-wheel drive excavator, computers for police, digital video cameras for police.
- With recommendation of financial advisor and bond counsel, issuing a contractual obligation to finance for purchase is best option.
- Estimated annual payment is \$72,000 from Debt Service Fund.
- Three bids received
- Staff recommends Amegy Bank at 1.81%

HISTORY:

January 12, 2022 - Ad posting

January 19, 2022 - Deadline to submit proposals

January 24, 2022 - Recommendation for Council approval

February 17, 2022 - Closing date

TARGET IMPLEMENTATION: February 17, 2022

SIGNIFICANT ACTION DATES:

January 12, 2022 - Ad posting

January 19, 2022 - Deadline to submit proposals

January 24, 2022 - Recommendation for Council approval

February 17, 2022 - Closing date



CITY COUNCIL AGENDA FORM

ACTION:

- | | |
|--|---|
| ☒ Ordinance | ☐ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Other | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Cost Details:	
Budgeted	-0-
Actual Bid	1.81%
Estimated Expenditure	\$36,000
Acct. Name(s)	Contractual Obligations-Principal; Contractual Obligations-Interest
Line Items #	15-4400-00-00;15-4450-00-00
Other Funding	

STAFF'S RECOMMENDATION: Motion to approve Ordinance No. **O-2022-0001** authorizing the issuance and sale of the City of La Marque, Texas, Public Property Finance Contractual Obligations Series 2022; Levying a tax in payment thereof; and enacting other provisions relating thereto

FISCAL IMPACT: Estimated \$36,000 fiscal year 2022; Subsequent years annual \$72,000

ORDINANCE NO. O-2022-0001

AUTHORIZING THE ISSUANCE OF

\$ _____
CITY OF LA MARQUE, TEXAS
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION, SERIES 2022

Adopted: January 24, 2022

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.....	1
Section 1.02. Other Definitions	3
Section 1.03. Findings.....	3
Section 1.04. Table of Contents, Titles and Headings	3
Section 1.05. Interpretation.....	3

ARTICLE II

SECURITY FOR THE OBLIGATION

Section 2.01. Tax Levy for Payment of Obligation	4
--	---

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE OBLIGATION

Section 3.01. Authorization	4
Section 3.02. Date, Denomination, Maturities, Numbers and Interest	4
Section 3.03. Medium, Method and Place of Payment.....	5
Section 3.04. Execution and Initial Registration	6
Section 3.05. Ownership	6
Section 3.06. Registration, Transfer and Exchange	7
Section 3.07. Cancellation and Authentication.....	8
Section 3.08. Replacement Obligation.....	8

ARTICLE IV

REDEMPTION OF OBLIGATION BEFORE MATURITY

Section 4.01. Limitation on Redemption	9
Section 4.02. Optional Redemption	9
Section 4.03. Mandatory Sinking Fund Redemption.....	9
Section 4.04. Partial Redemption.....	10
Section 4.05. Notice of Redemption to Owners	10
Section 4.06. Payment Upon Redemption	11
Section 4.07. Effect of Redemption	11
Section 4.08. Lapse of Payment.....	11

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01.	Appointment of Initial Paying Agent/Registrar	12
Section 5.02.	Qualifications	12
Section 5.03.	Maintaining Paying Agent/Registrar	12
Section 5.04.	Termination	12
Section 5.05.	Notice of Change	12
Section 5.06.	Agreement to Perform Duties and Functions	12
Section 5.07.	Delivery of Records to Successor	12

ARTICLE VI

FORM OF THE OBLIGATION

Section 6.01.	Form Generally	13
Section 6.02.	Form of Obligation	13
Section 6.03.	Legal Opinion	19

ARTICLE VII

SALE OF THE OBLIGATION; CONTROL AND DELIVERY OF THE OBLIGATION

Section 7.01.	Sale of Obligation; Purchase Letter	19
Section 7.02.	Control and Delivery of Obligation	19

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01.	Debt Service Fund	20
Section 8.02.	Deposit of Proceeds	20

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01.	Payment of Obligation	21
Section 9.02.	Other Representations and Covenants	21
Section 9.03.	Ordinance a Contract – Amendments and Remedies	21
Section 9.04.	Provisions Regarding Federal Income Tax Matters	21

ARTICLE X

DISCHARGE

Section 10.01. Discharge	23
--------------------------------	----

ARTICLE XI

MISCELLANEOUS

Section 11.01. Changes to Ordinance	23
Section 11.02. Partial Invalidity.....	23
Section 11.03. Repealer	23
Section 11.04. Individuals Not Liable	23
Section 11.05. Related Matters	23
Section 11.06. Force and Effect.....	24

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LA MARQUE, TEXAS PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2022; LEVYING A TAX IN PAYMENT THEREOF; AND ENACTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, pursuant to the Public Property Finance Act, Chapter 271, Subchapter A, Texas Local Government Code, as amended (the “Act”), the governing body of a municipality is authorized to execute, perform and make payments under contracts with any person for the use, acquisition, purchase or financing of personal property as described in the Act; and

WHEREAS, the Act permits the governing body of a municipality to execute contracts in any form it deems appropriate in connection with the use, acquisition, purchase or financing of personal property; and

WHEREAS, it is affirmatively found that the City Council (the “City Council”) of the City of La Marque, Texas (the “City”) is authorized to proceed with the issuance and sale of obligations as authorized by the Constitution and laws of the State of Texas, particularly the Act; and

WHEREAS, the City Council desires to acquire, purchase or finance, to wit: the purchase and installation of City equipment, including trash pumps, an excavator, mowers, mobile digital video cameras and mobile computer terminals, which personal property is deemed by the City Council to be necessary, useful and/or appropriate for its purposes (the “Property”); and

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of the Obligation (as herein defined) and deems it appropriate to adopt this ordinance (the “Ordinance”) and to issue the Obligation as authorized by the Act; and

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

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance the following terms shall have the meanings specified below:

“Bond Counsel” means Bracewell LLP or any successor thereto.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Debt Service Fund” means the Debt Service Fund established by Section 8.01(a).

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its office Dallas, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“Fiscal Year” means such fiscal year as shall from time to time be set by the City Council.

“Initial Obligation” means the Obligation described in Section 3.04(d).

“Interest Payment Date” means the date or dates upon which interest on the Obligation is scheduled to be paid until the maturity of the Obligation, such dates being February 1 and August 1 of each year commencing August 1, 2022, until maturity or prior redemption.

“Issuance Date” means the date of the initial delivery of and payment for the Obligation.

“Obligation” means the City’s Obligation entitled “City of La Marque, Texas Public Property Finance Contractual Obligation, Series 2022” authorized to be issued by Section 3.01.

“Ordinance” means this Ordinance.

“Owner” means the person who is the registered owner of the Obligation, as shown in the Register.

“Paying Agent/Registrar” means [REDACTED], or any successor thereto as provided in this Ordinance.

“Paying Agent/Registrar Agreement” means the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar relating to the Obligation.

“Project” has the meaning set forth in Section 3.01.

“Purchase Letter” means the letter agreement described in Section 7.01 of this Ordinance.

“Purchaser” means [REDACTED].

“Record Date” means, for any Interest Payment Date, the close of business on the fifteenth day of the month next preceding an Interest Payment Date.

“Redemption Price” means the principal amount of the Obligation being redeemed plus accrued interest to the date of redemption.

“Register” means the Register specified in Section 3.06(a).

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of the principal of or interest on the Obligation as the same become due and payable and remaining unclaimed by the Owners of such Obligation for 90 days after the applicable payment or redemption date.

Section 1.02. Other Definitions. The terms “Act,” “City Council,” “City,” “Property,” and “Ordinance” shall have the meanings assigned in the preamble to this Ordinance.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

ARTICLE II

SECURITY FOR THE OBLIGATION

Section 2.01. Tax Levy for Payment of Obligation.

(a) While the Obligation or any part of the principal thereof or interest thereon remains outstanding and unpaid, there is hereby levied and there shall be annually levied, assessed and collected in due time, form and manner, and at the same time other City taxes are levied, assessed and collected, in each year, a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the City sufficient to pay the current interest on the Obligation as the same becomes due, and to provide and maintain a sinking fund adequate to pay the principal of the Obligation as such principal matures, but never less than two percent (2%) of the original principal amount of the Obligation each year, full allowance being made for delinquencies and costs of collection, and such taxes when collected shall be applied to the payment of the interest on and principal of the Obligation and to no other purpose. The proceeds from all taxes levied, assessed and collected for and on account of the Obligation authorized by this Ordinance shall be deposited into the Debt Service Fund created pursuant to Section 8.01 herein.

(b) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Debt Service Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Obligation when and as due and payable in accordance with their terms and this Ordinance.

(c) To pay debt service coming due on the Obligation 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, and amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE OBLIGATION

Section 3.01. Authorization. The City's Obligation to be designated "City of La Marque, Texas Public Property Finance Contractual Obligation, Series 2022," is hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, particularly the Act, in the aggregate principal amount of \$626,000 for the purpose of providing funds to pay contractual obligations incurred or to be incurred (i) for the purchase and installation of City equipment, including trash pumps, an excavator, mowers, mobile digital cameras and mobile computer terminals, and (ii) for the payment of the costs of issuance related thereto (the "Project").

Section 3.02. Date, Denomination, Maturities, Numbers and Interest.

(a) The entire principal amount of the Obligation shall mature on February 1, 20 , and the Obligation shall bear interest at a rate of %.

(b) The Initial Obligation shall be numbered I-1 and all other Obligations, if any, shall be numbered separately from one upward or with such other designation acceptable to the City and the Paying Agent/Registrar.

(c) The Obligation shall be dated **January 15, 2022**. Interest on the Obligation shall accrue from the Issuance Date and be paid until the principal amount thereof has been paid or provision for such payment has been made, at the rate per annum specified in subsection (a) above. Such interest shall be payable semiannually on each Interest Payment Date, computed on the basis of a 360-day year composed of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of and interest on the Obligation shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Obligation shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date"), which shall be at least 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of the Owner of the Obligation appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest on the Obligation shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, United States mail, first class postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of the Obligation shall be paid to the person in whose name such Obligation is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Obligation at the Designated Payment/Transfer Office; provided, however, that for so long as the Obligation is held by a single Owner, mandatory sinking fund redemption payments or optional redemption payments made prior to final maturity will be noted by the Paying Agent/Registrar in their official records but will not require the presentation and surrender of the Obligation.

(e) If a date for the payment of the principal of or interest on the Obligation is not a Business Day, a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close then the date for such payment shall be the next succeeding Business Day, and

payment on such date shall have the same force and effect as if made on the original date payment was due.

(f) Subject to any applicable escheat, unclaimed property, or similar law, including Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be paid to the City and thereafter neither the City, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Obligation for any further payment of such unclaimed moneys or on account of any such Obligation.

Section 3.04. Execution and Initial Registration.

(a) The Obligation shall be executed on behalf of the City by the Mayor or Mayor Pro Tem and City Clerk of the City, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Obligation shall have the same effect as if the Obligation had been signed manually and in person by each of said officers, and such facsimile seal on the Obligation shall have the same effect as if the official seal of the City had been manually impressed upon the Obligation.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Obligation ceases to be such officer before the authentication of such Obligation or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Obligation 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 Obligation. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Obligation delivered on the Issuance 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 her duly authorized agent, which certificate shall be evidence that the Initial Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Issuance Date, one Obligation (the "Initial Obligation"), executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and City Clerk of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Purchaser or its designee against payment therefor.

Section 3.05. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Obligation is registered as the absolute owner of such Obligation for the purpose

of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Obligation is registered on the Record Date), and for all other purposes, whether or not such Obligation is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Obligation in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Obligation to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as the Obligation remains outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of the Obligation in accordance with this Ordinance.

(b) Subject to the restrictions contained in the Purchase Letter, the ownership of an Obligation may be transferred only upon the presentation and surrender of the Obligation at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Obligation shall be effective until entered in the Register.

(c) The Obligation shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for an Obligation of the same maturity and interest rate and in the denomination of [\$5,000] or any integral multiple of [\$5,000] in excess thereof, and in an aggregate principal amount equal to the unpaid principal amount of the Obligation presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver an Obligation exchanged for another Obligation in accordance with this Section.

(d) Each exchange Obligation delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Obligation in lieu of which such exchange Obligation is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of the Obligation. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of an Obligation.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Obligation called for redemption, in whole or in part, where such redemption is scheduled to occur within 45 calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of an Obligation.

Section 3.07. Cancellation and Authentication. An Obligation paid or redeemed before scheduled maturity in accordance with this Ordinance, and an Obligation in lieu of which an exchange Obligation or a replacement Obligation is authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of the cancelled Obligation in accordance with the Securities Exchange Act of 1934.

Section 3.08. Replacement Obligation.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Obligation, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Obligation of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Obligation to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Obligation is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Obligation has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Obligation of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Obligation;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Obligation, a bona fide purchaser of the original Obligation in lieu of which such replacement Obligation was issued presents for payment such original Obligation, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Obligation from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Obligation has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Obligation, may pay such Obligation.

(e) Each replacement Obligation delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Obligation in lieu of which such replacement Obligation is delivered.

ARTICLE IV

REDEMPTION OF OBLIGATION BEFORE MATURITY

Section 4.01. Limitation on Redemption.

The Obligation shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption.

(a) The City has reserved the right to redeem the Obligation at its option, in whole or from time to time in part, [on any date], at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Obligation is to be redeemed, the City shall determine the maturity or maturities (or mandatory sinking fund payment with respect to a Term Obligation) and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Obligation, or portions thereof, within such maturity and in such principal amounts, for redemption.

(b) The City, at least 30 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption and of the principal amount of Obligation to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption.

(a) The Obligation is issued as a single "Term Obligation" in the form of Obligation contained in Section 6.02(a) and is subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Debt Service Fund, on the dates and in the respective principal amounts as set forth in the form of Obligation contained in Section 6.02(a).

(b) Prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption a principal amount of Term Obligation equal to the aggregate principal amount of such Term Obligation to be redeemed, shall call such Term Obligation for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05. For so long as the Obligation is held as a single Term Obligation by the Purchaser, the Paying Agent/Registrar shall record in its official records the reductions in the principal amount of the Obligation due to mandatory sinking fund redemption payments and, upon written request of the City, provide the City with written evidence that such reduction was made.

(c) The principal amount of the Term Obligation required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Obligation which, at least 45 days prior to the

mandatory sinking fund redemption date shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) If less than all of the Obligation is to be redeemed pursuant to Section 4.02 hereof, the City shall determine the maturity or maturities (or mandatory sinking fund payment with respect to a Term Obligation) and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot, or other customary method that results in random selection, the Obligation, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) A portion of the Obligation in a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral \$5,000 multiple thereof. If such Obligation is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion or any integral \$5,000 multiple of the Obligation as though it were a single Obligation for purposes of selection for redemption.

(c) Upon surrender of any Obligation for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Obligation or Obligation in an aggregate principal amount equal to the unredeemed portion of the Obligation so surrendered, such exchange being without charge. Notwithstanding the foregoing, for so long as the Obligation is held as a single Term Obligation by the Purchaser, the Paying Agent/Registrar shall record the reduction in principal amount due to option redemption in its official records and, upon written request of the City, provide evidence to the City and the Purchaser that such reduction was made.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Obligation as to which only a portion thereof is to be redeemed.

Section 4.05. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of the Obligation by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owners of the Obligation (or portions thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The City reserves the right to give notice of its election or direction to redeem the Obligation under Section 4.02 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited

or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. The Obligation subject to conditional redemption where redemption has been rescinded shall remain outstanding.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Obligation to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Obligation being redeemed.

(b) Upon presentation and surrender of the Obligation called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption (or if the Obligation is held as a single Term Obligation, upon the reduction of the principal amount of the Obligation due to mandatory sinking fund redemption), the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Obligation to the date of redemption from the money set aside for such purpose.

Section 4.07. Effect of Redemption.

(a) When the Obligation has been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Obligation or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on the Obligation or portion thereof called for redemption shall terminate on the date fixed for redemption. If the City shall fail to make provision for payment of all sums due on a redemption date, then the Obligation or portion thereof called for redemption shall continue to bear interest at the rate stated on the Obligation until due provision is made for the payment of same.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then the Obligation or portions thereof called for redemption shall continue to bear interest at the rate stated on the Obligation until due provision is made for the payment of same by the City.

Section 4.08. Lapse of Payment. Money set aside for the redemption of the Obligation and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

PAYING AGENT/REGISTRAR

 is hereby appointed as the initial Paying Agent/Registrar for the Obligation. The form of Paying Agent/Registrar Agreement is hereby approved.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Obligation.

(a) At all times while the Obligation is outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor or Mayor Pro Tem is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the City and the Paying Agent/Registrar. The signature of the Mayor or Mayor Pro Tem shall be attested by the City Clerk.

Section 5.04. Termination. The City, upon not less than 45 days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Obligation.

Section 5.05. Notice of Change. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner and any bond insurer by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Obligation to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE OBLIGATION

Section 6.01. Form Generally.

(a) The Obligation, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on the Obligation, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification and such legends and indorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Obligation, as evidenced by their execution thereof.

(b) Any portion of the text of any Obligation may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Obligation.

(c) The Obligation, including the Initial Obligation submitted to the Attorney General of Texas, shall be typed, printed, lithographed, photocopied or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Obligation, as evidenced by their execution thereof.

Section 6.02. Form of Obligation. The form of Obligation, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Obligation, shall be substantially as follows:

[Remainder of Page Intentionally Left Blank]

(a) Form of Obligation.

REGISTERED
NO. I-1

REGISTERED
\$[]

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF LA MARQUE, TEXAS
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION
SERIES 2022

INTEREST RATE:

[]%

MATURITY DATE:

February 1, 20[]

ISSUANCE DATE:

[], 2022

The City of La Marque (the “City”), in Galveston County, State of Texas, for value received, hereby promises to pay to

[]

or registered assigns, on the Maturity Date specified above, the sum of

[] DOLLARS

unless the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Issuance Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing on [].

The principal of this Obligation (or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption) shall be payable without exchange or collection charges in lawful money of the United States of America on the Maturity Date specified above (unless redeemed prior thereto as provided in this Obligation) upon presentation and surrender of this Obligation at the corporate trust office in [] (the “Designated Payment/Transfer Office”), of [] as initial Paying Agent/Registrar, or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Obligation is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Obligation, the registered owner shall be the person in whose name this Obligation is registered at the close of business on the “Record Date,” which shall be the close of business on the fifteenth day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a

scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of an Obligation appearing on the books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Obligation is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such 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 Obligation is dated **January 15, 2022** and is one of a series of fully registered Obligation specified in the title hereof issued in the aggregate principal amount of **[\$626,000]** (herein referred to as the “Obligation”), pursuant to a certain ordinance approved by the City Council of the City (the “Ordinance”) for the purpose of providing funds for the purchase and installation of City equipment, including trash pumps, an excavator, mowers, mobile digital video cameras and mobile computer terminals, and to pay the costs of issuance related thereto.

This Obligation and the interest thereon are payable from the levy of a direct and continuing ad valorem tax levied, within the limit prescribed by law, against all taxable property in the City as described and provided in the Ordinance.

The City has reserved the right to redeem the Obligation at its option, in whole or from time to time in part, **[on any date]**, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Obligation is to be redeemed, the City shall determine the maturity or maturities (or mandatory redemption payment with respect to a Term Obligation) and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Obligation, or portions thereof, within such maturity and in such principal amounts, for redemption.

The Obligation is a “Term Obligation” are subject to mandatory sinking fund redemption prior to scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

[	]	\$	[
[	]	[	]
[	]	[	]
[	]	[	]
[	]	[	]
[	]	[	]
[	]	[	]
[	]	[	]

(Maturity)

The Paying Agent/Registrar will select the specific Term Obligation (or each \$5,000 portion thereof) to be redeemed by mandatory redemption. For so long as the Obligation is held as a single Term Obligation by the Purchaser, the Paying Agent/Registrar shall record the reductions in the principal amount of the Obligation due to mandatory sinking fund redemption payments, will not require the presentation and surrender of the Obligation, and, upon written request of the City, provide the City with written evidence that such reduction was made. The principal amount of Term Obligation required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Term Obligation which, at least 45 days prior to the mandatory sinking fund redemption date shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Not less than 30 days prior to a redemption date for the Obligation, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Obligation to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

The City reserves the right to give notice of its election or direction to redeem Obligation pursuant to an optional redemption conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Obligation subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Obligation called for redemption shall become due and payable on the specified redemption date.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Obligation is transferable upon surrender of this Obligation for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Obligation of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Obligation and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Obligation has been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Obligation, does not exceed any constitutional or statutory limitation.

City Clerk
City of La Marque, Texas

[SEAL]

CERTIFICATE OF PAYING AGENT/REGISTRAR

_____,
as Paying Agent/Registrar

By: _____
Authorized Signatory

(c) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and ZIP Code of transferee): _____

(Social Security or other identifying number: _____) the within Obligation and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Obligation on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Obligation in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(d) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Obligation:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts of the
State of Texas

[SEAL]

(e) The Initial Obligation shall be in the form set forth in paragraphs (a), (b), (c) and (d) of this Section, and shall be numbered "I-1".

Section 6.03. Legal Opinion. The approving legal opinion of Bond Counsel may be printed on or attached to each Obligation over the certification of the City Clerk of the City, which may be executed in facsimile.

ARTICLE VII

SALE OF THE OBLIGATION; CONTROL AND DELIVERY OF THE OBLIGATION

Section 7.01. Sale of Obligation; Purchase Letter.

(a) The Obligation is hereby sold and shall be delivered to the Purchaser at a price of \$[], representing the par amount of the Obligation in accordance with the terms of the Purchase Letter of even date herewith, presented to and hereby approved by the City Council, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City. The Mayor or Mayor Pro Tem and other appropriate officials of the City are hereby authorized to execute the Purchase Letter on behalf of the City and to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Obligation and the approving opinion of the Attorney General of Texas.

(b) All officers and officials of the City are authorized to take such actions and to execute such documents, certificates and receipts, and to make such elections with respect to the tax-exempt status of the Obligation, as they may deem necessary and appropriate in order to consummate the delivery of the Obligation. Further, in connection with the submission of the record of proceedings for the Obligation to the Attorney General of the State of Texas for examination and approval of such Obligation, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Obligation or (ii) \$9,500, but in no case less than \$750).

(c) The obligation of the Purchaser to accept delivery of the Obligation is subject to the Purchaser being furnished with the final, approving opinion of Bond Counsel, which opinion shall be dated as of and delivered on the Issuance Date.

Section 7.02. Control and Delivery of Obligation.

(a) The Mayor, the Mayor Pro Tem or his designee is hereby authorized to have control of the Initial Obligation and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Obligation shall be made to the Purchaser under and subject to the general supervision and direction of the

Mayor or Mayor Pro Tem, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01. Debt Service Fund.

(a) The City hereby establishes a special fund or account to be designated the “City of La Marque, Texas, Public Property Finance Contractual Obligations, Series 2022, Debt Service Fund” (the “Debt Service Fund”) with said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City. The taxes levied under Section 2.01 shall be deposited to the credit of the Debt Service Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Obligation.

(b) If the amount of money in the Debt Service Fund is at least equal to the aggregate principal amount of the outstanding Obligation plus the aggregate amount of interest due and that will become due and payable on such Obligation, no further deposits to that fund need be made.

(c) Money on deposit in the Debt Service Fund shall be used to pay the principal of and interest on the Obligation as such become due and payable.

(d) The City hereby establishes a special fund or account to be designated the “City of La Marque, Texas, Public Property Finance Contractual Obligations, Series 2022, Project Fund” (the “Project Fund”) with said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City.

Section 8.02. Deposit of Proceeds.

Proceeds from the sale of the Obligation is appropriated for the purposes and shall, promptly upon receipt by the City, be applied as follows:

(a) Obligation proceeds in the amount of \$[] shall be deposited in the Project Fund and used for the purposes set forth in Section 3.01(i).

(b) Obligation proceeds in the amount of \$[] shall be deposited in the Project Fund and used to pay the costs of issuance.

(c) Any amounts remaining after paying costs of issuance may be used for the purposes described in subsection (a). Any amounts remaining after accomplishing such purposes and

paying costs of issuance shall be deposited to the Debt Service Fund and applied to the payment of debt service on the Obligation.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of Obligation. While the Obligation is outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Debt Service Fund, money sufficient to pay the interest on and the principal of the Obligation, as applicable, as will accrue or mature on each applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The City is a duly organized and existing political subdivision of the State of Texas under the Constitution and laws of the State of Texas.

(b) The City is duly authorized under the laws of the State of Texas to issue the Obligation; all action on its part for the creation and issuance of the Obligation has been duly and effectively taken; and the Obligation in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 9.03. Ordinance a Contract – Amendments and Remedies.

(a) This Ordinance shall constitute a contract with the Owners from time to time, be binding on the City, and shall not be amended or repealed by the City so long as the Obligation remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Owners, amend, add to, or rescind any of the provisions of this Ordinance.

(b) In the event of a default in the payment of the principal of or interest on the Obligation or a default in the performance of any duty or covenant provided by law or in this Ordinance, the Owner or Owners of the Obligation may pursue all legal remedies afforded by the Constitution and laws of the State of Texas to compel the City to remedy such default and to prevent further default or defaults, including by suit for mandamus or otherwise to enforce or compel performance of all duties required to be performed by the City under this Ordinance.

Section 9.04. Provisions Regarding Federal Income Tax Matters.

(a) General. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Obligation to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Obligation.

(b) No Private Activity Bond. The City covenants that it will use the proceeds of the Obligation (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Obligation will not be a “private activity bond” within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Obligation to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) No Federal Guarantee. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Obligation to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bond. The City covenants and agrees not to take any action, or knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Obligation to be a “hedge bond” within the meaning of section 149(g) of the Code.

(e) No Arbitrage Bond. The City covenants that it will make such use of the proceeds of the Obligation (including investment income) and regulate the investment of such proceeds of the Obligation so that the Obligation will not be an “arbitrage bond” within the meaning of section 148(a) of the Code.

(f) Required Rebate. The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Obligation, be rebated to the United States.

(g) Information Reporting. The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Obligation in accordance with section 149(e) of the Code.

(h) Record Retention. The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Obligation and the use of the property financed, directly or indirectly, thereby until three years after the Obligation is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(i) Registration. If the Obligation is a “registration-required bond” under section 149(a)(2) of the Code, the Obligation will be issued in registered form.

(j) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Obligation from gross income for federal income tax purposes.

(k) Continuing Compliance. Notwithstanding any other provision of this Ordinance, the City’s obligations under the federal tax covenants set forth above will survive the defeasance

and discharge of the Obligation for as long as such matters are relevant to the excludability of interest on the Obligation from gross income for federal income tax purposes.

ARTICLE X

DISCHARGE

Section 10.01. Discharge. The City reserves the right to defease, discharge or refund the Obligation in any manner permitted by applicable law.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Changes to Ordinance. Bond Counsel is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Obligation by the Attorney General of Texas.

Section 11.02. Partial Invalidity.

If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 11.03. Repealer.

All ordinances or resolutions, or parts thereof, heretofore adopted by the City and inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 11.04. Individuals Not Liable.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member of City Council or agent or employee of City Council or of the City in his or her individual capacity and neither the members of City Council nor any officer thereof, nor any agent or employee of City Council or of the City, shall be liable personally on the Obligation, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.05. Related Matters.

To satisfy in a timely manner all of the City's Obligation under this Ordinance, the Mayor or Mayor Pro Tem, the City Clerk and all other appropriate officers and agents of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and purposes of this Ordinance.

Section 11.06. Force and Effect.

This Ordinance shall be in full force and effect from and after its final passage, and it is so ordained.

[Signature Page Follows]

PASSED, APPROVED AND EFFECTIVE on this 24th day of January, 2022.

City Clerk
City of La Marque, Texas

Mayor
City of La Marque, Texas

[SEAL]

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF GALVESTON §

I, the undersigned officer of the City Council of City of La Marque, Texas, hereby certify as follows:

1. The City Council of City of La Marque, Texas convened in a special session on the 24th day of January, 2022, at the regular meeting place thereof within said City, and the roll was called of the duly constituted officers and members of said City Council to wit:

Keith Bell	Mayor
Kimberley Yancy	Council Member, District A
Joe Compian	Mayor Pro Tem and Council Member, District B
Michael Carlson	Council Member, District C
Casey McAuliffe	Council Member, District D

and all of said persons were present, except the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDINANCE NO. O-2022-0001

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LA MARQUE, TEXAS PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2022; LEVYING A TAX IN PAYMENT THEREOF; AND ENACTING OTHER PROVISIONS RELATING THERETO.

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

_____ Member(s) of City Council voted "Aye".

_____ Member(s) of City Council voted "No".

_____ Member(s) of City Council abstained from voting.

2. A true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said ordinance has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City

Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, 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; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 24th day of January, 2022.

[SEAL]

City Clerk
City of La Marque, Texas

PURCHASE LETTER

January 24, 2022

Mayor and City Council
City of La Marque, Texas
1111 Bayou Road
La Marque, Texas 77568

Re: \$_____ City of La Marque, Texas, Public Property Finance Contractual
Obligation, Series 2022

Ladies and Gentlemen:

_____ (the “Purchaser”) hereby offers to purchase the captioned obligation (the “Obligation”), on the terms and subject to the conditions set forth in this letter agreement (the “Agreement”) from the City of La Marque, Texas (the “City”), and upon acceptance of this offer by the Mayor of the City, such offer will become the captioned obligation (the “Obligation”) and, upon acceptance of this offer by the City, such offer will become a binding agreement between the Purchaser and the City. This offer must be accepted by 10:00 p.m., La Marque, Texas time, January 24, 2022, and if not so accepted will be subject to withdrawal.

1. Purchase Price. The purchase price for the Obligation will be \$_____.
2. Purchaser’s Fees. The City shall pay MAC fees in the amount of \$_____. The City shall pay Purchaser’s legal fees in the amount of \$_____. The Purchaser will serve as Paying Agent/Registrar for the Obligation for a fee of \$_____ per year.
3. Terms of Obligation. The Obligation shall be issued in the principal amount of \$_____ and shall bear interest at such rate, mature on such date, and be subject to mandatory sinking fund and optional redemption, have such other terms and conditions as are set forth in the in the ordinance adopted by the City Council of the City on January 24, 2022 (the “Ordinance”). The Purchaser has received a copy of the Ordinance. Pursuant to and more fully described in the Ordinance, the Obligation shall be payable both as to principal and interest, secured by a pledge of ad valorem taxes levied, within the limits prescribed by law, on all taxable property within the City. Capitalized terms without definition herein have the meanings given in the Ordinance.
4. Closing. The City shall deliver the Obligation to, or for the account of, the Purchaser, and the Purchaser shall purchase the Obligation at 10:00 a.m. Houston time, on _____, 2022 (the “Closing Date”), or at such other time as shall be mutually agreed upon (hereinafter referred to as the “Closing”). The Closing shall take place at the offices of Bracewell LLP, Houston, Texas, or such other location as may be mutually agreed upon.

5. Conditions to Closing. Neither the Purchaser nor the City shall have any obligation to consummate the purchase of the Obligation unless the following requirements have been satisfied prior to Closing:
- (a) The Purchaser shall have received a certified copy of the Ordinance.
 - (b) The City shall have delivered a certificate to the effect that the representations and warranties of the City in this Agreement are true and correct as of the Closing Date.
 - (c) The City shall have delivered a no-litigation certificate.
 - (d) Bracewell LLP shall have received an executed Federal Tax Certificate and an executed Issue Price Certificate in such forms as are sufficient to support its opinion described in paragraph 5(e), below.
 - (e) Bracewell LLP shall have issued its approving legal opinion as to the due authorization, issuance and delivery of the Obligation and as to the exemption of the interest thereon from federal income taxation.
 - (f) The Obligation shall have been approved by the Attorney General of the State of Texas and shall have been registered by the Comptroller of Public Accounts of the State of Texas.
 - (g) The Transaction Documents (as defined herein) shall have been executed by all of the parties thereto.
 - (h) There shall have been executed and delivered such additional legal opinions, certificates, proceedings, instruments and other documents as Bracewell LLP or the Purchaser may reasonably request to evidence compliance with all legal requirements, the truth and accuracy, as of the Closing, of the representations herein and the due performance or satisfaction of all agreements then to be performed and all conditions then to be satisfied.
 - (i) The Purchaser represents that it has on file with the Texas Attorney General a standing letter addressing the representation and verifications in Sections 13 through 14 of this Agreement in a form acceptable to the Texas Attorney General. The Purchaser hereby agrees to provide the City with a copy of such letter not later than ten days prior to Closing.
6. Representations and Warranties of the City. The City hereby represents and warrants to the Purchaser that:
- (a) the City is a home rule municipality organized under the Constitution and the laws of the State of Texas (the "State"), has complied with all provisions of the Constitution and laws of the State and the City has full power and authority to adopt the Ordinance and to execute and deliver this Agreement, the Paying Agent/Registrar Agreement (collectively, the "Transaction Documents") to which

it is a party and to issue, sell and deliver the Obligation pursuant to the laws of the State.

- (b) The City has duly adopted the Ordinance at a meeting of the City Council of the City duly called and held in accordance with applicable law and procedures of the City Council of the City, and since that time the Ordinance has not been rescinded, amended or modified.
- (c) The Obligation is being issued for the purpose of providing funds to pay contractual obligations incurred or to be incurred for the purchase and installation of City equipment, including trash pumps, an excavator, mowers, mobile digital cameras and mobile computer terminals, and for the payment of the costs of issuance associated with the issuance of the Obligation.
- (d) The City Council of the City has duly authorized the (i) execution and delivery of this Agreement, the Obligation and the other Transaction Documents to which the City is a party; (ii) performance by the City of the obligations contained in the Ordinance and in the other Transaction Documents to which it is a party; and (iii) consummation by the City of all of the transactions contemplated by this Agreement and by the other Transaction Documents to which they are a party.

7. Acknowledgements and Representations of the Purchaser.

- (a) The Purchaser is a “bank” as defined in Section 3(a)(2) of the Securities Act of 1933 (the “1933 Act”) or an “accredited investor “ within the meaning of Section 2(a)(15) of the 1933 Act and/or a “qualified institutional buyer” as defined in Rule 144A under the 1933 Act, as amended.
- (b) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Obligation to be able to evaluate the risks and merits of the purchase of the Obligation.
- (c) The Purchaser is acquiring the Obligation for its own account as evidence of a loan or for the account of a permitted transferee, and not with a view to, or for present sale in connection with, any distribution of the Obligation or any part thereof.
- (d) The Purchaser has made its own credit inquiry and analysis with respect to the City and the Obligation, and has made an independent credit decision based upon such inquiry and analysis. The City has furnished to the Purchaser all the information that the Purchaser, as a reasonable investor, has requested of the City as a result of the Purchaser having attached significance thereto in making the decision to purchase the Obligation, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the City and the Obligation. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the Obligation.

- (e) The Purchaser understands that the Obligation has not been registered with any federal or state securities agency or commission.
- (f) The Purchaser acknowledges that transfer of the Obligation is subject to the following conditions:
 - (i) the transferring holder thereof shall first have complied with any then applicable state and federal securities laws and regulations;
 - (ii) the transferring holder thereof can transfer the Obligation only to:
 - (A) a transferee who executes and delivers to the City a letter of the transferee containing substantially the representations set forth in this Section 7; or
 - (B) a transferee who qualifies as a Qualified Institutional Buyer as defined in Regulation D under the 1933 Act; or
 - (C) a transferee who qualifies as an “accredited investor” within the meaning of Section 2(a)(15) of the 1933 Act, including a transferee who qualifies as a national bank or banking institution organized under the laws of any state acting in its individual or fiduciary capacity; and
 - (iii) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the City or the City’s finances without the prior review and written consent of the City, in the City’s sole discretion. However, the transferring holder will be permitted to disclose any of the City’s publicly available financial information and will be permitted to disclose to a potential transferee any of the contents of its credit file relating to the Obligation, including financial statements, covenant compliance certificates, credit write-ups, payment histories and other matters relating to the administration of the loan represented by its purchase of the Obligation.

Subject to the provisions and restrictions in this Section 7(f) hereof, the Purchaser may without limitation at any time sell, assign, pledge or transfer the Obligation or the Purchaser’s rights and obligations under the Obligation to one or more affiliates of the Purchaser.

8. Financial Reporting. The City agrees to provide to Purchaser with the following:

A copy of the audited financial statements of the City within 180 days of the end of each fiscal year. The City may satisfy such obligation by posting such statements on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor.

9. Survival and Severability: For so long as the Obligation remains outstanding, the covenants made in paragraphs 7 and 8 above shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto or (ii) delivery of and payment for the Obligation hereunder.
10. No Oral Agreements: To the extent allowed by law, the parties hereto agree to be bound by the terms of the following notice: NOTICE: THIS AGREEMENT, THE BOND ORDINANCE, AND THE OBLIGATION TOGETHER REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES REGARDING THIS TRANSACTION AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS TRANSACTION.
11. Verification Regarding Israel Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott Israel," a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.
12. Sanctioned Countries Representations. The Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene

applicable Federal or Texas law and excludes the Purchaser and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

13. Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session (“SB 13”)), Texas Government Code, as amended, the Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott energy companies,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by SB 13) by reference to Section 809.001, Texas Government Code (as enacted by SB 13), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.
14. Verification Regarding Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session (“SB 19”)), Texas Government Code, as amended, the Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law.

As used in the foregoing verification and the following definitions,

- (a) “discriminate against a firearm entity or firearm trade association,” a term defined in Section 2274.001(3), Texas Government Code (as enacted by SB 19), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business

relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association,

(b) "firearm entity," a term defined in Section 2274.001(6), Texas Government Code (as enacted by SB 19), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by SB 19, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by SB 19, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by SB 19, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

(c) "firearm trade association," a term defined in Section 2274.001(7), Texas Government Code (as enacted by SB 19), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

15. Definition of the Term Affiliate. As used in Sections 11 through 14, the Purchaser understands "affiliate" to mean an entity that controls, is controlled by, or is under common

control with the Purchaser within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

16. Successors and Assigns. This Agreement is made for the benefit of the City and the Purchaser (including the successors or assigns of the Purchaser) and no other person shall acquire or have any rights hereunder or by virtue hereof.
17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.
18. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument.
19. Miscellaneous. The Purchaser will purchase the Obligation under the following additional conditions: (i) the Obligation is not being registered under the 1933 Act and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) the Purchaser will hold the Obligation as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Obligation; (iv) no official statement has been or will be prepared in connection with the issuance of the Obligation; (v) the Obligation will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the Obligation not listed on any stock or other securities exchange.
20. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Agreement.

[Execution Pages to Follow]

If this purchase agreement meets with your approval, please execute it in the place provided below.

[_____]

By: _____

Name: _____

Title: _____

ACCEPTED BY:

CITY OF LA MARQUE, TEXAS

By: _____
Mayor

Signature Page to Purchase Letter

City of La Marque, Texas Public Property Finance Contractual Obligation, Series 2022

DM-#8173417.4

Capital Items needed for Fiscal Year 2021-22

Depts	Descriptions	Amounts
12	4" trailer mounted trash pumps	28,000
24	6" trailer mounted trash pumps	42,000
12	Gradall XL3300 all wheel drive excavator	400,000
12	Two John Deer zero-turned mowers	20,000
5	Seven Watchguard mobile digital video camera	41,000
5	Mobile computer terminals for patrols (20)	95,000
		626,000

Bid Responses

	Amegy	TIB	Truist
Par Amount:	\$652,826	\$652,826	\$652,826
Coupon:	1.81%	1.99%	2.21%
Total Debt Service:	\$720,452	\$727,177	\$735,397
TIC:	1.81%	1.99%	2.21%
Call Option:	Any date at par plus accrued interest with 30 days notice	Any date at par plus accrued interest	(1) Callable in whole anytime with a 1% fee; or (2) callable in whole at par beginning 2/1/2027
Rate Lock:	Until 3/13/2022	None	Until 3/3/2022
Additional Fees:	\$326.41 MAC	None	\$3,500 lenders counsel \$326.41 MAC
Additional Requirements:	None	None	Bank qualified issuance



CITY COUNCIL AGENDA FORM

CITY COUNCIL AGENDA FORM

Meeting Date: January 24, 2022 Agenda item: 7e
Prepared by: Rick Sailer Reviewed by: _____
Department: Public Works

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding ratifying of a Capital expenditure to the Houston-Galveston Area Council for the cost of a new Gradall XL3300 All-Wheel Drive Excavator, in the amount of \$399,214.54

☒ X

ATTACHMENTS FOR REFERENCE:

- Houston-Galveston Area Council Contract Pricing Worksheet
- Preventive Maintenance Agreement
- Invoice

STAFF BRIEFING:

- The Gradall will be used for stormwater maintenance. We are hiring a crew to work within the Stormwater Division to improve drainage maintenance in the City.
- Due to market conditions, it was advantageous for the city to lock in the lower price before January 1, 2022.
- This will be funded from Contractual Obligations 2022 proceeds if approved by Council.

HISTORY: The City owns two other Gradall excavators, but one is very old and is not used any longer; the other one is used for culvert installations.

TARGET IMPLEMENTATION: 2.12.2022

SIGNIFICANT ACTION DATES:

- **December 29, 2021**- Purchase Order Generated
- **December 30, 2021**- Gradall XL3300 All-Wheel Drive Excavator delivered.



CITY COUNCIL AGENDA FORM

rs, but one is very old and is not used any longer; the other one is used for culvert installations.

TARGET IMPLEMENTATION: 2.12.2022

SIGNIFICANT ACTION DATES:

- **December 29, 2021**- Purchase Order Generated
- **December 30, 2021**- Gradall XL3300 All-Wheel Drive Excavator delivered.

ACTION:

- | | |
|--|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☒ Other - Contract | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Cost Details:

Budgeted	\$352,868.32
Actual Bid	\$399,214.54
Estimated Expenditure	\$352,868.32
Acct. Name(s)	5 YEAR LIFE ASSETS (EQUIPMENT)
Line Item #	01-7030-12-00
Other Funding	

STAFF'S RECOMMENDATION: Motion to ratify Capital expenditure to the Houston-Galveston Area Council for the cost of a new Gradall XL3300 All-Wheel Drive Excavator, in the amount of \$399,214.54

FISCAL IMPACT: This equipment was included in the 2021-2022 Capital Equipment Purchasing Plan. The original estimated budget amount was \$400,000



CITY COUNCIL AGENDA FORM

Meeting Date: 01-24-2022

Agenda item: 7f

Prepared by: Kyle Hunter

Reviewed by:

Department: Information
Technology

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding approving (12) new laptops for police department patrol cars

X

ATTACHMENTS FOR REFERENCE (All reference items in the order of importance)

1. Quote from Southern Computer Warehouse

STAFF BRIEFING: This is for the purchasing of (12) new pd patrol car laptops with 3yr warranty, laptop vehicle docking station, and wiring harness. These laptops are used;

- daily by the patrol staff
- to send and receive information from dispatch
- enter notes and information on calls for service
- work on reports as needed
- lookup information while out in the field
- specifications meet requirements for current and future pd software
- purchased off of the TIPS_200105 Technology Solutions Products and Services interlocal cooperative contract.
- 20 computers were requested in budget 2022.

HISTORY:

TARGET IMPLEMENTATION: January 24, 2022

SIGNIFICANT ACTION DATES: Council approved the purchase of the new laptops during the 2021-2022 budget workshops.

Cost Details:	
Budgeted	\$95,000
Actual Bid	
Estimated Expenditure	\$42,493.20
Acct. Name(s)	PD 5 YEAR LIFE ASSETS (EQUIPMENT)
Line Items #	01-7040-05-00



CITY COUNCIL AGENDA FORM

**Other
Funding**

**2022
Contractual
Obligation**

ACTION:

- | | |
|--|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Special
Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Municode
Codification | |
| ☒ Mark if this item does not conflict with any
Resolution, Ordinance or City Charter,
policies, procedures | |

STAFF'S RECOMMENDATION: Motion to approve the purchasing of the 12 new pd laptops for the amount of 42493.20

FISCAL IMPACT: 2021-2022 General Fund Budget



Southern Computer Warehouse
 1395 S. Marietta Parkway
 Building 300
 Marietta, Georgia 30067
 United States
<http://www.scw.com>
 (P) 877-GOTOSCW
 (F) 770.579.8937

Quote (Open)

Date

Nov 29, 2021 12:16 PM EST

Modified Date

Dec 02, 2021 11:39 AM EST

Quote

1693766 - rev 1 of 1

Description

UPDATED GETAC S410 G4

SalesRep

Reardon, Josh
 (P) 770-579-8927 ext. 291

Customer Contact

Hunter, Kyle
 (P) 409-938-9262
k.hunter@ci.la-marque.tx.us

Customer

City of La Marque TX (CO7796)
 Hunter, Kyle
 1111 Bayou Road
 La Marque, TX 77568
 United States
 (P) 409-938-9262

Bill To

City of La Marque TX
 Payable, Accounts
 1111 Bayou Road
 La Marque, TX 77568
 United States
 (P) 409-938-9262

Ship To

City of La Marque TX
 REF, PO
 1111 Bayou Road
 La Marque, TX 77568
 United States
 (P) 409-938-9262

Customer PO:

Terms:

Undefined

Ship Via:

GROUND

Special Instructions:

Carrier Account #:

#	Description	Part #	Qty	Unit Price	Total
1	Getac - GETAC S410 G4 i5-1135G7, WC, Win10+16GB, 512SSD, SR LCD + TS + Stylus, US KBD + US Power,Backlit, WIFI+BT+4G LTE+GPS+PT, RS232+VGA Port+USB 3.2 Gen1 Type A+TB 4, 3 Year Limited Warranty	SP2NTCDASCXE	12	\$2,421.22	\$29,054.64
2	Getac - (BUMPER TO BUMPER)- SEMI-RUG LAPTOP (YEAR 1,2 & 3)	GE-SVSRNFW3Y	12	\$302.11	\$3,625.32
3	Getac - Getac Vehicle adapter (Bare Wire) Power adapter - 11 - 16 / 22 - 32 V - 120 Watt	GAD2X8	12	\$93.58	\$1,122.96
4	Getac - Gamber-Johnson Triple Pass-through Vehicle Cradle Port replicator, docking station - for Getac S410, S410 Basic, S410 Performance, S410 Premium	GDVPGH	12	\$724.19	\$8,690.28

TIPS_200105 Technology Solutions Products and Services
 Pricing and availability are subject to change

** Getac standard lead time is 45-60 days **

Non-returnable, please review specifications carefully.

Subtotal: \$42,493.20
 Tax (.0000%): \$0.00
 Shipping: \$0.00
Total: \$42,493.20

Quote valid for 30 days unless formal bid provides different term. Promotional pricing is valid only during term of promotion and while supplies last.

All returns must be authorized and clearly marked with a valid RMA number. RMA's are subject to restock fees when applicable.

These prices may not include applicable taxes, insurance, shipping, delivery, setup fees, or any cables or cabling services or material unless specifically listed above.

Please note that expedited shipping charges are estimated, and could decrease or increase when invoiced.

All prices are subject to change without notice. Supply subject to availability.



CITY COUNCIL AGENDA FORM

Meeting Date: January 24, 2022

Agenda item: 7g

Prepared by: Suzy Kou

Reviewed by: _____

Department: Finance

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding approving issuance of Unlimited Tax Refunding Bonds Series 2022 under Galveston County Municipal Utility District (MUD) 32 in the amount not to exceed \$1,900,000

☒ x

1. Ordinance 939 establishing GC MUD 32
2. Letter of request
3. Savings analysis
4. Preliminary calendar of events

STAFF BRIEFING:

- Original was issued in 2010 by MUD 32 for water, sewer, and drainage facilities to serve Section 1 and Section 2 in the District; Professional services as well as storm water prevention related to creation of the District.
- Series 2010 debt carries a 4.75% to 5.375% interest cost. Projected interest cost for the refunding issue is around 2.25% maturing at same time (year 2034) with the remaining outstanding balance of \$1.8 million. The refunding is projected to result in estimated net savings of \$281,564 for residents within the District.
- Per ordinance, the District must have City Council approval to issue a refunding debt.
- Current District's tax rate is at .75 per \$100 of assessed value. Maintenance & Operations is at .11 and Debt Service is at .64 split.

HISTORY:

December 13, 2004 - Galveston County Municipal Utility District was created.

Year 2010 - Issuance of Unlimited Tax Bonds Series 2010.

TARGET IMPLEMENTATION: January 24, 2022

SIGNIFICANT ACTION DATES:

Cost Details:	
Budgeted	N/A
Actual Bid	



CITY COUNCIL AGENDA FORM

ACTION:

- | | |
|--|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Special Presentation | ☐ Proclamation |
| ☐ Finance Report | ☐ Public Hearing |
| ☒ Other | |
| ☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures | |

Estimated Expenditure	N/A
Acct. Name(s)	
Line Items #	
Other Funding	

STAFF'S RECOMMENDATION: Motion to approve issuance of Galveston County MUD 32 Unlimited Tax Refunding Bonds Series 2022

FISCAL IMPACT: N/A

ORDINANCE NUMBER 939

**AN ORDINANCE CONSENTING TO THE CREATION OF GALVESTON
COUNTY MUNICIPAL UTILITY DISTRICT NUMBER 32**

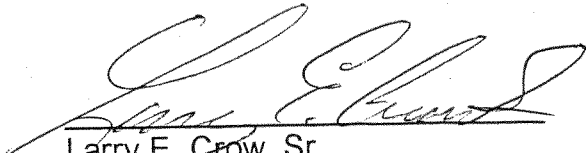
**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE,
TEXAS:**

SECTION. The City hereby grants the petition requesting consent to the creation of **GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT 32** attached hereto as Exhibit A to this ordinance, subject to the terms and conditions set out herein and in Exhibit B to such petition.

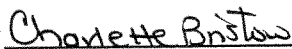
SECTION 2. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

PASSED AND APPROVED on the first reading this the 8th day of November, 2004.

PASSED AND ADOPTED on the second and final reading this the 13th day of December, 2004.


Larry E. Crow, Sr.,
Mayor

ATTEST:


Charlette Bristow,
City Clerk

I, Jaclyn Pollard, do hereby certify that this is a true and correct copy of Ordinance Number 939 as adopted by City Council of the City of La Marque, Texas.

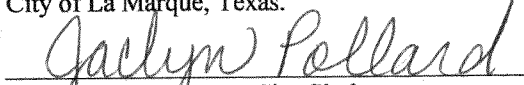

Jaclyn Pollard, Deputy City Clerk

Exhibit A

Petition for Consent
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 32

PETITION FOR CONSENT TO THE CREATION
OF A MUNICIPAL UTILITY DISTRICT

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS:

The undersigned (herein the "Petitioners"), acting pursuant to the provisions of Chapters 49 and 54, Texas Water Code, respectfully petition the City Council of the City of La Marque, Texas, for its written consent to the creation of a municipal utility district and would show the following:

I.

The name of the proposed District shall be GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 32 (the "District").

II.

The District shall be created and organized under the terms and provisions of Article XVI, Section 59 of the Constitution of Texas and Chapters 49 and 54, Texas Water Code, together with all amendments and additions thereto.

III.

The District shall contain an area of 169.10 acres of land, more or less, situated in Galveston County, Texas. All of the land to be included in the District is within the corporate boundaries of the City of La Marque, Texas (the "City"). All of the land proposed to be included may properly be included in the District. The land proposed to be included within the District consists of four tracts described by metes and bounds in Exhibit A, which is attached hereto and incorporated herein for all purposes (the "Land").

IV.

The Petitioners hold fee simple title to the Land which is proposed to be included in the District, as indicated by the certificates of ownership provided by the Galveston Central Appraisal District.

V.

Petitioner represents that United Development Funding, L.P. is the only lienholder on the Land and that there are no residents on the Land.

VI.

The general nature of the work to be done by the District at the present time is the design, construction, acquisition, maintenance and operation of a waterworks and sanitary sewer system for domestic and commercial purposes, and the construction, acquisition, improvement, extension, maintenance and operation of works, improvements, facilities, plants, equipment and appliances helpful or necessary to provide more adequate drainage for the District, and to control, abate and amend local storm waters or other harmful excesses of waters, and such other construction, acquisition, improvement, maintenance and operation of such additional facilities, systems, plants and enterprises as shall be consonant with all of the purposes for which the District is created.

VII.

There is, for the following reasons, a necessity for the above-described work. The area proposed to be within the District is urban in nature, is within the growing environs of the City of La Marque, Texas, and is in close proximity to populous and developed sections of Galveston County, Texas. There is not now available within the area, which will be developed for single family residential and commercial uses, an adequate waterworks system, sanitary sewer system, or drainage and storm sewer system. The health and welfare of the present and future inhabitants of the area and of the territories adjacent thereto require the purchase, design, construction, acquisition, ownership, operation, repair, improvement and extension of an adequate waterworks system, sanitary sewer system, and drainage and storm sewer system. A public necessity, therefore, exists for the creation of the District, to provide for the purchase, design, construction, acquisition, ownership, operation, repair, improvement and extension of such waterworks system, sanitary sewer system, and drainage and storm sewer system, to promote the purity and sanitary condition of the State's waters and the public health and welfare of the community. The District would be a city-service district.

VIII.

Petitioners, by submission of this Petition, request the City's consent to the creation of the District containing the Land under the same conditions set forth in Exhibit B, which is attached hereto and incorporated herein for all purposes.

IX.

A preliminary investigation has been made to determine the cost of the proposed District's projects, and it is now estimated by the Petitioners, from such information as they have at this time, that such cost will be approximately \$8,750,000.

WHEREFORE, Petitioners pray that this petition be heard and that the City Council duly pass and approve an ordinance or resolution granting the consent to the creation of the District and authorizing the inclusion of the land described herein within the District.

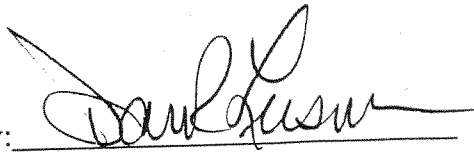
[EXECUTION PAGES FOLLOW]

RESPECTFULLY SUBMITTED this _____ day of _____, 2004.

HLL LAND ACQUISITIONS OF TEXAS L.P.,
a Texas limited partnership

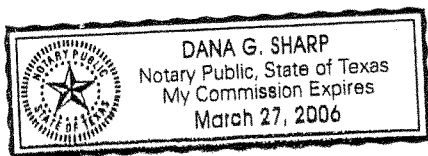
By: HLL Development, L.L.C.,
a Texas limited liability company
its General Partner

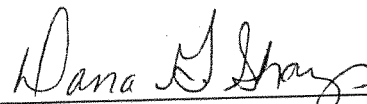
By: Lennar Texas Holding Company,
a Texas corporation
Manager

By: 
David Lersner
Vice President

THE STATE OF Texas §
§
COUNTY OF Harris §

This instrument was acknowledged before me on the 3rd day of November, 2004, by David Lersner, Vice President of Lennar Texas Holding Company, a Texas corporation, on behalf of said corporation in its capacity as Manager of HLL Development, L.L.C., a Texas limited liability company, on behalf of said company in its capacity as General Partner of HLL LAND ACQUISITIONS OF TEXAS, L.P., a Texas limited partnership, on behalf of said limited partnership, corporation, and company.




Notary Public, State of Texas

(NOTARY SEAL)

Exhibit A
(Metes and Bounds Description of the Land)

THE STATE OF TEXAS

§

§

COUNTY OF GALVESTON

§

I, the Secretary of the City of La Marque, Texas, hereby certify that a signed copy of the Petition for Creation of Galveston County Municipal Utility District No. 32 has been filed in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY, this 14 day of December, 2004.

Charlette Bristow

City Secretary

City of La Marque, Texas

(SEAL)

City of La Marque

Exhibit B

Conditions to Consent

(a) The District may issue bonds, including refunding bonds, as authorized by law, for the purpose of purchasing, refinancing, designing and constructing, or otherwise acquiring waterworks systems, sanitary sewer systems, storm sewer systems, drainage and detention facilities, or parts of such systems or facilities, and to make any and all necessary purchases, constructions, improvements, extensions, additions, and repairs thereto, and to purchase or acquire all necessary land, right-of-way, easements, sites, equipment, buildings, plants, structures, and facilities therefor, and to operate and maintain same, and to sell water, sanitary sewer, and other services within or without the boundaries of the District. Bonds may not be issued for a term exceeding 25 years from the date of issuance of such series of bonds, and must provide that the District reserves the right to redeem said bonds on any date subsequent to the tenth anniversary of the date of issuance (or any earlier date at the discretion of the District) without premium, and none of such bonds, other than refunding bonds, will be sold for less than 95 percent of par; provided that the net effective interest rate on bonds so sold, taking into account any discount or premium as well as the interest rate borne by such bonds, will not exceed two percent above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one-month period next preceding the date of the sale of such bonds. The bonds will provide that the City and Galveston County are not responsible for payment of the bonds, and the resolution authorizing the issuance of the District's bonds will not contain a provision providing for the pledge of any revenues from the operation of the District's water and sewer and/or drainage system to the payment of the District's bonds. Refunding bonds will not be issued unless written consent therefor is received from the City Council.

(b) Before the commencement of any construction within the District, its directors, officers, or developers and landowners will submit to the City, or to its designated representative, all plans and specifications for the construction of water, sanitary sewer, drainage and detention facilities to serve the District and obtain the approval of such plans and specifications therefrom. All water wells, water meters, flushing valves, valves, pipes, and appurtenances thereto, installed or used within the District, will conform to the specifications of the City. All water service lines and sewer service lines, lift stations, and appurtenances thereto, installed or used within the District will comply with the City's standard plans and specifications as amended from time to time. Prior to the construction of such facilities within or by the District, the District or its engineer will give written notice by registered or certified mail to the City, stating the date that such construction will be commenced. The construction of such facilities will be in accordance with the approved plans and specifications and with applicable standards and specifications of the City; and during the progress of the construction and installation of such facilities, the City may make periodic on-the-ground inspections.

(c) The District, its board of directors, officers, developers, and/or landowners will not permit the construction, or commit to any development within the District, that will result in a wastewater flow to the serving treatment facility which exceeds that facility's legally permitted average daily flow limitations or the District's allocated capacity therein.

(d) Prior to the sale of any lot or parcel of land, the owner or the developer of the land included within the limits of the District will obtain the approval of the appropriate officials of the City of a plat which will be duly recorded in the Official Records of Galveston County, Texas, as applicable, and otherwise comply with the rules and regulations of the City.



**Capital
Markets**

Loren Morales

Director
Municipal Finance - Houston
609 Main Street, Suite 3600
Houston, Texas 77002

Phone: (713) 651-3342
Loren.Morales@rbccm.com

January 11, 2022

Via E-mail: financedirector@cityoflamarque.org

Ms. Suzy Kou

City of La Marque

1111 Bayou Road

La Marque, Texas 77568

Re: Galveston County Municipal Utility District No. 32
\$1,900,000 Unlimited Tax Refunding Bonds, Series 2022

Dear Ms. Kou:

The Board of Directors of the Galveston County Municipal Utility District No. 32 (the "District") has authorized the District's consultants to proceed with the preparation of the various documents related to the issuance of a proposed refunding bond issue. To accommodate potential market fluctuations, the Board is requesting approval of the sale of Unlimited Tax Refunding Bonds, Series 2022 (the "Bonds") in an amount not to exceed \$1,900,000.

Under the conditions for consent to the creation of the District, dated December 13, 2004, and described in City Ordinance No. 939, refunding bonds may be sold by the District only with the approval of the City Council. The terms and conditions of the Bonds and expenditure of funds are in compliance with the consent conditions. Therefore, the District respectfully requests Council consideration and approval at the earliest possible Council Meeting.

Proceeds from the sale of the Bonds, together with certain other legally available funds, will be used to establish an escrow fund to refund an estimated principal amount of \$1,700,000 of the District's outstanding Unlimited Tax Bonds, Series 2010, (the "Series 2010 Bonds"), and to pay the costs of issuance of the Bonds. The Bonds are the first installment of refunding bonds issued by the District. The District will conduct a competitive bid process to award the Bonds to a commercial bank for investment in the bank's loan portfolio based on the lowest bid received. The Series 2010 Bonds were issued to pay for water, sewer and drainage facilities to serve Section 1 and Section 2 in the District, and also for professional services for the development of construction drawings and technical specifications and also for storm water prevention all related to the creation of the District.

The proposed bonds are structured with the same maturity schedule as the bonds being refunded (through 2034), so there will be no extension of the debt. The financing, as projected on January 11, 2022, will provide approximately 16.56% net present value savings (\$281,564) and \$322,377 of gross savings, after all issuance costs. The District's 2021 Certified Assessed Valuation as provided by the Galveston Central Appraisal District is \$132,709,401 as of January 1, 2021, and

the District's Estimate of Value as of April 1, 2021, as provided by the Galveston Central Appraisal District is \$161,138,387.

The following information has been included for review:

1. Refunding Analysis/ Preliminary Numbers (includes debt service schedule)
2. Preliminary Schedule of Events
3. Ordinance Number 939

It is anticipated that the issuance of the Bonds will result in no increase to the District's adopted 2021 tax rate of \$0.75 per \$100 of taxable assessed valuation, split into \$0.64 for debt service and \$0.11 for maintenance and operations.

Thank you very much for your consideration of our request. If you have any questions, please do not hesitate to call me at 713-651-3342.

Sincerely yours,



Mr. Loren Morales
Director

cc:	Ms. Heather Trachtenberg	Allen Boone Humphries Robinson, LLP
	Mr. Chad Abram	IDS Engineering Group

BOND DEBT SERVICE

Galveston Co. MUD No. 32 Series 2022, Unlimited Tax Refunding Bonds

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
09/01/2022	135,000	2.250%	24,141.88	159,141.88
09/01/2023	115,000	2.250%	37,575.00	152,575.00
09/01/2024	120,000	2.250%	34,987.50	154,987.50
09/01/2025	125,000	2.250%	32,287.50	157,287.50
09/01/2026	125,000	2.250%	29,475.00	154,475.00
09/01/2027	135,000	2.250%	26,662.50	161,662.50
09/01/2028	135,000	2.250%	23,625.00	158,625.00
09/01/2029	140,000	2.250%	20,587.50	160,587.50
09/01/2030	145,000	2.250%	17,437.50	162,437.50
09/01/2031	150,000	2.250%	14,175.00	164,175.00
09/01/2032	155,000	2.250%	10,800.00	165,800.00
09/01/2033	160,000	2.250%	7,312.50	167,312.50
09/01/2034	165,000	2.250%	3,712.50	168,712.50
	1,805,000		282,779.38	2,087,779.38

BOND DEBT SERVICE

Galveston Co. MUD No. 32 Series 2022, Unlimited Tax Refunding Bonds

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
09/01/2022	135,000	2.250%	24,141.88	159,141.88	159,141.88
03/01/2023			18,787.50	18,787.50	
09/01/2023	115,000	2.250%	18,787.50	133,787.50	152,575.00
03/01/2024			17,493.75	17,493.75	
09/01/2024	120,000	2.250%	17,493.75	137,493.75	154,987.50
03/01/2025			16,143.75	16,143.75	
09/01/2025	125,000	2.250%	16,143.75	141,143.75	157,287.50
03/01/2026			14,737.50	14,737.50	
09/01/2026	125,000	2.250%	14,737.50	139,737.50	154,475.00
03/01/2027			13,331.25	13,331.25	
09/01/2027	135,000	2.250%	13,331.25	148,331.25	161,662.50
03/01/2028			11,812.50	11,812.50	
09/01/2028	135,000	2.250%	11,812.50	146,812.50	158,625.00
03/01/2029			10,293.75	10,293.75	
09/01/2029	140,000	2.250%	10,293.75	150,293.75	160,587.50
03/01/2030			8,718.75	8,718.75	
09/01/2030	145,000	2.250%	8,718.75	153,718.75	162,437.50
03/01/2031			7,087.50	7,087.50	
09/01/2031	150,000	2.250%	7,087.50	157,087.50	164,175.00
03/01/2032			5,400.00	5,400.00	
09/01/2032	155,000	2.250%	5,400.00	160,400.00	165,800.00
03/01/2033			3,656.25	3,656.25	
09/01/2033	160,000	2.250%	3,656.25	163,656.25	167,312.50
03/01/2034			1,856.25	1,856.25	
09/01/2034	165,000	2.250%	1,856.25	166,856.25	168,712.50
	1,805,000		282,779.38	2,087,779.38	2,087,779.38

SAVINGS

Galveston Co. MUD No. 32 Series 2022, Unlimited Tax Refunding Bonds

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 01/27/2022 @ 2.2497773%</i>
09/01/2022	173,593.76	159,141.88	14,451.88	14,752.66
09/01/2023	179,556.26	152,575.00	26,981.26	26,290.75
09/01/2024	180,043.76	154,987.50	25,056.26	23,882.44
09/01/2025	180,043.76	157,287.50	22,756.26	21,219.85
09/01/2026	179,793.76	154,475.00	25,318.76	23,050.20
09/01/2027	184,293.76	161,662.50	22,631.26	20,155.58
09/01/2028	182,993.76	158,625.00	24,368.76	21,193.00
09/01/2029	186,431.26	160,587.50	25,843.76	21,951.93
09/01/2030	189,343.76	162,437.50	26,906.26	22,324.65
09/01/2031	191,550.00	164,175.00	27,375.00	22,188.37
09/01/2032	193,218.76	165,800.00	27,418.76	21,710.01
09/01/2033	194,350.00	167,312.50	27,037.50	20,912.20
09/01/2034	194,943.76	168,712.50	26,231.26	19,816.64
	2,410,156.36	2,087,779.38	322,376.98	279,448.28

Savings Summary

PV of savings from cash flow	279,448.28
Plus: Refunding funds on hand	2,115.31
Net PV Savings	281,563.59

SUMMARY OF BONDS REFUNDED

Galveston Co. MUD No. 32 Series 2022, Unlimited Tax Refunding Bonds

<i>Bond</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Call Date</i>	<i>Call Price</i>
Unlimited Tax Bonds, Series 2010, 2010, SERIAL:					
	09/01/2022	4.750%	85,000.00	01/27/2022	100.000
	09/01/2023	4.750%	95,000.00	01/27/2022	100.000
			180,000.00		
Unlimited Tax Bonds, Series 2010, 2010, TERM26:					
	09/01/2024	5.000%	100,000.00	01/27/2022	100.000
	09/01/2025	5.000%	105,000.00	01/27/2022	100.000
	09/01/2026	5.000%	110,000.00	01/27/2022	100.000
			315,000.00		
Unlimited Tax Bonds, Series 2010, 2010, TERM29:					
	09/01/2027	5.250%	120,000.00	01/27/2022	100.000
	09/01/2028	5.250%	125,000.00	01/27/2022	100.000
	09/01/2029	5.250%	135,000.00	01/27/2022	100.000
			380,000.00		
Unlimited Tax Bonds, Series 2010, 2010, TERM34:					
	09/01/2030	5.375%	145,000.00	01/27/2022	100.000
	09/01/2031	5.375%	155,000.00	01/27/2022	100.000
	09/01/2032	5.375%	165,000.00	01/27/2022	100.000
	09/01/2033	5.375%	175,000.00	01/27/2022	100.000
	09/01/2034	5.375%	185,000.00	01/27/2022	100.000
			825,000.00		
			1,700,000.00		

PRIOR BOND DEBT SERVICE

Galveston Co. MUD No. 32 Series 2022, Unlimited Tax Refunding Bonds

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
09/01/2022	85,000	4.750%	88,593.76	173,593.76
09/01/2023	95,000	4.750%	84,556.26	179,556.26
09/01/2024	100,000	5.000%	80,043.76	180,043.76
09/01/2025	105,000	5.000%	75,043.76	180,043.76
09/01/2026	110,000	5.000%	69,793.76	179,793.76
09/01/2027	120,000	5.250%	64,293.76	184,293.76
09/01/2028	125,000	5.250%	57,993.76	182,993.76
09/01/2029	135,000	5.250%	51,431.26	186,431.26
09/01/2030	145,000	5.375%	44,343.76	189,343.76
09/01/2031	155,000	5.375%	36,550.00	191,550.00
09/01/2032	165,000	5.375%	28,218.76	193,218.76
09/01/2033	175,000	5.375%	19,350.00	194,350.00
09/01/2034	185,000	5.375%	9,943.76	194,943.76
	1,700,000		710,156.36	2,410,156.36

Galveston Co. MUD No. 32

Schedule of Events Unlimited Tax Refunding Bonds, Series 2022

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

 Board Meeting

 Federal Holiday

Financial Advisor: RBC Capital Markets, LLC (RBC CM)

Bond Counsel: Allen Boone Humphries Robinson LLP (BC)

<u>Date</u>	<u>Action</u>	<u>Responsibility</u>
01/11/22	Information submitted to City of La Marque for approval at their 2/14 City Council meeting	RBC CM
02/14/22	City of La Marque City Council meeting to approve the Bonds	RBC CM, BC
02/15/22	Distribute Investor Package to potential bidders	RBC CM
03/08/22	Receive bids for Refunding Bonds	RBC CM
03/10/22	Board of Directors receive bids for the Bonds, award sale of the Bonds, and approve the Bond Resolution	ALL
04/07/22	Closing	ALL



**Capital
Markets**