

City of Kingsville, Texas

AGENDA CITY COMMISSION

MONDAY, MAY 8, 2023

REGULAR MEETING

CITY HALL

HELEN KLEBERG GROVES COMMUNITY ROOM

400 WEST KING AVENUE

5:00 P.M.

**Conference Line call: 1 (415) 655-0001 and
when prompted type access code: 126 210 9951 #**

OR

Live Videostream: <http://www.cityofkingsville.com/webex>

I. Preliminary Proceedings.

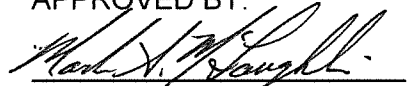
OPEN MEETING

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting April 24, 2023

APPROVED BY:


Mark McLaughlin
City Manager

II. Public Hearing - (Required by Law).¹

None.

III. Reports from Commission & Staff.²

"At this time, the City Commission and Staff will report/update on all committee assignments which may include but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time."

IV. Public Comment on Agenda Items.³

1. Comments on all agenda and non-agenda items.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

1. Motion to approve final passage of an ordinance amending the zoning ordinance by granting a Special Use Permit for indoor recreational use in C2 (Retail District) at Andrews 1, Lot S '90 A, (Fastenal), also known as 1911 S. Brahma Blvd., Kingsville, Texas; amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Interim Director of Planning & Development Services).
2. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 budget to accept and expend Youth Pony League donations for uniforms, equipment, and umpire and scorekeeper services. (Parks Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

3. Consideration and approval of an ordinance authorizing the issuance of "City of Kingsville, Texas Combination Tax and Subordinate Lien Certificates of Obligation, Series 2023"; entering into a Purchase and Investment Letter and a Paying Agent/Registrar Agreement; and approving other matters relating thereto. (City Attorney).
4. Consider a resolution authorizing Phase II Change Order #2 for the City-Wide Misc. Concrete and Drainage System Improvements Agreement between the City and ETech Construction Inc. (Bid#21-11). (City Engineer).
5. Consider a resolution authorizing the City Manager to execute a Proposal for Services with Ardurra Group, Inc. for a utility easement. (City Engineer).
6. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for utility easement surveying costs. (City Engineer).
7. Consider a resolution supporting the City of Kingsville's Application to the Texas Department of Transportation's 2023 Transportation Alternatives Set-Aside (TA) Call for Projects (for pedestrian and/or bicycle infrastructure); authorizing the Mayor to act on the City's behalf with such program. (Step 2-Detailed Application). (City Engineer).

8. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate additional funding for the increase in All-Risk and Windstorm Property Insurance effective May 2023. (Human Resources director).
9. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 Budget to reclass donation from General Fund 001 to Park Maintenance Fund 093. (Finance Director).
10. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for first interest payment on the Water Meter Project Certificates of Obligation. (Finance Director).

VII. Adjournment.

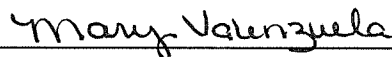
1. No person's comments shall exceed 5 minutes. Cannot be extended by Commission.
2. No person's comments shall exceed 5 minutes without permission of majority of Commission.
3. Comments are limited to 3 minutes per person. May be extended or permitted at other times in the meeting only with 5 affirmative Commission votes. The speaker must identify himself by name and address.
4. Items being considered by the Commission for action except citizen's comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.

NOTICE

This City of Kingsville and Community Room are wheelchair accessible and accessible parking spaces are available. Requests for accommodation or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/595-8002 or FAX 361/595-8024 or E-Mail mvalenzuela@cityofkingsville.com for further information. Braille Is Not Available. The City Commission 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 by 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), 551-086 (Certain Public Power Utilities: Competitive Matters), and 551-087 (Economic Development).

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board located at City Hall, 400 West King Ave, of the City of Kingsville, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time:

May 5, 2023, at 10:30 A.M. and remained so posted continuously for at least 72 hours proceeding the schedule time of said meeting.



Mary Valenzuela, TRMC, City Secretary
City of Kingsville, Texas

This public notice was removed from the official posting board at the Kingsville City Hall on the following date and time: _____

By: _____
City Secretary's Office
City of Kingsville, Texas

MINUTES OF PREVIOUS MEETING(S)

APRIL 24, 2023

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, APRIL 24, 2023, IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 5:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor
Hector Hinojosa, Commissioner
Norma N. Alvarez, Commissioner
Ann Marie Torres, Commissioner

CITY COMMISSION ABSENT:

Edna Lopez, Commissioner

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Derek Williams, IT
Emilio Garcia, Health Director
Deborah Balli, Finance Director
Bill Donnell, Public Works Director
Susan Ivy, Parks Director
Mike Mora, Capital Improvements Manager
Diana Gonzales, Human Resources Director
Rudy Mora, Engineer
Ricardo Torres, Chief of Police
Joseph Ramirez, Engineers Assistant
Janine Reyes, Tourism Director
Kwabena Agyekum, Interim Director of Planning & Development Services/Senior Planner/HPO

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 5:00 P.M. with four Commission members present. Commissioner Lopez was absent.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Ms. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting April 10, 2023

Motion made by Commissioner Alvarez to approve the minutes of April 10, 2023, as presented, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Torres, Fugate voting “FOR”.

II. Public Hearing - (Required by Law).¹

1. **Public hearing on request for a Special Use Permit for indoor recreational use in C2 (Retail District) at Andrews 1, Lot S '90 A, (Fastenal), also known as 1911 S. Brahma Blvd., Kingsville, Texas. (Interim Director of Planning & Development Services).**

Mayor Fugate read and opened this public hearing at 5:02 P.M.

Mr. Agyekum, Interim Director of Planning & Development Services stated that the applicant would like to use the existing property for indoor recreational use, an indoor batting cage, which will create recreational activities for the community. The property is currently zoned C2-Retail. Staff has reviewed the application and the development complies with the relevant codes and ordinances but requires a special use permit. The Planning & Zoning Commission has met on this item and has voted unanimously to approve the recommendation.

Mayor Fugate commented that this would be good for our community.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item they may do so now with a five-minute limit. Additional time cannot be extended by the City Commission.

There being no further comments Mayor Fugate closed this public hearing at 5:04 P.M

III. Reports from Commission & Staff.²

"At this time, the City Commission and Staff will report/update on all committee assignments which may include but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water, And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time."

Mr. Mark McLaughlin, City Manager gave a brief update on the current storm that occurred over the weekend. No significant damage was done to the city. The rain gauge located at the landfill registered about six inches of rain, which caused the landfill to close for any citizen use. The landfill should be back to normal operations by tomorrow. He further reported that the Loteria Festival held on Saturday, April 22, 2023, was a big success.

Ms. Courtney Alvarez, City Attorney reported that the next City Commission is scheduled for Monday, May 8, 2023. Agenda items from staff are due no later than Friday, April 18, 2023.

Commissioner Alvarez commented that the trip to Mobile, AL for the USS Kingsville Christening was very successful and educational. She further commented that the sponsor of the USS Kingsville is a sixth generation of Richard King.

Commissioner Hinojosa commented that he is concerned about the school district going into a four-and-a-half-day school week next school year. He further commented that he would like to know what the city's role in this will be as he understands that staff has met with school districts' representatives already and asked if there will be a need for local agreement. He further stated that he would like to wait until Commissioner Lopez returns to discuss this.

Mayor Fugate commented that the city has no interest or opinion on the school district's decision as to whether they should go into a five-day or four-and-a-half-day school week next school year. This is up to the school district to decide. They have asked the city if they did go into a four-day school week, what options the city has to assist with the children that will be out of school on Fridays.

Commissioner Hinojosa commented that he is aware that this is the decision of the school district, but his concern is what role is the city playing in this situation. Will there be a local agreement or memorandum of understanding? What will the liability be for the city and does the city need to provide security? Commissioner Hinojosa further commented that there are a lot of concerns with regard to this issue that need to be addressed.

Mayor Fugate commented that it is his understanding that there may be a memorandum of understanding between the city and the school district.

Commissioner Hinojosa commented that he would like to see a workshop scheduled to discuss what the role of the city will be if the school district goes to a four-and-a-half-day week.

Mayor Fugate asked Mr. McLaughlin if the city would not be doing anything more than what it already does, other than expanding the services.

Mr. McLaughlin responded that the city will not be creating any new programs other than expanding the services it already provides. He further commented that the questions being asked by Commissioner Hinojosa are great questions, which have already been discussed with the school district leadership. Staff have asked the school district to draft a proposal and forward it to the city for review.

Commissioner Hinojosa commented that he is not aware of what has been agreed to between city staff and the school district, which is why he is questioning this.

Mr. McLaughlin commented that the city has not agreed to anything, other than just discussing with the school district.

Mayor Fugate commented that whatever it is that the school district proposes, that will need to come to the City Commission for approval.

Commissioner Torres asked that since it is the same services that the city will be providing, why would the city need to have a Memorandum of Understanding (MOU)?

Mayor Fugate commented that since the services will be extended and with Commissioner Hinojosa bringing up some good points on this matter, it will need to be discussed and placed into an MOU. Mayor Fugate further spoke about the USS Kingsville Christening event that took place in Mobile, AL.

Commissioner Hinojosa commented that he was amazed by the ceremony for the USS Kingsville.

IV. Public Comment on Agenda Items.³

1. Comments on all agenda and non-agenda items.

Mrs. Elizabeth Ramos, 615 Elizabeth commented that she has heard that some of the City Commissioners are not aware of reviews that are written regarding D.R. Horton Homes. She further stated that she would like to provide the Commission with five

pages of what those reviews were online. She also stated that as she is aware that agenda item 10, she would like to inform the Commission that D.R. Horton has been in business for 53 years. They aren't accredited by BBB, which is odd; online the customer review rating is 1.14 out of 5 stars. The consumer affairs reporting rating on D.R. Horton is 1.7 out of 5 stars. She stated that there are 64 reviews on this company. She further stated that she did some googling when it comes to D.R. Horton Builders in Texas because she knows that supposedly the owner said that Texas D.R. Horton is different, so she went online to find those. She stated that Rancho Vista in Corpus Christi is 2.5 stars online. She stated that one of the reviews said, "I have no idea why anybody would ever purchase from these builders. I have never seen such poor craftsmanship and quality value." She says the list goes on. London town, over six months in the subdivision, am still waiting to get warranty work and items fixed that were promised after closing. She stated that there are some in San Antonio, not having to endure the cut corners, foundation needs repair and they buried garbage under the grass, poor construction with another person stating, where do I begin, do not buy from D.R. Horton. She further stated that another person stated that the home was made so sloppy, save your money, and don't buy a home from D.R. Horton. Mrs. Ramos commented that she can't stress enough that we do need nice new homes, but the quality coming from D.R. Horton could be detrimental to future home buyers. Mrs. Ramos stated that she does not want to hear the complaints in the future and believes that we should go with someone who is offering to build homes with a different company, a different builder. She stated that this is her opinion on this.

Mr. James Glusing, 3209 S. Brahma Blvd. commented that he has some questions from when the workshop was held last Fall and was wondering that other than the people that were directly involved with the construction, he believes there wasn't any positive feedback that came from the community. He stated that they were also told that there would be some new explosive news that would be coming, which he is not aware of if it has ever been publicized. He stated that they were told that this would come out on December 24th. As of today, the neighbors and those in the community have not been kept up to date on what's happening. He stated that he understands that there was a plot map that was on the agenda for today, which he understands is new. He further stated that they only want to find out what is happening. He further commented that it is not as positive from everybody coming from the community that is being said.

Mr. Jaime Rocha, 401 Jay Vee commented that he would like to echo his co-citizen statement and was wondering if there was an update from the city or the Economic Development Council on the Oxi deal and the plant going on to the King Ranch. He further commented that there was also a big assurance that there would be a big announcement at Christmas, and it wasn't delivered, which is a disappointment. He asked if there was any way to find out what happened and are we still waiting on that announcement or are we moving on to something else. He further commented that as citizens, they deserve it because they were assured and guaranteed, you just wait, just wait, which is how they left the meeting, and as citizens, they deserve a follow-up to that. He further commented that based on the plot that is on the agenda, it doesn't seem that any of the concerns that were brought up by the citizens during the town meeting were addressed, the congestion, density of houses, no buffer zones, drainage issues, no playground area or green space available in that neighborhood. He stated that it seems as if everything that was said at that meeting wiped off carte blanche, which is disappointing as a citizen of Kingsville; they came to have their voices heard and none of them were given any space in the amendment or process going forward. He further commented that if anyone else came in to discuss this, this is the only time to say anything about this development. When they get to the actual agenda item, five votes from the Commission will be needed to allow for comments, and presently there are not

five Commission members present. If anyone has something to say on Somerset, this is the time.

V.

Consent Agenda

Notice to the Public

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CONSENT MOTIONS, RESOLUTIONS, ORDINANCES, AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions, and ordinances not removed for individual consideration)

Motion made by Commissioner Alvarez to approve the consent agenda as presented, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Fugate voting "FOR".

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 budget to accept and expend grant funds from the Coastal Bend Regional Advisory Council for Fire Department medical supplies. (Fire Chief).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 budget to accept and expend grant funds from Operation Stonegarden for various Police Department expenditures. (Police Chief).

3. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 budget to appropriate funding to cover additional Street Department vehicle maintenance. (Public Works Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

4. Consider authorizing renewal of All-Risk Property Insurance Coverage for the City of Kingsville for the period of May 1, 2023, through April 30, 2024, as per consultant's recommendation. (Human Resources Director).

Mrs. Diana Gonzales, Human Resources Director stated that this will authorize the award of the All-Risk Property Insurance Coverage for the City of Kingsville for the period of May 1, 2023, through April 30, 2024. This policy covers perils of Fire, Flood, Earthquake, lightning, Windstorm, Named Storms, and Equipment Breakdown. The city's Total Insured Values for this renewal with the incumbent insurance carrier, AmRisc, are \$62,872,506 an increase of \$4,407,848 comprised of valuation increases due to inflation and new assets. Carlisle Insurance also solicited quotes from 37 additional property insurance carriers that underwrite Coastal Windstorm and all other peril risks. The enclosed renewal quote of \$502,020.96 is an increase of \$173,828.21 as compared to the expiring premium. The increase is due primarily to the property insurance marketplace which is driven by global and domestic property insurance losses.

Mr. Andrew Langford, the representative of Carlisle Insurance, stated that we are probably in one of the worst property and casualty insurance markets that anyone has ever seen. Last year 18 catastrophic weather events across the United States were over a billion dollars in losses and on average before that there were 8. There has been a significant increase in weather events which leads to an increase in insurance policies. He stated that they have approached 35 various markets to acquire property insurance for the city and AmRisc their incumbent carrier has provided the best deal. He stated that when they go to market, they talk about the various aspects of the city schedule and valuations and AmRisc is requiring us to increase the valuations. Looking back at the history of valuations, valuations for the city had not increased since 2018, so it is being increased by 7.9% which attributes cost to the premium, as well as a rate increase. As has been stated, \$4.4 million in insured value is what they are increasing as well as a 37% increase. Mr. Langford stated that everything listed on the list that has been provided to the city is a list of what is being insured. Some of these items can be removed if the city wishes to do so.

Commissioner Hinojosa asked that under the column that says increase value, what does this mean?

Mr. Langford commented that they use an estimator system that gives a replacement cost for buildings which is the increase in dollar amount valuations that are attributing to the \$4.4 million.

Commissioner Hinojosa asked if this counts for inflation increases.

Mr. Langford replied yes. This hadn't been done since 2018 and it is the prudent thing to do given the state of construction cost. This is something that needs to be looked into every 3 to 5 five years so that the city does not fall behind. If the square footage is added up on some of the buildings, at \$130 to \$140 a square foot it could cost around \$230 to \$250 a square foot to replace a building.

Commissioner Torres asked that as there are several fences on the list, are these on an empty property?

Mr. Langford responded that there is an address associated with it so that you can see where the location of this. He further stated that when it comes to talking about cutting costs, they are with the most competitive carrier, so the next option is to remove structures and if this is something the City would like to do it would need to renew...

Ms. Alvarez commented that the fencing that is listed on the list is required by TCEQ to be around the city's water wells, water towers, and water tanks as well as fencing at the parks and lift stations.

Commissioner Torres asked if it is required to have the fencing, property, and building insured.

Mr. Langford responded that the city does not need to have it all insured. If the city would like certain items from the list, it can.

Commissioner Torres stated that there are around 6 that are at about \$5,000.

Mr. Langford stated that it won't save much money if these are removed from the list.

Mrs. Gonzales stated that she has spoken with Mr. Carlisle when they went over the information and if the city decided to remove some of these items from the list to try and keep the premiums to what the city already had, it could be less than \$7,000 to \$10,000 in premiums.

Commissioner Torres then asked that the fence that is valued at \$39,000 won't make a difference.

Mr. Langford stated that it will make a difference, but it would need to be multiplied by the rate. It could be around \$500 to \$1,000.

Mrs. Gonzales stated that one of the things that were indicated by Mr. Carlisle is that if there is an event, some of the things that will go first are some of the smaller things, but it's the cost of the total property to make the deductible, as the city's deductible did increase. She further stated that everything in the schedule is covered but there is now a limit of \$50 million, which is different than the current policy.

Mr. Langford stated that last year the policy covered the full limits of all the properties on the schedule at \$66 million. This year, for name storm only, they are limiting, which doesn't apply to fire or other wind events, there is a \$25 million loss limit on this policy. The deductible has also increased from a 3% to 5%. He stated that at this time we are in one of the worst property markets that anyone has ever seen.

Motion made by Commissioner Hinojosa to authorize the renewal of All-Risk Property Insurance Coverage for the City of Kingsville for the period of May 1, 2023, through April 30, 2024, as per consultant's recommendation, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Fugate voting "FOR".

5. Consider introduction of an ordinance amending the zoning ordinance by granting a Special Use Permit for indoor recreational use in C2 (Retail District) at Andrews 1, Lot S '90 A, (Fastenal), also known as 1911 S. Brahma Blvd., Kingsville, Texas; amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Interim Director of Planning & Development Services).

Introduction item.

6. Consider accepting donations for the Kingsville Parks Youth Pony League. (Parks Director).

Motion made by Commissioner Hinojosa to accept the donations for the Kingsville Park Youth Pony League, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Torres, Fugate voting "FOR".

7. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 budget to accept and expend Youth Pony League donations for uniforms, equipment, and umpire and scorekeeper services. (Parks Director).

Introduction item.

8. Consider a resolution authorizing the City Manager to enter an Intergovernmental Support Agreement between Naval Air Station Kingsville and the City of Kingsville for road repair and maintenance, lift station maintenance, and solid waste services. (City Attorney/City Manager).

Mr. McLaughlin stated that this is a program that was initiated by the Department of the Navy. This came down to all the regions and the installations that you shall have intergovernmental support agreements with the local municipalities. He further stated that our city is well ahead of other municipalities that have a naval air station with them as we already do a tremendous amount of intergovernmental support which includes water and wastewater. Through a contractor and series of meetings, it came up as to what are other things that the city can do that the Navy could pay for that may be cheaper than what they are paying for now, and without any interruptions to our services capabilities to our citizens. Mr. McLaughlin further stated that a review of about 25 other items came down to three that the city felt it could do with its current capacity garbage service, and road repairs which is only potholes as TXDOT will be doing the paving inside installations.

Mayor Fugate commented that he is for this, but there is a concern as the city's street department is stretched thin already and asked if the street department will only be doing potholes.

Mr. McLaughlin responded yes, but if the Navy calls and says that the intergovernmental states that pothole repairs but they have some additional jobs for the city, they would have to put in a task order. This will allow staff to review the cost and say if it can be done now or in the future or if it cannot be done. This doesn't mean that the city is committed to every time they call or must go out there. This is an intergovernmental support agreement and does not mean it is a mandatory agreement.

Motion made by Commissioner Alvarez to approve the resolution authorizing the City Manager to enter an Intergovernmental Support Agreement between Naval Air Station Kingsville and the City of Kingsville for road repair and maintenance, lift station maintenance, and solid waste services, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Alvarez, Torres, Hinojosa, Fugate voting "FOR".

9. Consider a resolution of the City of Kingsville, Texas finding that AEP Texas Inc.'s application to amend its Distribution Cost Recovery Factors to increase distribution rates within the City should be denied; authorizing participation with the cities served by AEP Texas; authorizing the hiring of legal counsel; finding that the City's reasonable rate case expenses shall be reimbursed by the company; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel. (City Attorney).

Ms. Alvarez stated that a few years back the legislature changed the rules with regards to how electric utilities could increase rates. In between major rate case filings, the utilities are allowed to do these distribution costs recovery factor filings and a few other types of filings. When they do these filings the cities, such as us, that have original jurisdiction can hire attorneys and consultants to review the filing to make sure that it is followed procedurally and to have the experts analyze the necessity and can go back and forth in contesting certain increases and things that they may have added to their increase. Ms. Alvarez further stated that this will not cost the city or the taxpayers anything as the way the law currently stands, the electric utilities must reimburse or pay for the cost for the cities and experts that are retained to help defend or protect the taxpayers.

Mayor Fugate asked if the legislature is trying to make cities pay for their attorneys.

Ms. Alvarez responded that in almost every session, the utility lobbyist tries to get that carved out so that it no longer be reimbursed.

Mayor Fugate further asked if there is any legislation that Ms. Alvarez may be aware of.

Ms. Alvarez responded yes, but it is her understanding that it is not moving forward successfully. She further stated that if it went through before the context each residential customer could see an increase of about \$1.63 with a secondary charge of \$1.30 which would be for a writer mobile fee that is related to mobile generation units, leasing, and operations.

Motion made by Commissioner Torres to approve the resolution of the City of Kingsville, Texas finding that AEP Texas Inc.'s application to amend its Distribution Cost Recovery Factors to increase distribution rates within the City

should be denied; authorizing participation with the cities served by AEP Texas; authorizing hiring of legal counsel; finding that the City's reasonable rate case expenses shall be reimbursed by the company; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Fugate voting "FOR".

10. Discuss potential Somerset Subdivision layout/plat. (City Manager).

Mr. McLaughlin stated that after numerous meetings with the city engineers, planning department, and engineers from Somerset there have been a number of changes made to the originals that came out during the town hall meeting. What will be shown is what the planning department says meets all the requirements of the city ordinances. The biggest changes are the green space which was added on the west side of the property behind Tom Best. All of the rights-of-way are 60 feet now and have a radius of turns for fire trucks at every corner. He further stated that the Fire Chief has looked at the requirements for the length of the street to lay out the hose from where the fire hydrants would be located, which met all the codes. The three entry and exit points have not changed. He stated that there will be some very detailed drawings of the entrance off of Brahma Blvd. to have the least impact on both property owners on each side of the city's right-of-way, that have been built out into the right-of-way. ICE Engineering has discussed when the Brahma Blvd ditch gets put in, the larger underground drainage Brahma Blvd from General Cavazos to FM 1717 will be redone and have a full-length center turn lane. The lot sizes meet what is stated in the ordinance. There is no waiver and will not be asking for any variance for lot sizes. He stated that they did not put the through street in, there is no through street that connects with Chandler Acres.

Mayor Fugate stated that it is his understanding that there won't be any utilities, roads, or any connection between this subdivision and Chandler Acres.

Mr. McLaughlin responded that this was correct. He further stated that drainage will flow south than east or west, depending on what side of the property is, and will be all underground and will come out to the big creek on the south. There were about a dozen comments and concerns that were written down which were addressed by Mr. Urban from Urban Engineering. Mr. McLaughlin further stated that there used to be 278 lots proposed, but now there are 256, in order to make it all fit with the wider streets and green space. He stated that this is a doable project for the developer who has every right to develop his property.

Mayor Fugate asked if the staff has contacted TxDOT regarding Brahma Blvd and General Cavazos.

Mr. McLaughlin responded that he has spoken with TxDOT and yes, the developer will have to get driveway permits for all those cuts, to add to General Cavazos and Brahma Blvd, which TxDOT will have to approve.

Mayor Fugate further asked about going to four lanes on Brahma Blvd. and General Cavazos.

Mr. McLaughlin commented that General Cavazos is probably a more reasonable four-lane road before Brahma. The way TxDOT works is that if you want a four-lane road today, you will see it in about 20 years. He has already spoken to TxDOT and asked for them to start thinking of a four-lane as it is a four-lane through town until you hit General Cavazos, then it goes to a two-lane with a center turn lane halfway down. He

stated that just to get the drawing submitted, Mr. Lucio has stated that it is a four-year process to get the architects to draft it up.

Mayor Fugate commented that all the neighbors are concerned about this project and asked if staff could post this so that they can see it as well.

Mr. McLaughlin stated that it will be posted on the City of Kingsville's website under the Engineering tab.

Commissioner Hinojosa asked if there would be another public hearing so that it could be mentioned what changes were made and allow the community to comment.

Ms. Alvarez stated that when the preliminary and final plat come before the Commission, there will be a public hearing on both Planning & Zoning Commission and City Commission meetings.

Mr. McLaughlin commented that this will be done in phases, he is not aware of how many phases. Phase 1 has already been provided to the city for plat approval, which is being reviewed now.

Mayor Fugate commented that it would be nice if there was a person to contact from the neighborhood to let them know what the city is doing so that this individual could get the word back to their neighbors.

Commissioner Torres commented that she is aware that the city can not tell the developer who not to use but would there be a suggestion?

Mr. McLaughlin commented that a city cannot tell a developer who to use or not use in the development of their property.

Mayor Fugate commented that the builder would have to meet all city codes and be inspected by the city inspectors.

Commissioner Hinojosa asked if the city will be inspecting all the streets and curbs to make sure they meet all city codes. Since the streets and curbs will be turned over to the city, will the city have a say so on the inspection of those streets?

Mr. McLaughlin responded yes, as it is part of the review process.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:50 P.M.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, CMC, City Secretary

CONSENT AGENDA

AGENDA ITEM #1



MEMO

Date: April 19, 2023

To: Mayor and City Commissioners

From: Kobby Agyekum (Interim Director of Planning and Development Services)

Subject: **Jacob Carmona, Applicant; requesting a Special Use Permit for Indoor Recreational Use in C2 (Retail) at ANDREWS 1, LOT S '90 A, (FASTENAL) also known as 1911 S. Brahma Blvd., Kingsville, TX.**

The Planning and Zoning Commission meeting was held as scheduled this evening, April 19, 2023, with 4 members in attendance.

Members deliberated over the issue of granting approval for a replat **Special Use Permit for Indoor Recreational Use in C2 (Retail) at ANDREWS 1, LOT S '90 A, (FASTENAL) also known as 1911 S. Brahma Blvd., Kingsville, Texas** to establish an indoor recreation facility. Letters were sent out to neighbors and the City received no feedback. Commissioners, after deliberations, voted to approve the recommendation to establish indoor recreation, the said property which is C2 (Retail). A recorded vote of all members present was taken and Commissioners Steve Zamora, Larry Garcia, Rev. Idotha Battle and Debbie Tiffie. All agenda items were voted 'YES'.

The meeting was adjourned by about 6:15pm

Thank you.

A handwritten signature in black ink, appearing to read "Kobby Agyekum", with a stylized flourish at the end.

Kobby Agyekum
Interim Director of Planning and
Development Services



MEMO

Date: April 9, 2023

To: Planning and Zoning Commission Members

From: Kobby Agyekum (Interim Director of Planning and Development Services)

Subject: **Jacob Carmona, Applicant; requesting a Special Use Permit for Indoor Recreational Use in C2 (Retail) at ANDREWS 1, LOT S '90 A, (FASTENAL) also known as 1911 S. Brahma Blvd., Kingsville, TX.**

The applicant approached the department because they wanted to use the existing property for indoor recreational use. The proposal as presented to the department would involve creating recreational activities to serve the City of Kingsville. The property is currently zoned C2 – Retail.

Consequently, this application is being submitted for your consideration. The department has reviewed the application and has found no adverse impact on the environment and the development complies with the relevant codes and Ordinances but requires a “Special Use” permit. Therefore, it is recommended that you consider the said application and approve same since this will improve internet use within the city of Kingsville.

Thank you.

Kobby Agyekum
Interim Director of Planning and
Development Services

CITY OF KINGSVILLE
PLANNING AND ZONING DIVISION
MASTER APPLICATION

PROPERTY INFORMATION: (Please PRINT or TYPE)

Project Address 1911 S Brahma Blvd Nearest Intersection _____

(Proposed) Subdivision Name Andrews Lot 590'W Block _____

Legal Description: Andrews 1 lot 90 W Fastenal

Existing Zoning Designation C-2 Future Land Use Plan Designation SLP

OWNER/APPLICANT INFORMATION: (Please PRINT or TYPE)

Applicant/Authorized Agent Jacob Carmuna Phone (361) 228-6074 FAX _____

Email Address (for project correspondence only): Jefard 5.0 @ Gmail. com

Mailing Address 222 Lemonwood City Kingsville State TX Zip 78363

Property Owner Herman Ohkenbusch Phone (361) 592-3720 FAX _____

Email Address (for project correspondence only): N/A

Mailing Address 601 Alexander Ave City Kingsville State TX Zip 78363

Select appropriate process for which approval is sought. Attach completed checklists with this application.

| | | | |
|---|----------|---|------------|
| <input type="checkbox"/> Annexation Request | No Fee | <input type="checkbox"/> Preliminary Plat | Fee Varies |
| <input type="checkbox"/> Administrative Appeal (ZBA) | \$250.00 | <input type="checkbox"/> Final Plat | Fee Varies |
| <input type="checkbox"/> Comp. Plan Amendment Request | \$250.00 | <input type="checkbox"/> Minor Plat | \$100.00 |
| <input type="checkbox"/> Re-zoning Request | \$250.00 | <input type="checkbox"/> Re-plat | \$250.00 |
| <input checked="" type="checkbox"/> SUP Request/Renewal | \$250.00 | <input type="checkbox"/> Vacating Plat | \$50.00 |
| <input type="checkbox"/> Zoning Variance Request (ZBA) | \$250.00 | <input type="checkbox"/> Development Plat | \$100.00 |
| <input type="checkbox"/> PUD Request | \$250.00 | <input type="checkbox"/> Subdivision Variance Request | \$25.00 ea |

Please provide a basic description of the proposed project:

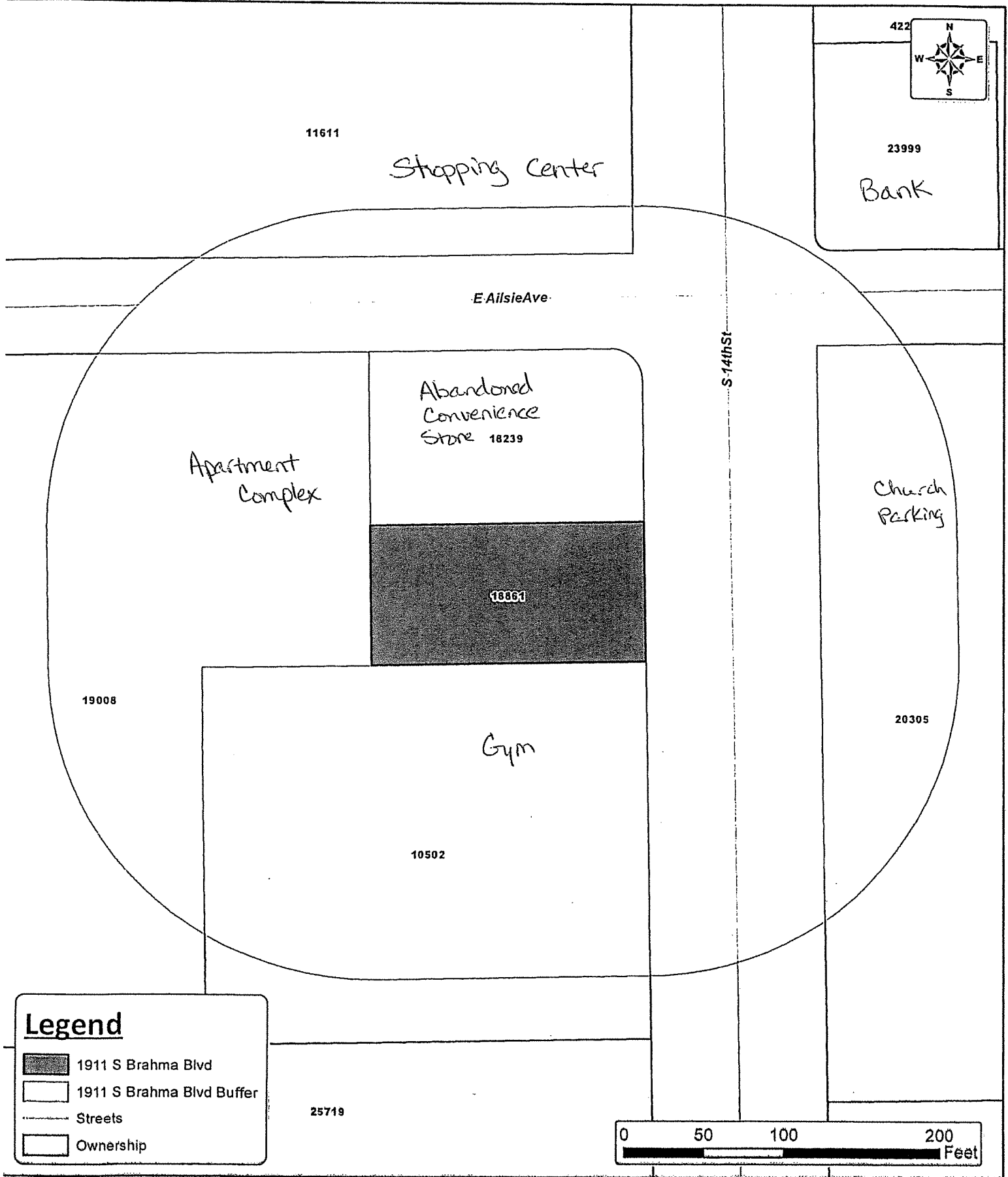
We like to do Inside batting baseball/softball facility
to the public and schools.

I hereby certify that I am the owner and /or duly authorized agent of the owner for the purposes of this application. I further certify that I have read and examined this application and know the same to be true and correct. If any of the information provided on this application is incorrect the permit or approval may be revoked.

Applicant's Signature _____ Date: 03-15-2023

Property Owner's Signature _____ Date: _____

Accepted by: [Signature] Date: 3-17-2023



Legend

- 1911 S Brahma Blvd
- 1911 S Brahma Blvd Buffer
- Streets
- Ownership

**Kingsville Retail Group, LP
Todd Routh
11701 Bee Caves Road, STE 262
Austin, TX 78738
#11611**

**Harbur & Harbur LP
Robert W Hartman
3279 FM 1540
Sandia, TX 78383
#18239**

**CAK Kingsville LLC
25047 Toutant Beauregard RD
San Antonio, TX 78255
#19008**

**McAllen Baptist Temple
2001 W Trenton RD
McAllen, TX 78504
#20305**

**Michael J Krueger
PO Box 1538
Kingsville, TX 78364
#10502**

10/20/2023 12:17

County of Brazoria, TX - 2023 Values
TAX MAP 10011100 Year 2023

Tax Year: 2023 - Values not available

Property

Account

| | | | |
|---------------------------|------------------|--------------------|------------------------------------|
| Property ID: | 18861 | Legal Description: | ANDREWS 1, LOT S 90' A, (FASTENAL) |
| Geographic ID: | 1030000001001192 | Zoning: | C2 |
| Type: | Real | Agent Code: | |
| Property Use Code: | | | |
| Property Use Description: | | | |

Location

| | | | |
|------------------|--------------------------|---------|----|
| Address: | 1911 S BRAHMA BLVD TX | Map ID: | |
| Neighborhood: | | Map ID: | A3 |
| Neighborhood CD: | | | |

Owner

| | | | |
|------------------|--|--------------|-------------------|
| Name: | OHLENBUSCH HERMAN H | Owner ID: | 30455 |
| Mailing Address: | 926 S 14TH ST, STE 103 KINGSVILLE, TX 78363 | % Ownership: | 100.000000000000% |
| | | Exemptions: | |

Values

| | | | |
|---------------------------------------|---|-----|-----------------------|
| (+) Improvement Homesite Value: | + | N/A | |
| (+) Improvement Non-Homesite Value: | + | N/A | |
| (+) Land Homesite Value: | + | N/A | |
| (+) Land Non-Homesite Value: | + | N/A | Ag / Timber Use Value |
| (+) Agricultural Market Valuation: | + | N/A | N/A |
| (+) Timber Market Valuation: | + | N/A | N/A |
| ----- | | | |
| (=) Market Value: | = | N/A | |
| (-) Ag or Timber Use Value Reduction: | - | N/A | |
| ----- | | | |
| (=) Appraised Value: | = | N/A | |
| (-) HS Cap: | - | N/A | |
| ----- | | | |
| (=) Assessed Value: | = | N/A | |

Property Information

Owner: OHLENBUSCH HERMAN H

% Ownership: 100.0000000000%

Total Value: N/A

| Entity | Description | Tax Rate | Appraised Value | Taxable Value | Estimated Tax |
|-----------------|----------------|----------|-----------------|---------------|---------------|
| GKL | KLEBERG COUNTY | N/A | N/A | N/A | N/A |
| Total Tax Rate: | | N/A | | | |

Taxes w/Current Exemptions: N/A

Taxes w/o Exemptions: N/A

Improvement / Building

Improvement #1: COMMERCIAL State Code: F1 Living Area: 5000.0 sqft Value: N/A

| Type | Description | Class CD | Exterior Wall | Year Built | SQFT |
|------|----------------|----------|---------------|------------|--------|
| MA | MAIN AREA | RS2L | EW4 | 1973 | 4000.0 |
| ASP | ASPHALT (100%) | * | | 2000 | 7980.0 |
| MA | MAIN AREA | WH2L | | 1973 | 1000.0 |

Land

| # | Type | Description | Acres | Sqft | Eff Front | Eff Depth | Market Value | Prod. Value |
|---|------|-------------|--------|----------|-----------|-----------|--------------|-------------|
| 1 | F1 | F1 | 0.3616 | 15750.00 | 90.00 | 175.00 | N/A | N/A |

Val. Value History

| Year | Improvements | Land Market | Ag Valuation | Appraised | HS Cap | Assessed |
|------|--------------|-------------|--------------|-----------|--------|-----------|
| 2023 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2022 | \$78,030 | \$47,250 | 0 | 125,280 | \$0 | \$125,280 |
| 2021 | \$86,230 | \$47,250 | 0 | 133,480 | \$0 | \$133,480 |
| 2020 | \$36,120 | \$23,625 | 0 | 59,745 | \$0 | \$59,745 |
| 2019 | \$35,945 | \$23,625 | 0 | 59,570 | \$0 | \$59,570 |
| 2018 | \$35,220 | \$23,625 | 0 | 58,845 | \$0 | \$58,845 |
| 2017 | \$36,530 | \$23,625 | 0 | 60,155 | \$0 | \$60,155 |
| 2016 | \$36,530 | \$23,625 | 0 | 60,155 | \$0 | \$60,155 |
| 2015 | \$36,530 | \$23,625 | 0 | 60,155 | \$0 | \$60,155 |
| 2014 | \$36,530 | \$23,625 | 0 | 60,155 | \$0 | \$60,155 |
| 2013 | \$36,530 | \$23,625 | 0 | 60,155 | \$0 | \$60,155 |
| 2012 | \$36,530 | \$23,625 | 0 | 60,155 | \$0 | \$60,155 |
| 2011 | \$36,530 | \$23,625 | 0 | 60,155 | \$0 | \$60,155 |
| 2010 | \$36,530 | \$23,625 | 0 | 60,155 | \$0 | \$60,155 |
| 2009 | \$36,530 | \$23,625 | 0 | 60,155 | \$0 | \$60,155 |

Printed: 2/2/2024 10:00:00 AM

PUBLIC NOTICES

PUBLIC NOTICES

PUBLIC NOTICES

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PUBLIC NOTICES

AW 66-1
Prescribed by Secretary of State
Section 127.096 Texas Election Code
3397

PUBLIC NOTICE OF TEST OF AUTOMATIC
TABULATING EQUIPMENT

Notice is hereby given that the automatic tabulating equipment that will be used in the Ricardo Independent School District Bond Election scheduled for Tuesday, May 6, 2023 will be tested on Wednesday, April 12, 2023 at 8:30 a.m. by the County Clerk's Office at the Rosa Galvan Aguilar Ext. Bldg. located at 729 E. Yoakum Avenue Street in Kingsville, to ascertain that it will accurately count the votes cast for all offices and on all measures.

/s/ Salvador Sonny Barrera III
Salvador Sonny Barrera III, Kleberg County Clerk

AVISO PUBLICO DE PRUEBA DE
EQUIPO DE TABULACIÓN AUTOMÁTICO

Por la presente se notifica que el equipo de tabulación automática que se utilizará en la Elección General y Especial está programado para el Sábado 6 de Mayo de 2023 será probado el miércoles 12 de Abril de 2023 a las 8:30 a.m. por la Oficina del Secretario del Condado en el Edificio Rosa Galván Aguilar Ext. ubicado en 729 E. Yoakum Avenue Street en Kingsville, para asegurarse de que contará con precisión los votos emitidos para todos los cargos y en todas las medidas.

/s/ Salvador Sonny Barrera III
Salvador Sonny Barrera III, Kleberg County Clerk

Application has been made with Texas Alcoholic Beverage Commission for Wine and Beer Retailer's permit and a Food and Beverage Certificate (FB) by AC Cafe Corporation DBA Freddy's Cafe at 5372 US-77 Kingsville, Texas 78363, Kleberg County. President and Manager and Secretary of said corporation is Jose Garnica.

Application has been made with the Texas Alcoholic Beverage Commission for a Mixed Beverage by Domingo Pinon Reyna Jr, dba Double 7 Management to be located at 1414 N 14th Street, Kingsville, Kleberg County, Texas.



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PUBLIC NOTICE OF REQUEST FOR QUALIFICATIONS (RFQ)
KINGSVILLE INDEPENDENT SCHOOL DISTRICT

Kingsville Independent School District ("Kingsville ISD") will receive sealed written RFQ proposals for contracted Occupational Therapy services at the Administration Building, 207 N. 3rd St., Kingsville, Texas 78363, until 2:00 PM on Thursday, April 20th from interested providers. An RFQ Packet containing instructions for this process will be available in the Administration Building, 207 N. 3rd St., Kingsville, Texas 78363, during regular business hours and at KingsvilleISD.com. All potential bidders are encouraged to request a Bid Packet to ensure bidders are familiar with the bid requirements. Sealed bids must be marked: "RFQ - OCCUPATIONAL THERAPY SERVICES." Submissions not received by the deadline specified herein and that do not comply with the RFQ requirements will not be considered. All inquiries should be directed to Dr. Peter Pitts, Chief Financial Officer, at (361) 592-3387. Kingsville ISD reserves the right to accept or reject any or all proposals submitted in the school district's best interest.

Riviera ISD is accepting bids for a van. Please see <https://www.rivieraisd.us/o/riviera/page/request-for-proposals> for the Request for Proposal documents and mail all sealed bids to Riviera ISD 203 Seahawk Drive Riviera, Tx 78379.

PUBLIC NOTICES

PUBLIC NOTICES

PUBLIC NOTICES

Bishop CISD will hold a public hearing during its regular school board meeting on Monday, April 24, 2023 at 6:30 p.m. in the Luehrs Junior High School Badger Den located at 717 E. 6th Street, Bishop, Texas. The purpose of the public hearing is to present the Texas Academic Performance Reports (TAPR) which combines details of district and campus academic performance with financial reports and information about staff, programs and demographics.

PUBLIC NOTICES

PUBLIC NOTICES

PUBLIC NOTICES

PUBLIC NOTICE
KLEBERG COUNTY
HAZARD MITIGATION

Kleberg County will have an online survey from April 6th to April 20th, in order to gather information for their Hazard Mitigation Plan. Kleberg County and the participating jurisdictions encourage residents to take the survey online at the County's website. The survey's goal is to record public input for the plan draft. Discussion will include identifying natural hazards and hazard-related challenges facing the County in order to begin developing a plan to preserve strengths, resolve weaknesses, and meet future mitigation goals. If there are any questions about the plan or survey, please call the County at (361) 595-8585.

PUBLIC HEARING NOTICE

The Planning and Zoning Commission of the City of Kingsville will hold a Public Hearing Wednesday, April 19, 2023 at 6:00 p.m. wherein the Commission will discuss and/or take action on the following items and at which time all interested persons will be heard:

Jacob Carmona, Applicant; requesting a Special Use Permit for Indoor Recreational Use in C2 (Retail) at ANDREWS 1, LOT S '90 A, (FASTENAL) also known as 1911 S. Brahma Blvd., Kingsville, TX.

The meeting will be held at City Hall, 400 West King, in the Helen Kleberg Groves Community Room. If you have any questions about the items on the agenda, please contact the Planning Department at (361) 595-8055.

PUBLIC HEARING NOTICE

The City Commission of the City of Kingsville will hold a Public Hearing Monday, April 24, 2023 at 5:00 p.m. wherein the City Commission will discuss the consideration of the following item and at which time all interested persons will be heard:

Jacob Carmona, Applicant; requesting a Special Use Permit for Indoor Recreational Use in C2 (Retail) at ANDREWS 1, LOT S '90 A, (FASTENAL) also known as 1911 S. Brahma Blvd., Kingsville, TX.

The meeting will be held at City Hall, 400 West King, Kingsville, Texas in the Helen Kleberg Groves Community Room. If you have any questions about the items on the agenda, please contact the City Secretary at (361) 595-8002.

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TexSCAN Week of
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ARROWHEADS

INDIAN ARROWHEADS WANTED. Point Type: Clovis, Yuma, Finisview & Eden. Must be old, authentic & unbroken. Absolute top dollar paid - up to 5 figures for one point. I am a very serious high-end collector. Call 979-218-3351.

Want to lease an area (small acreage) to find Indian arrowheads in the sand dunes of West Texas. I will pay up to five figures for the right property. Call 979-218-3351.

AUCTION

Absolute Public Online Auction - Laredo, Texas, 9 a.m., Fri., April 14, 2023. 1768 PM 333K. 450+ conventional tractors, vans & more. 800-654-8280. www.taylorandmartin.com.

EVENTS

New Braunfels Area Car Club Swap Meet, April 21, 22 & 23, 2023. Comal County Fairgrounds 801 E. Common Street, New Braunfels. www.newbraunfelsareacarclub.com. Free to public. Gates open at 8 a.m.

Texas Ladies State Chili Championship Cook-off, Sat., April 15th 10 a.m.-9 p.m. Max Starcke Park East. Chili, Craft and Food Vendors, Music, Silent Auction, Raffles, Family Fun! Judging begins at 12:30 p.m. Sign up to be a chili cook. <https://www.tlscoc.com/registration.html>. VisitSequin.com, 830-401-5000.

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MEDICAL

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ORDINANCE NO. 2023-_____

AMENDING THE ZONING ORDINANCE BY GRANTING A SPECIAL USE PERMIT FOR INDOOR RECREATIONAL USE IN C2 (RETAIL DISTRICT) AT ANDREWS 1, LOT S '90 A, (FASTENAL), ALSO KNOWN AS 1911 S. BRAHMA BLVD., KINGSVILLE, TEXAS; AMENDING THE COMPREHENSIVE PLAN TO ACCOUNT FOR ANY DEVIATIONS FROM THE EXISTING COMPREHENSIVE PLAN; PROVIDING FOR PUBLICATION.

WHEREAS, the Planning & Zoning Commission has forwarded to the City Commission it's reports and recommendations concerning the application of Jacob Carmona, applicant on behalf of owner Herman Ohlenbusch, for amendment to the zoning map of the City of Kingsville;

WHEREAS, the property is currently zoned C2-Retail District and it is desired for the area to be used as an indoor batting facility;

WHEREAS, the City Code of Ordinances, Chapter XV-Land Usage, Appendix A- Land Use Categories states that in C2 a special use permit is required to have an indoor recreational use (indoor batting facility); and

WHEREAS, the City of Kingsville Code of Ordinances section 15-6-142 regulates special use permits; and

WHEREAS, with proper notice to the public, public hearings were held on Wednesday, April 19, 2023, during a meeting of the Planning & Zoning Commission, and on Monday, April 24, 2023, during a meeting of the City Commission, in the Helen Kleberg Groves Community Room/Commission Chambers, at City Hall, in the City of Kingsville, during which all interested persons were allowed to appear and be heard; and

WHEREAS, a majority of the Planning & Zoning Commission voted 4-0 to APPROVE, with no abstentions, the requested special use permit; and

WHEREAS, the City Commission has determined that this amendment would best serve public health, necessity, and convenience and the general welfare of the City of Kingsville and its citizens.

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

SECTION 1. That the Zoning Ordinance of the City of Kingsville, Texas, is amended and a Special Use Permit is granted for an Indoor Recreational Facility (indoor batting facility) on

the premises known as 1911 S. Brahma Blvd., Kingsville, Texas, (Andrews 1, Lot S'90 A, (Fastenal)), as more specifically describe on site plan attached as Exhibit A.

SECTION 2. That the Special Use Permit granted in Section 1 of this Ordinance is subject the following conditions:

1. **ALLOWED USE:** The only uses authorized by this Special Permit other than the permitted "C2" Retail District use is as an Indoor Recreational use (indoor batting facility).

2. **STATE LICENSE:** The premises or operator will be licensed or registered by the State of Texas, if needed, to have such a business.

3. **TIME LIMIT:** This Special Permit is good for the duration of the business from the date of this ordinance unless the property is not being used for the purpose outlined in Condition 1 or any other conditions have not been complied with.

4. **SPECIAL CONDITION:** The applicant shall obtain all required background checks and business licenses. The applicant shall also cooperate with all annual fire safety, health, and sanitation inspections, as required by the City of Kingsville and any other state agency, and comply with any other laws or regulations regarding such business in order to maintain compliance with state and city regulations for the indoor batting facility.

SECTION 3. That the official Zoning Map of the City of Kingsville, Texas, is amended to reflect the amendment to the Zoning Ordinance made by Section 1 of this ordinance.

SECTION 4. That the Zoning Ordinance and Zoning Map of the City of Kingsville, Texas, as amended from time to time, except as changed by this ordinance and any other ordinances adopted on this date, remain in full force and effect.

SECTION 5. That to the extent that this amendment to the Zoning Ordinance represents a deviation from the Comprehensive Plan, the Comprehensive Plan is amended to conform to the Zoning Ordinance, as amended by this ordinance.

SECTION 6. That all ordinances or parts of ordinances in conflict with this ordinance are hereby expressly repealed.

SECTION 7. That publication shall be made in the official publication of the City of Kingsville as required by the City Charter of the City of Kingsville.

INTRODUCED on this the 24th day of April, 2023.

PASSED AND APPROVED on this the 8th day of May, 2023.

Effective Date: _____, 2023

THE CITY OF KINGSVILLE

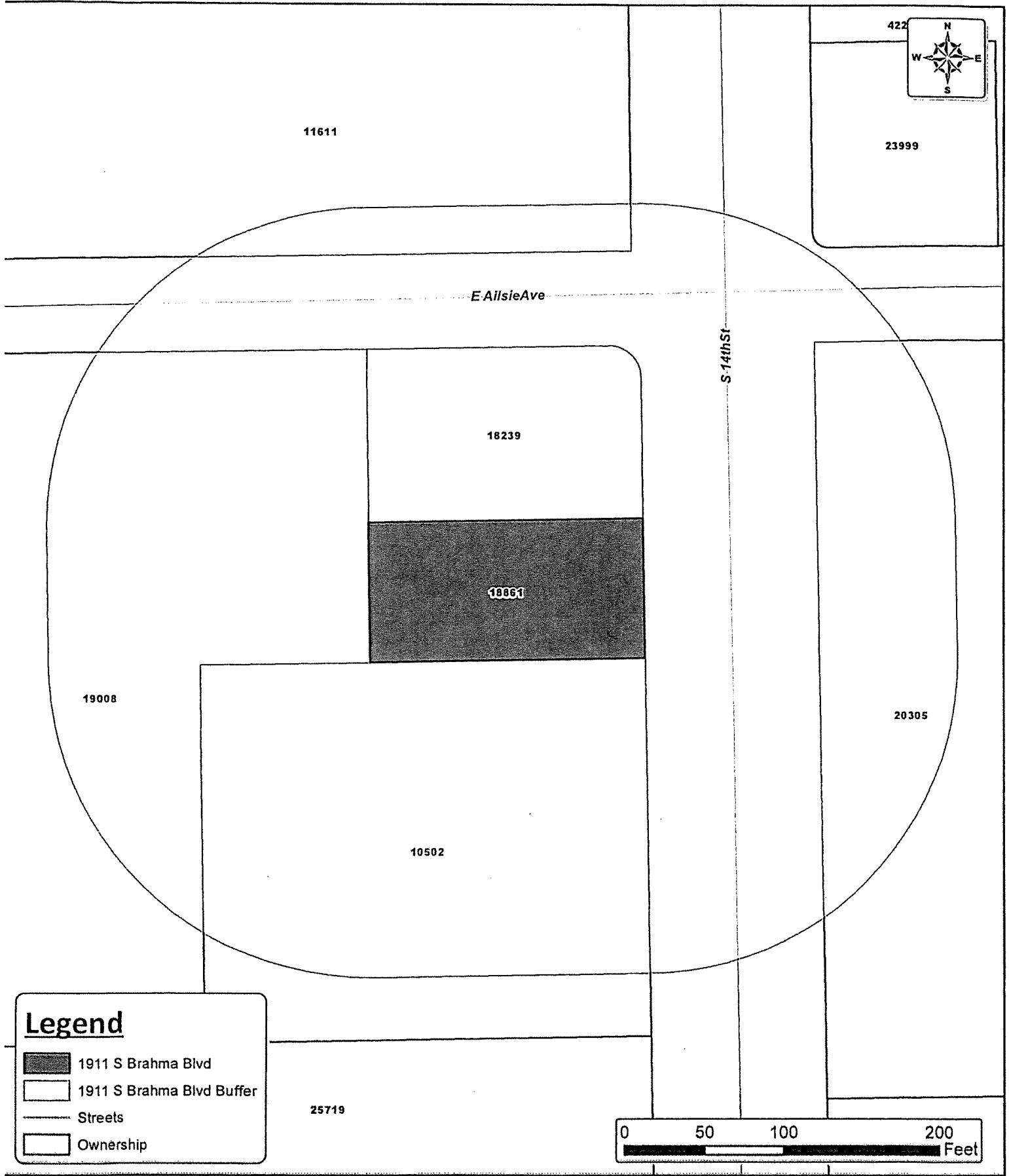
Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney



Legend

- 1911 S Brahma Blvd
- 1911 S Brahma Blvd Buffer
- Streets
- Ownership

0 50 100 200 Feet

Drawn By: G. AMAYA

Last Update: 3/17/2023

Note: Ownership is labeled with their PROP ID's and Zone Code.

DISCLAIMER:
THIS MAP IS FOR VISUAL PURPOSES ONLY.
THE INFORMATION ON THIS SHEET MAY
CONTAIN INACCURACIES OR ERRORS.
THE CITY OF KINGSVILLE IS NOT
RESPONSIBLE IF THE INFORMATION
CONTAINED HEREIN IS USED FOR ANY
DESIGN, CONSTRUCTION, PLANNING, BUILDING,
OR ANY OTHER PURPOSE.



CITY OF KINGSVILLE
ENGINEERING DEPARTMENT
400 W King Ave; Kingsville, TX 78363
Office: (361) 595-8007
Fax: (361) 595-8064

AGENDA ITEM #2

**City of Kingsville
Parks & Recreation Department**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Susan Ivy, Director of Parks & Recreation
DATE: April 14, 2023
SUBJECT: Agenda Request – Receipt of donations for Youth Pony League

Summary: We are requesting that Commission authorize the receipt of donations in the amount of \$11,900.00 received from sponsors and donors as shown on the attached supporting document.

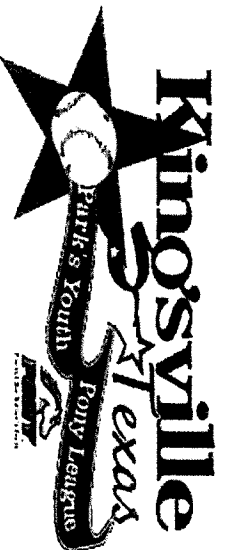
Background: Kingsville Parks Youth Pony League has solicited team sponsorships and general donations from businesses to assist with uniforms, equipment and umpire and scorekeeping expenses. To date we have collected \$ 11,900.00.

Financial Impact: These donations will increase the Pony League Budget Division 4514 in the amount of \$11,900.00.

Recommendation: We ask that Commission authorize the receipt of up to \$11,900.00 donations and approve the associated budget amendment needed to record the funds in the Parks Youth Pony League Division (4514) budget.



SPONSOR TRACKER
GIRLS DIVISION



5/12/2020
4200

Sponsor Name

Business Name

Sponsor Amt

Team Name/Div

Receipt #

| | | | | |
|----|--|--------|---------------------------------------|--------|
| 1 | Embroid Me | 300.00 | 4 U Lil' Rage | 415892 |
| 2 | Embroid Me | 300.00 | 8 U Angelings | 415892 |
| 3 | Texas Community Fed | 300.00 | Assoc'n Reel 8 U Army Hookist Hots | 415895 |
| 4 | Rudy's Pest Control | 300.00 | Storm 6 U | 417701 |
| 5 | Best Cattle Co | 300.00 | 4 U Blahmas 6 U | 417704 |
| 6 | Anonymous Donr | 300.00 | Lady Hog's | 417704 |
| 7 | Ricardo Ranch Feed | 300.00 | low chaos | 415898 |
| 8 | Thoma Ice of Coastal corpus christi | 300.00 | Raspas 10 U | 417723 |
| 9 | | | | |
| 10 | Sunny Side Early Learning | 300.00 | 8 U Revenge | 517945 |
| 11 | Price Drilling Co | 300.00 | 10 U Rage | 417759 |
| 12 | | | | |
| 13 | Holiday Inn Express | 300.00 | 4 U Stringers | |
| 14 | Herzog's | 300.00 | 10 U Stringers | |
| 15 | Parmer's Salinas Funeral | 300.00 | 10 U Shocks | |
| 16 | TX Farm Bureau DJ Flores | 300.00 | 12 U Xplosion | |
| 17 | | | | |
| 18 | Dairy Queen | 300.00 | 10 U Queen Bees | |
| 19 | | | | |
| 20 | | | | |

4200.00

SPONSOR TRACKER
BOYS DIVISION

2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030



Sponsor Name

Business Name

Sponsor Amt

Team Name/Div

Receipt #

| | | | | | |
|----|----------------------------------|---------------------------|--------|----------------------|-------------|
| 1 | Constell Bowl Country Fellowship | Christopher Sprengler | 300.00 | Nagueros 8U Baseball | 415885 |
| 2 | Leonard Silva | Nie Rio Design | 300.00 | Red Sox 10U | 1002433.003 |
| 3 | Cesar Silva | Silva's Construction, LLC | 300.00 | White Sox 12U | 415886 |
| 4 | | 31C Patis | 300.00 | New York Yankees 6U | 415894 |
| 5 | | Picardo Ranch, Inc. | 300.00 | Astros 8U | 415897 |
| 6 | Marcus Garza | On the spot Paint | 300.00 | Astros 4U | 415899 |
| 7 | Joseph Reael | Joe Road State Farm | 300.00 | Yellow Jackets 10U | 417203 |
| 8 | | Castaneda Quick Care | 300.00 | Javelinas 12U | 417710 |
| 9 | | Kingsville Vet Sv. LLC | 300.00 | 4u Rangers | |
| 10 | | United Home Care | 300.00 | Astros 12U | 417712 |
| 11 | | Christina Pineda | 300.00 | Javelina 10U | 417715 |
| 12 | | Attorney at Law | | | |
| 13 | | Ramirez Woodworks | 300.00 | Javalinas 8U | 417711 |
| 14 | | Enies Lawn Care | 300.00 | Baves 8U | 417717 |
| 15 | | Maintenance Services | 300.00 | Baves 8U | 417717 |
| 16 | | Texas Tire & More | 300.00 | Astro 10U | 417719 |
| 17 | Phil Esquivel | New York Life | 300.00 | Cubs 4U | 417722 |
| 18 | Triple R Electric | Triple R Electric | 300.00 | 6th Huggies | 417724 |
| 19 | J.N. Sanford & Son | J.N. Sanford & Son | 300.00 | Bulls 12U | 417724 |

590000

| | | | |
|------------------------------------|--------|--------------|-------|
| ✓ Amy Gonzales - Farmers Insurance | 300.00 | 4u Dodgers | 41110 |
| ✓ Reliance Equipment LLC | 300.00 | 4u Red Sox | |
| ✓ Leslie Itakala Ins | 300.00 | 4u Astros | |
| ✓ one world childrens Rehab | 300.00 | 4u Rangers | |
| ✓ TUNS Provider Svc | 300.00 | 10u Pirates | |
| ✓ Ziggys Inflatables | 300.00 | 4u Athletics | |

1200.00

\$420.00
 59.00
 100.00

 211.00

ORDINANCE NO. 2023-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022-2023 BUDGET TO ACCEPT AND EXPEND YOUTH PONY LEAGUE DONATIONS FOR UNIFORMS, EQUIPMENT, AND UMPIRE AND SCOREKEEPER SERVICES.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2022-2023 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#42

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|--------------------------------|-----------------|---------------------------|----------------|-----------------|-----------------|
| Fund 001 – General Fund | | | | | |
| <u>Revenues</u> | | | | | |
| 4514 | Softball League | Donations-Softball League | 58003 | \$11,900 | |
| | | | | | |
| <u>Expenditures</u> | | | | | |
| 4514 | Softball League | Professional Services | 31400 | \$11,900 | |
| | | | | | |

[To amend the City of Kingsville FY 22-23 budget to accept and expend Youth Pony League donations for uniforms, equipment, and umpire and scorekeeper services. Funding will come from the donations received for the stated purpose.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission

that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 24th day of April 2023.

PASSED AND APPROVED on this the ____ day of May 2023.

EFFECTIVE DATE:_____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

REGULAR AGENDA

AGENDA ITEM #3

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF KINGSVILLE,
TEXAS COMBINATION TAX AND SUBORDINATE LIEN CERTIFICATES OF
OBLIGATION, SERIES 2023"; ENTERING INTO A PURCHASE AND
INVESTMENT LETTER AND A PAYING AGENT/REGISTRAR AGREEMENT;
AND APPROVING OTHER MATTERS RELATING THERETO

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF KINGSVILLE, TEXAS COMBINATION TAX AND SUBORDINATE LIEN CERTIFICATES OF OBLIGATION, SERIES 2023," ENTERING INTO A PURCHASE AND INVESTMENT LETTER AND A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING OTHER MATTERS RELATING THERETO

WHEREAS, the City Commission of the City of Kingsville (the "Issuer" or the "City") deems it advisable to issue Certificates of Obligation hereinafter described (the "Certificates") for the purposes specified in Section 3 hereof;

WHEREAS, the Certificates hereinafter authorized and designated are to be issued and delivered for cash pursuant to the Certificate of Obligation Act of 1971, Section 271.041 et seq, Texas Local Government Code, as amended (the "Act");

WHEREAS, the City Commission has heretofore, on March 13, 2023 passed a resolution authorizing and directing the City Secretary to give notice of intention to issue the Certificates, which notice has been duly published in the *Kingsville Record*, which is a newspaper of general circulation in the City, in its issues of March 16, 2023, and March 23, 2023, the date of the publication being at least 45 days prior to the tentative date stated in the notice for passage of this Ordinance;

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

WHEREAS, it is hereby determined that the terms of the Certificates as hereafter provided are the most reasonably available and advantageous and are in the best interest of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS, THAT:

Section 1. Authorization of the Certificates. There is hereby authorized to be issued and delivered pursuant to the Act, a series of certificates of obligation of the City, to be known as "CITY OF KINGSVILLE, TEXAS COMBINATION TAX AND SUBORDINATE LIEN CERTIFICATES OF OBLIGATION, SERIES 2023" (the "Certificates"), in the principal amount of \$6,100,000, payable from ad valorem taxes, within the limits prescribed by law, as described in and for the purposes described in the Form of Definitive Certificates contained in Section 3 hereof.

Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Certificates. The Certificates shall be dated as of May 1, 2023, in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, shall be numbered I-1 for the Initial Certificate, and shall be issued as one term certificate numbered R-1 for the definitive Certificate, and shall mature on August 1, 2038 with mandatory redemption payments payable as follows:

| <u>Payment Date</u> | <u>Principal Installments (\$)</u> | <u>Interest Rate (%)</u> |
|---------------------|------------------------------------|--------------------------|
| August 1, 2024 | 100,000 | 4.500 |
| August 1, 2025 | 200,000 | 4.500 |
| August 1, 2026 | 300,000 | 4.500 |
| August 1, 2027 | 355,000 | 4.500 |
| August 1, 2028 | 370,000 | 4.500 |
| August 1, 2029 | 390,000 | 4.500 |

| <u>Payment Date</u> | <u>Principal Installments (\$)</u> | <u>Interest Rate (%)</u> |
|---------------------|------------------------------------|--------------------------|
| August 1, 2030 | 405,000 | 4.500 |
| August 1, 2031 | 425,000 | 4.500 |
| August 1, 2032 | 445,000 | 4.500 |
| August 1, 2033 | 465,000 | 4.500 |
| August 1, 2034 | 485,000 | 4.500 |
| August 1, 2035 | 505,000 | 4.500 |
| August 1, 2036 | 530,000 | 4.500 |
| August 1, 2037 | 550,000 | 4.500 |
| August 1, 2038 | 575,000 | 4.500 |

The Certificates shall bear interest from the date of initial delivery of the Certificates at the interest rates provided above, calculated on the basis of a 360-day year of twelve 30-day months, and interest shall be payable on August 1, 2023, and on each February 1 and August 1 thereafter and on the maturity date.

Section 3. General Characteristics and Form of the Certificates. The Certificates shall be issued, shall be payable, may be redeemable prior to their scheduled maturities, shall have the characteristics, and shall be executed and sealed, all as provided and in the manner indicated in the form set forth below. The Form of Definitive Certificates, the Form of Initial Certificate, the Form of the Registration Certificate of the Comptroller of Public Accounts, the Form of the Authentication Certificate, and the Form of Assignment, which shall be, respectively, substantially as follows, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Ordinance, and the definitions contained within each such form shall apply solely to such form.

FORM OF DEFINITIVE CERTIFICATES

United States of America
State of Texas

NUMBER
R-1
REGISTERED

DENOMINATION
\$6,100,000
REGISTERED

CITY OF KINGSVILLE, TEXAS
COMBINATION TAX AND SUBORDINATE LIEN
CERTIFICATES OF OBLIGATION, SERIES 2023

| | | | |
|-----------------------------|--------------------------------|--------------------------------|------------------------------------|
| <u>Dated</u> <u>Date</u> | <u>Delivery</u> <u>Date</u> | <u>Maturity</u> <u>Date</u> | <u>Interest</u> <u>Rate (%)</u> |
| May 1, 2023 | May 31, 2023 | August 1, 2038 | 4.500 |

REGISTERED OWNER: ZMFU II, INC.

PRINCIPAL AMOUNT: SIX MILLION ONE HUNDRED THOUSAND AND NO/100
DOLLARS (\$6,100,000.00)

CITY OF KINGSVILLE, TEXAS (the "City"), a body corporate and a political subdivision of the State of Texas, for value received, promises to pay to the Registered Owner, specified above, or registered assignees (the "Owner"), on the Maturity Date, specified above, through Zions Bancorporation,

N.A., Houston, Texas or its successor (the "Paying Agent/Registrar"), the Principal Amount, specified above, in lawful money of the United States of America, and to pay interest thereon at the Interest Rate, specified above, calculated on the basis of a 360-day year of twelve 30-day months, from the Delivery Date, specified above. Interest on this Certificate is payable by check payable on August 1, 2023, and each February 1 and August 1 thereafter and on the Maturity Date, mailed to the Owner of record as shown on the books of registration (the "Register") kept by the Paying Agent/Registrar, as of the date which is the 15th day of the month next preceding the interest payment date (the "Record Date"), or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar 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 appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

THIS CERTIFICATE is one of a series of Certificates (the "Certificates") dated as of the Dated Date, specified above, of like designation, date, and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to an ordinance adopted by the City Commission of the City on May 8, 2023 (the "Ordinance"), in the original aggregate principal amount of \$6,100,000 for the purpose of purchasing and acquiring certain City-owned public property, including (1) improvements to the water and sewer system including water meters and related technology, and (2) payment of contractual obligations for professional services in connection therewith (to wit: consulting, engineering, financial advisory, and legal).

THE CERTIFICATES are issued pursuant to the Ordinance whereunder the City Commission of the City covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the City, within the limits prescribed by law, for each year while any part of the Certificates are considered outstanding under the provisions of the Ordinance, in a sufficient amount to pay interest on each Certificate as it becomes due, to provide a sinking fund for the payment of the principal of the Certificates when due, and to pay the expenses of assessing and collecting such tax, and this Certificate is additionally secured by and payable from a subordinate pledge of certain "Net Revenues" of the Issuer's Waterworks and Sewer System (the "System"), which amount is payable from the revenues remaining after payment of all operation and maintenance expenses of the System, and all debt service, reserve, and other requirements in connection with all of the Issuer's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the "Net Revenues" of the System. Reference is hereby made to the Ordinance for provisions with respect to the custody and application of the City's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owner. By acceptance of this Certificate, the Registered Owner consents to all of the provisions of the Ordinance, a certified copy of which is on file in the office of the City Secretary.

THE CERTIFICATES shall be subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption, in each of the years and in the amounts set forth below:

| <u>Year</u> | <u>Principal Amount (\$)</u> |
|----------------|------------------------------|
| August 1, 2024 | 100,000 |
| August 1, 2025 | 200,000 |
| August 1, 2026 | 300,000 |
| August 1, 2027 | 355,000 |

| <u>Year</u> | <u>Principal Amount (\$)</u> |
|----------------|------------------------------|
| August 1, 2028 | 370,000 |
| August 1, 2029 | 390,000 |
| August 1, 2030 | 405,000 |
| August 1, 2031 | 425,000 |
| August 1, 2032 | 445,000 |
| August 1, 2033 | 465,000 |
| August 1, 2034 | 485,000 |
| August 1, 2035 | 505,000 |
| August 1, 2036 | 530,000 |
| August 1, 2037 | 550,000 |
| August 1, 2038 | 575,000 |

THE CERTIFICATES maturing on or after August 1, 2026 are subject to optional redemption on August 1, 2025 or any date thereafter, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, or any date thereafter at the par value thereof plus accrued interest to the date of redemption.

NOTICE OF REDEMPTION shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the Owner of each Certificate, or portion thereof to be redeemed, at its address as it appeared on the Register on the close of business or the business day next preceding the date of mailing such notice; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption, due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for this Certificate or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Certificate, or the portion thereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. Capitalized terms used herein have the same meanings assigned in the Ordinance.

THIS CERTIFICATE IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the principal corporate office of the Paying Agent/Registrar. If this Certificate is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Ordinance. Any exchange of a Certificate shall be subject to the terms and conditions of the Ordinance. The Paying Agent/Registrar is not required to accept any Certificate for transfer or exchange during the 45 days prior to the date fixed for the redemption of such Certificate; provided, however, that such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Certificate called for redemption in part. The Owner of this Certificate shall be deemed and treated by the City and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Certificate to the extent of such payment, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Certificates in order to render the same legal, valid, and binding obligations of the City have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Certificates by the levy of a continuing, direct, annual ad valorem tax upon all taxable property within the City, within the limit prescribed by law, and from the above described pledge of the Net Revenues of the System; and that issuance of the Certificates does not exceed any constitutional or statutory limitation.

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

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

CITY OF KINGSVILLE, TEXAS

/s/ Mary Valenzuela
City Secretary

/s/ Sam R. Fugate
Mayor

(CITY SEAL)

* * *

FORM OF INITIAL CERTIFICATE

The Initial Certificate shall be in the form set forth above for the Form of Definitive Certificates, except the following shall replace the heading and the first paragraph:

United States of America
State of Texas

NO. I-1

\$6,100,000

CITY OF KINGSVILLE, TEXAS
COMBINATION TAX AND SUBORDINATE LIEN
CERTIFICATES OF OBLIGATION, SERIES 2023

Dated Date: MAY 1, 2023

Delivery Date: MAY 31, 2023

Maturity Date: AUGUST 1, 2038

Interest Rate: 4.500%

Registered Owner: ZMFU II, INC.

Principal Amount: SIX MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS
(\$6,100,000)

CITY OF KINGSVILLE, TEXAS (the "City"), a body corporate and a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the registered assignees thereof (the "Owner"), the Principal Amount, specified above.

INTEREST on the unpaid Principal Amount hereof from the Delivery Date of this Certificate, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on August 1, 2023 and each February 1 and August 1 thereafter and on the Maturity Date.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Certificate shall be paid to the Owner hereof upon presentation and surrender of this Certificate at final maturity, at the designated payment office of Zions Bancorporation, N.A., Houston, Texas which is the "Paying Agent/Registrar" for this Certificate. The payment of principal installments and interest on this Certificate shall be made by the Paying Agent/Registrar to the Owner hereof as shown by the Register at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such payment date, to the Owner hereof at its address as it appears on the Register, as hereinafter described. The record date ("Record Date") for payments hereon means the 15th day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar 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 at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Certificate it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificate, when due, in the manner set forth in the Ordinance defined below.

* * *

FORM OF AUTHENTICATION CERTIFICATE

AUTHENTICATION CERTIFICATE

This Certificate is one of the Certificates described in and delivered pursuant to the within-mentioned Ordinance, and this Certificate has been issued in conversion of and exchange for, or replacement of, a Certificate, Certificates, or a portion of a Certificate or Certificates of an issue which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Zions Bancorporation, N.A.
Houston, Texas
Paying Agent/Registrar

Registration Date: _____

By _____
Authorized Signature

* * *

FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS*

***Attach to Initial Certificate in lieu of Authentication Certificate**

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has examined and finds that this Certificate has been issued in conformity with the Constitution and laws of the State of Texas and is a valid and binding obligation of the City of Kingsville, Texas, and further that this Certificate has been registered this day by me.

WITNESS my signature and seal of office this _____.

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of the State of Texas

* * *

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

/_____/ _____ (Please insert
Social Security or Taxpayer (Please print or typewrite name and address, including zip code, of Transferee)
Identification Number of Transferee)

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

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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

The following abbreviations, when used in the Assignment above or on the face of the within Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

[END OF FORMS]

Section 4. Definitions. In addition to other terms defined herein, the following terms, as used in this Ordinance, shall have the meanings set forth below, unless the context thereof specifically indicates otherwise:

“Additional Obligations” means such other bonds, certificates, or other evidences of indebtedness as may hereafter be authorized, payable from and equally secured by a pledge of the Net Revenues.

“Bond Counsel” means Winstead PC, or such other firm of nationally recognized bond counsel appointed by the City.

“Certificates” means the Certificates authorized by this Ordinance.

“Governmental Obligations” means (i) Direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iv) any other obligations authorized to defease the Certificates under Chapter 1207 of the Texas Government Code.

“Initial Purchaser” means, the initial purchaser identified in Section 3.

“Interest and Sinking Fund” means that certain fund created pursuant to Section 10 of this Ordinance.

“Net Revenues” means the gross revenues of the System less the expense of operation and maintenance thereof, including all salaries, labor, materials, interest, repairs, and extensions necessary to render efficient service; provided, however, that only such repairs and extensions as in the judgment of the City Commission, reasonably and fairly exercised, are necessary to keep the System in operation and

render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair the security of any bonds payable from and secured by a lien on the Net Revenues of the System shall be deducted in determining "Net Revenues."

"Ordinance" means this "Ordinance Authorizing the Issuance of "City of Kingsville, Texas Combination Tax and Subordinate Lien Certificates of Obligation, Series 2023; Entering Into A Purchase and Investment Letter And A Paying Agent/Registrar Agreement And Approving Other Matters Relating Thereto."

"Owner" means the owner of the Certificates as shown on the Register.

"Parity Bonds" means the City's bonds, certificates, or other obligations payable from a first lien on the Net Revenues, whether such Parity Bonds are now outstanding or issued hereafter.

"Parity Bonds Ordinances" means the ordinances authorizing the City's bonds payable from a first lien on the Net Revenues, whether now outstanding or issued hereafter, and any additional bonds as defined therein.

"Purchase and Investment Letter" means the Purchase and Investment Letter between the City and the Initial Purchaser.

"Register" means the books or records of the register or transfer of the Books kept by the Paying Agent/Registrar.

Section 5. Paying Agent/Registrar. (a) The City shall keep or cause to be kept at the designated payment office of the Paying Agent/Registrar, or such other bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform duties of and services of Paying Agent/Registrar, named in accordance with the provisions of paragraph (c) of this section, the Register, and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owner and record in the Registration Books the address of such Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, and to act as its agent to exchange or replace Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all exchanges and replacements of such Certificates, as provided in this Ordinance. The Mayor is authorized to enter into the Paying Agent/Registrar Agreement, substantially in the form attached as Exhibit A, on behalf of the City.

(c) The City covenants with the Owners that at all times while the Certificates are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar, to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 45 days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its

successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified national or state banking institution to act as Paying Agent/Registrar under this Ordinance, which banking institution shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and whose qualifications are substantially similar to the previous Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar shall promptly transfer and deliver the Register (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Owner of the Certificates, by United States mail, postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

Section 6. Registration, Transfer, and Exchange. (a) Registration of each Certificate may be transferred on the Register only upon presentation and surrender of such Certificate to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of the Certificate, or any portion thereof in denominations of \$100,000 or any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees to have the Certificate or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Certificate or any portion thereof, a new substitute Certificate or Certificates shall be issued in exchange therefor in the manner herein provided.

(b) The entity in whose name any Certificate shall be registered in the Register at any time shall be treated as the absolute Owner thereof for all purposes of this Ordinance, whether or not such Certificate shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary unless otherwise required by law; and payment of, or on account of, the principal of, premium, if any, and interest on any such Certificate shall be made only to such Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

(c) Each Certificate may be exchanged for fully registered certificates in the manner set forth herein. Each Certificate issued and delivered pursuant to this Ordinance, to the extent of the unpaid or unredeemed principal balance or principal amount thereof, may, upon surrender of such Certificate at the principal corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the Owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the Owner or such assignee or assignees, as appropriate, be exchanged for fully registered Certificates, without interest coupons, in the form prescribed in the Form of Definitive Certificates set forth in this Ordinance, in the denomination of \$100,000, or any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Certificate shall have a single stated maturity date), as requested in writing by such Owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any bond or bonds so surrendered, and payable to the appropriate Owner, assignee, or assignees, as the case may be. If a portion of any Certificate shall be redeemed prior to its scheduled maturity as provided herein, a substitute bond or bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of \$100,000 or any integral multiple of \$5,000 at the request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon surrender thereof for cancellation.

(d) If any Certificate or portion thereof is assigned and transferred, each Certificate issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the

Certificate for which it is being exchanged. Each substitute certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall exchange or replace Certificates as provided herein, and each fully registered certificate delivered in exchange for or replacement of any Certificate or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Certificates for all purposes of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any Certificate delivered in exchange for or replacement of another Certificate prior to the first scheduled interest payment date on the Certificates (as stated on the face thereof) shall be dated the same date as such Certificate, but each substitute Certificate so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute certificate is delivered, unless such Certificate is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Certificate the interest on the Certificate for which it is being exchanged has not been paid, then such Certificate shall be dated as of the date to which such interest has been paid in full. On each substitute Certificate issued in exchange for or replacement of any Certificate or Certificates issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date such by dating the Authentication Certificate in the manner set forth above, and manually sign such Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Certificates surrendered for exchange or replacement.

(e) No additional ordinances or resolutions need be passed or adopted by the City Commission of the City or any other body or person so as to accomplish the foregoing exchange or replacement of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed in accordance with Chapter 1201, Texas Government Code, as amended, the duty of such exchange or replacement of certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and upon the execution of the aforementioned Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which originally were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(f) The Paying Agent/Registrar is not required to accept any Certificate for transfer or exchange during the 45 days prior to the date fixed for the redemption of such Certificate; provided, however, that such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Certificate called for redemption in part.

(g) All Certificates issued in exchange or replacement of any other Certificate or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Certificates shall be payable, all as provided, and in the manner required or indicated, in the Form of Certificates set forth in Section 3 of this Ordinance.

(h) The City shall pay all of the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers, conversions, and exchanges of the Certificates in accordance with an agreement between the City and the Paying Agent/Registrar, but the Owner of any Certificate requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. In addition, the City hereby covenants with the Owners that it will pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Certificates, when due.

Section 7. Lost, Stolen, Destroyed, Damaged, or Mutilated Certificates; Destruction of Paid Certificates. (a) Replacement Certificates. In the event any outstanding Certificate shall become lost, stolen, destroyed, damaged, or mutilated, at the request of the Owner thereof, the City shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Certificate of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Certificate, or in lieu of and substitution for such Certificate, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Certificates shall be made to the City. In every case the applicant for a substitute Certificate shall furnish to the City such deposit for fees and costs as may be required by the City to find, save, and keep it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Certificate, the applicant shall also furnish to the City indemnity to the City's satisfaction and shall file with the City evidence to the City's satisfaction of the loss, theft, or destruction and of the ownership of such Certificate. In every case of damage or mutilation of a Certificate, the applicant shall surrender the Certificate so damaged or mutilated to the Paying Agent/Registrar.

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

(d) Expenses of Issuance. Upon the issuance of any substitute Certificate, the City may charge the Owner of such Certificate with all fees and costs incurred in connection therewith. Every substitute Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the City, whether or not the lost, stolen, destroyed, damaged, or mutilated Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority to Issue Substitute Certificates. This Ordinance shall constitute sufficient authority for the issuance of any such substitute Certificate without necessity of further action by the City or any other body or person, and the issuance of such substitute Certificates is hereby authorized, notwithstanding any other provisions of this Ordinance.

(f) Destruction of Paid Certificates. At any time subsequent to the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Certificates duly paid, and promptly after any such destruction, the Paying Agent/Registrar shall furnish to the City a certificate evidencing such destruction.

Section 8. Book-Entry-Only System. (a) The Initial Purchaser will take physical delivery of the Certificates initially. If it is decided to use a book-entry system, the definitive Certificates shall be registered in the name of Cede & Co. (DTC's partnership nominee), as Owner of the Certificates, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Certificates. Beneficial owners of definitive Certificates will not receive physical delivery of Certificate certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Certificates as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Certificates is to receive, hold, or deliver any certificate. No person shall acquire or hold any beneficial interest in any Certificate representing the entire principal amount of such Certificate.

(b) Replacement definitive Certificates may be issued directly to beneficial owners of Certificates other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Certificates (which determination shall become effective no less than 90 days after written notice to such effect to the City and the Paying Agent/Registrar); or (ii) the City has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Certificates) that DTC is incapable of discharging its duties as securities depository for the Certificates; or (iii) the City has determined (which determination is conclusive as to DTC and the beneficial owners of the Certificates) that the interests of the beneficial owners of the Certificates might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the City shall use its best efforts to attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall cause to be executed, authenticated, and delivered replacement Certificates, in certificate form, to the DTC participants having an interest in the Certificates as shown on the records of DTC provided by DTC to the City. In the event that the City makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Certificates of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Certificates in certificate form to the DTC participants having an interest in the Certificates as shown on the records of DTC provided by DTC to the City. The City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in (ii) or (iii) above.

(c) Whenever, during the term of the Certificates, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering, or transferring Certificates shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

If at any time, DTC ceases to own the Certificates, all references herein to DTC shall be of no further force or effect. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Representations Letter.

Section 9. City Funds. The City hereby confirms the establishment of the following funds of the City at a depository of the City:

Interest and Sinking Fund, Tax Levy, and Pledge of Revenues. A special "City of Kingsville, Texas Combination Tax and Subordinate Lien Revenue Certificates of Obligation Series 2022 Interest and Sinking Fund" (the "Interest and Sinking Fund") is hereby created and shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Certificates. The net proceeds of all ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund.

During each year while any of the Certificates or interest thereon are outstanding and unpaid, the City Commission shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal thereof as such principal matures (but never less than 2% of the original principal amount of the Certificates as a sinking fund each year); and the tax shall be based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while any of the Certificates or interest thereon are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as

such interest comes due and such principal matures, are hereby pledged irrevocably for such payment, within the limit prescribed by law.

The Certificates additionally shall be payable from and secured by a subordinate lien (to all "Parity Bonds" now outstanding or hereafter issued) on and pledge of certain of the Net Revenues pursuant to Chapter 1502, Texas Government Code, as amended. The City shall deposit such pledged Net Revenues to the credit of the Certificate Fund created pursuant to this Section. Notwithstanding the requirements of this Section, if Net Revenues are actually on deposit in the Certificate Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the Net Revenues then on deposit in the Certificate Fund or budgeted for deposit therein.

The City reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation, and other obligations of any kind payable in whole or in part from, and secured by a pledge of the Net Revenues that may be prior and superior in right to, on a parity with, or junior and subordinate to the subordinate pledge of the Net Revenues securing the Certificates.

The City hereby covenants and agrees that, subject to any prior lien on and pledge of the Net Revenues of the System to the payment and security of any Parity Bonds, the Net Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates and the pledge of Net Revenues herein made for the payment of the Certificates shall constitute a lien on the Net Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

Project Fund. A special "City of Kingsville, Texas Combination Tax and Subordinate Lien Certificates of Obligation, Series 2023 Project Fund" (the "Project Fund") is hereby created and shall be established and maintained by the City at an official depository bank of the City. The Project Fund is the fund into which the net proceeds of the Certificates shall be deposited. Money in the Project Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Certificates are issued.

Section 10. Investments and Security. (a) Investment of Funds. The City may place money in any fund created by this Ordinance in time or demand deposits or invest such money as authorized by law at the time of such deposit; provided, however, that the City hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued. Obligations purchased as an investment of money in a fund shall be deemed to be a part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of the Project Fund may be retained in such fund or deposited to the Interest and Sinking Fund as determined by the City Commission. Any amounts received from the investment of the Interest and Sinking Fund shall be deposited in the Interest and Sinking Fund.

(c) Security for Funds. All funds created by this Ordinance shall be secured in the manner and to the fullest extent required by law for the security of funds of the City.

Section 11. Remittances to Paying Agent/Registrar. It shall be the duty of the Finance Director of the City without any further direction by the City to make remittances to the Paying Agent/Registrar of the amounts necessary on each occasion to pay the installment of interest or the installment of principal and interest due on the next succeeding interest payment date. Said remittances shall be made not less than five days prior to such scheduled date of interest or interest and principal payments.

Section 12. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payment of principal of or interest on any of the Certificates when due, or (b) fails to make the payments required to be made to any fund created hereunder in the amounts and at the times required, or (c) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Owner(s) of any of the Certificates shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City and other officers of the City to observe and perform any covenant, obligation, or condition prescribed in this Ordinance; no delay or omission to exercise any right or power accruing upon any default shall impair any such power or right or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of any other available remedies and the specification of such shall not be deemed to be exclusive.

Section 13. Covenants of the City. (a) General Covenants. The City covenants and represents that:

(i) The City is a duly created and existing political subdivision of the State of Texas and is duly authorized under the laws of the State of Texas to create and issue the Certificates; all action on its part for the creation and issuance of the Certificates has been duly and effectively taken; and the Certificates in the hands of the Owners are and will be valid and enforceable obligations of the City in accordance with their terms;

(ii) The Certificates shall be ratably secured in such manner that no one Certificate shall have preference over other Certificates; and

(iii) The City will provide the Initial Purchaser with their audited financial statements within 180 days of the City's fiscal year end in each year that the Certificate is outstanding.

(b) Specific Covenants. The City covenants and represents that, while the Certificates are outstanding and unpaid, it will:

(i) Levy an ad valorem tax that will be sufficient to provide funds to pay the current interest on the Certificates and to provide the necessary sinking fund, all as described in this Ordinance;

(ii) It has the lawful power to pledge the Net Revenues supporting the Certificates and has lawfully exercised said power under the laws of the State of Texas, including powers existing under the Act, and the City's Home Rule Charter.

(iii) Keep proper books of record and account in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the funds created pursuant to this Ordinance, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request from any owner.

(c) Title. Other than for the payment of the City's currently outstanding Certificates of Obligation, Series 2016 (pledge of no more than \$1,000 of surplus revenues of the System); Certificates of Obligation, Series 2021 (pledge of subordinate lien of net of the System); and Certificates of Obligation, Series 2022 (pledge of subordinate lien of net revenues of the System), the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System.

(d) Liens. As long as any Certificates or any interest thereon remain Outstanding, the City will not sell, lease, or encumber (except in the manner provided in this Section of this Ordinance) the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of

such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System.

(e) No Free Service. No free service of the System shall be allowed, and should the City or any of its agents or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

(f) Insurance. It shall insure, or self-insure, to the extent deemed necessary by the Council such parts of the System as are usually insured by municipalities operating like properties, and insurance premiums shall be a part of the operating expenses of the System.

(g) Covenants Regarding Tax Matters. The City covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in "gross income" for federal income tax purposes. In furtherance thereof, the City specifically covenants as follows:

(i) To refrain from taking any action which would result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

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

(iii) To take any action to assure that in the event that the "private business use" described in paragraph (ii) hereof exceeds 5% of the proceeds of the Certificates or the projects refinanced therewith, then the amount in excess of 5% is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Certificates is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

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

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates.

(vii) To otherwise restrict the use of the proceeds of the Certificates or amounts tested as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, to pay to the United States of America at least once during each

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

(ix) To maintain such records as will enable the City to fulfill its responsibilities under this subsection and sections 141 and 148 of the Code, including without limitation, all information relating to the Certificates, investment of Certificate proceeds, and use of the Certificate-financed facility, and to retain such records for at least six years following the final payment of principal and interest on the Certificates; and

(x) To comply with the information reporting requirements of section 149(e) of the Code.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the City will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exclusion from gross income of interest on the Certificates under section 103 of the Code.

Proper officers of the City charged with the responsibility of issuing the Certificates are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

Notwithstanding any other provision in this Ordinance, to the extent necessary to preserve the exclusion from gross income of interest on the Certificates under section 103 of the Code the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Certificates.

Section 14. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the proceeds of ad valorem taxes and Net Revenues thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax proceeds and Net Revenues is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

Section 15. Further Covenants. The City further covenants and agrees by and through this Ordinance that it has the lawful power to pledge the ad valorem taxes supporting this issue of Certificates and has lawfully exercised said power under the Constitution and laws of the State of Texas, and that the Certificates issued hereunder shall be ratably secured in such manner that one Certificate shall have no preference over any other Certificate of said issue.

Section 16. Sale of Certificates; Use of Proceeds. The sale of the Certificates at a price of the par amount thereof is hereby approved, and delivery of the Certificate to the Initial Purchaser, shall be made upon payment therefor in accordance with the terms of sale and the terms and conditions of the Purchase and Investment Letter presented to and approved by the City, in substantially the form attached hereto as Exhibit "B," which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City. The Mayor and other appropriate officials of the City

are hereby authorized and directed to execute such Purchase and Investment Letter on behalf of the City, and the Mayor and all other officials, agents, and representatives of the City are hereby authorized 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 Certificates. The proceeds from the sale of the Certificates shall be applied as follows: (i) \$6,030,000.00 of the proceeds shall be deposited into the Project Fund and (ii) the balance of the proceeds shall be used to pay the cost of issuing the Certificates.

Section 17. Custody, Approval, and Registration of Certificates. (a) Initially, the Initial Certificate numbered I-1 and being in the principal amount of the Certificates shall be registered in the name of the Initial Purchaser, and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, by manual signature, and the Initial Certificate shall be effective and valid without the Authentication Certificate being signed by the Paying Agent/Registrar. At any time thereafter, the Initial Purchaser may deliver the Initial Certificate to the Paying Agent/Registrar for exchange, accompanied by instructions from the Initial Purchaser or designee designating the persons, maturities, and principal amounts to and in which the Certificate is to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than three days, register and deliver such Certificates as provided in such instructions.

(b) The Mayor of the City is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining to the Initial Certificate pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Initial Certificate, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on the Initial Certificate, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Initial Certificate. The legal opinion of Bond Counsel and assigned CUSIP numbers, if any, may, at the option of the City, be printed on or attached to the Initial Certificate or any Certificates issued and delivered in conversion of and exchange or replacement of any Certificate, but neither shall have any legal effect, and shall be solely for the convenience and information of the Owners.

Section 18. Defeasance. (a) Except to the extent provided in subsection (c) of this Section, any Certificate, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance (a "Defeased Certificate") when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity, redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by Section 1207.061(a), Texas Government Code, as amended (a "Depository"), with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code, as amended, for such payment (the "Deposit") (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment or redemption of any Defeased Certificate. To cause a Certificate scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Certificate to become a Defeased Certificate, the City must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Certificates, the City shall cause to be delivered either: (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of an escrow established to pay the Defeased Certificates in full on the maturity or redemption date thereof (the "Verification"), or (ii) a certificate from a qualified financial professional, certifying that the amount deposited with a Depository is sufficient to pay the Defeased Certificates in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the City shall

also cause to be delivered an opinion of Bond Counsel to the effect that the Defeased Certificates are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Certificates. The Verification, if any and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the City. The Certificates shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, and all herein required criteria have been met, such Certificate and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Ordinance, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations; provided, however, that the City has reserved the option to be exercised at the time of the defeasance of the Certificates, to call for redemption, at an earlier date, those Certificates which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the Owners immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes.

(b) Any money so deposited with a Depositary may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depositary which is not required for the payment of the Defeased Certificates and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the City.

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

Section 19. Ordinance a Contract; Amendments. This Ordinance shall constitute a contract with the Owners, from time to time, of the Certificates binding on the City and its successors and assignees, and shall not be amended or repealed by the City as long as any Certificate remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) in connection with the issuance of any Additional Obligations, (iii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iv) in connection with any other change which is not to the prejudice of the Owners. The City may, with the written consent of the Owners of a majority in aggregate principal amount of Certificates then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided, however, that without the consent of all of the Owners of the Certificates affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on Additional Obligations on a parity with the lien of the Certificates, reduce the principal amount thereof to the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (ii) give any preference of any Certificate over any other Certificate, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Certificates required for consent to any such amendment, change, modification, or rescission. When the City desires to make any amendment or addition to or rescission of this Ordinance requiring consent of the Owners, the City shall cause notice of the amendment, addition, or rescission to be given as described above for a notice of redemption. When at any time within one year after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by the appropriate number of Owners of the Certificates then outstanding affected by any such amendment, addition, or rescission requiring the consent of Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form

of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 20. Nonpresentment of Certificates. In the event any Certificate shall not be presented for payment when the principal thereof or interest thereon, if applicable, becomes due, either at maturity or otherwise, or if any check or draft representing payment of principal of or interest on the Certificates shall not be presented for payment, if funds sufficient to pay the principal of or interest on such Certificate shall have been made available by the City to the Paying Agent/Registrar for the benefit of the Owner thereof, all liability of the City to the Owner thereof for the payment of the principal of or interest on such Certificate shall cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Owner of such Certificate who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance with respect to the principal of or interest on such Certificate. To the extent applicable, the Paying Agent/Registrar shall hold and apply any such funds in accordance with Title 6, Texas Property Code, as amended, and shall comply with the reporting requirements of Chapter 74, Texas Property Code, as amended.

Section 21. Further Procedures. The Mayor, the City Attorney, the City Secretary, the Finance Director, the City's Financial Advisor, and all other officers, employees, attorneys, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the City, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, and the Purchase and Investment Letter. Prior to the initial delivery of the Certificates, the Mayor and Bond Counsel to the City are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's office.

Section 22. Attorney General Examination Fee. The City recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Certificates and that such is to be calculated as provided in said Section 1202.004. Bond Counsel is accommodating the City by paying such fee upon such submission of such transcript. Officials of the City are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Certificates are ever delivered and such amount is hereby appropriated from available funds for such purpose. The City is also authorized to reimburse the fund used for such repayment with proceeds of the Certificates.

Section 23. Miscellaneous Provisions. (a) Incorporation of Preamble. The preamble to this Ordinance is incorporated by reference in this Ordinance.

(b) Titles Not Restrictive. The titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(c) Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(d) Severability. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance or the application thereof to any person or circumstances shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the City hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(e) Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(f) Open Meeting. The City officially finds and determines the meeting at which this Ordinance is adopted was open to the public and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

(g) Effective Date. In accordance with Article V, Section 17 of the City's Charter, this Ordinance shall take effect on the tenth (10th) day after the last day of publication of this Ordinance in a newspaper publicly-circulated in the City.

APPROVED this May 8, 2023.

/s/ Mary Valenzuela
City Secretary

/s/ Sam R. Fugate
Mayor

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of May 1, 2023 (this “Agreement”), by and between the CITY OF KINGSVILLE, TEXAS (the “Issuer”), and Zions Bancorporation, N.A., a banking association duly organized and existing under the laws of the United States of America (the “Bank”).

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its “City of Kingsville, Texas Combination Tax and Subordinate Lien Certificates of Obligation, Series 2023” (the “Securities”), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchaser thereof as provided in the “Ordinance” (hereinafter defined);

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the Owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal and interest on the Securities as the same become due and payable to the Owners thereof, all in accordance with this Agreement and the Ordinance.

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Ordinance.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation. As compensation for the Bank’s services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule “A” attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank’s current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE II DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank Office” means the designated corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” means Estrada Hinojosa & Company, Inc., San Antonio, Texas.

“Fiscal Year” means the fiscal year of the Issuer, ending September 30.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Issuer Request” and “Issuer Ordinance” means a written request or ordinance signed in the name of the Issuer by its Mayor, Director of Finance, or City Secretary, or any one or more of said officials, and delivered to the Bank.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Ordinance).

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

“Resolution” means the ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the Secretary or any other officer of the Issuer and delivered to the Bank.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Ordinance the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions. The terms “Bank”, “Issuer”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE III PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Ordinance.

ARTICLE IV REGISTRAR

Section 4.01. Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and

new Securities delivered to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Securities. The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05. Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities. The Issuer hereby instructs the Bank, subject to the applicable provisions of the Ordinance, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed, lost, or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

Section 4.07. Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE V THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the Financial Advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by the Issuer.

The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04. May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Money Held by Bank. A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities, to the extent permitted by law, shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for deposits of public funds by an instrumentality and political subdivision of the State of Texas to the extent that such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust. The Bank acknowledges, covenants, and represents that it is acting herein in trust in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as a paying agent for and on behalf of the Security thereto. The Holders shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts, or checks drawn by the Issuer and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws of the State of Texas and any provisions in the Ordinance to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the Issuer, and the Holder of such Security shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such money shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title 6 of the Texas Property Code, as amended.

Section 5.06. Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and Issuer where the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08. Depository Trust Company Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, currently in effect, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

Section 5.09. Reporting Requirements of Paying Agent/Registrar. To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the Issuer, to report to the owners of the Securities and the Internal Revenue Service (i) the amount of “reportable payments”, if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Securities and (ii) the amount of interest or amount treating as interest on the Securities and required to be included in gross income of the owner thereof.

ARTICLE VI MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns. All covenants and agreements herein made by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement. This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 6.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Certificate of Interested Parties Form 1295. The Bank represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof, and, accordingly, the Bank is not required to file a Certificate of Interested Parties Form 1295 otherwise prescribed thereunder.

Section 6.12. Anti Boycott Verification. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, ‘boycott Israel’ 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. The Bank understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13. Iran, Sudan and Foreign Terrorist Organizations. The Paying Agent 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 comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law neither the Paying Agent nor any 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. The Paying Agent understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Paying Agent and exists to make a profit.

Section 6.14. Contract Value. The Bank hereby verifies that this Agreement has a value of less than \$100,000 and that the provisions required by Sections 2271.002 and 2274.002 of the Texas Government Code for contracts having a value of at least \$100,000 are not required in this Agreement.

Section 6.15. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ZIONS BANCORPORATION, N. A.

By: _____

Title: _____

Address: 1717 West Loop South
Houston, Texas 77027
Attention: Mike Weir

(BANK SEAL)

Notice to:

Address: One South Main, 17th Floor
Salt Lake City, Utah 84133
Attention: Kirsi Hansen

Attest:

CITY OF KINGSVILLE, TEXAS

By _____
Mary Valenzuela, City Secretary

By _____
Sam R. Fugate, Mayor
Address: 400 West King Avenue
Kingsville, Texas 78363

(CITY SEAL)

SIGNATURE PAGE TO PAYING AGENT/REGISTRAR AGREEMENT FOR THE
CITY OF KINGSVILLE, TEXAS COMBINATION TAX AND SUBORDINATE LIEN
CERTIFICATES OF OBLIGATION, SERIES 2023

SCHEDULE A

Paying Agent/Registrar Fee Schedule

NONE

EXHIBIT B
PURCHASE AND INVESTMENT LETTER

ZMFU II, Inc.
One South Main, 17th Floor
Salt Lake City, Utah 84133

May 8, 2023

Re: City of Kingsville, Texas Combination Tax and Subordinate Lien Certificates of
Obligation, Series 2023 (the "Certificates")

City of Kingsville, Texas
400 West King Avenue
Kingsville, Texas 78363

Estrada Hinojosa & Company, Inc.
14414 Blanco Road, Suite 320
San Antonio, Texas 78216

Winstead PC
112 East Pecan Street, Suite 725
San Antonio, Texas 78205

Ladies and Gentlemen:

We have agreed to purchase and the City Commission of the City of Kingsville, Texas (the "City") has agreed to sell to us the captioned Certificates at the purchase price of \$6,100,000 and no accrued interest. The Certificates are scheduled to finally mature on August 1, 2038, shall bear the terms, shall be secured, and are subject to redemption as described in the City's ordinance authorizing the Certificates adopted on May 8, 2023 (the "Ordinance"), all subject to receipt by you and by us of such opinions, certificates, and other documents as you or we may reasonably require to establish the validity and legality of the Certificates. The Certificates are scheduled to be delivered on or about May 31, 2023 (the "Closing").

ZMFU II, Inc., (the "Purchaser") hereby represents and warrants that:

(1) we are (a) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933 or (b) a state or national bank organized under the laws of the United States, and we have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the economic risks and merits of the purchase of the Certificates;

(2) we acknowledge that no prospectus or other offering document has been prepared; however, the City provided to us all information requested by us to permit us to make an informed decision concerning its purchase of the Certificates, and we made such inspections and investigations as we deemed necessary to determine the investment quality of the Certificates and to assess all risk factors associated with the purchase and ownership of the Certificates. We had a reasonable opportunity to request and review such other information as we need from the City to enable us to make our purchase decision. We are not relying on Winstead PC, the City's Bond Counsel, or Estrada Hinojosa & Company,

Inc., the City's Financial Advisor, as to the completeness or accuracy of any financial information provided to us by the City in connection with its determination to make an investment in the Certificates;

(3) we have either been furnished with or have had access to all necessary information that we have requested in order to enable us to make an informed decision concerning the purchase of the Certificates, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the purpose for which the proceeds of the Certificates will be utilized, and the security therefor, so that we have been able to make an informed decision to purchase the Certificates;

(4) we are purchasing the Certificates for our own account as evidence of a privately placed and negotiated bank loan and not with a view to, and with no present intention of, selling, pledging, transferring, conveying, hypothecating, mortgaging, disposing, reoffering, distributing, or reselling the Certificates, or any part or interest thereof, and will not sell or transfer the Certificates except to persons who are able to and do confirm in writing to us and to you the representations contained in paragraphs (1) through (3) and this paragraph to the same extent as if such paragraphs referred to such persons;

(5) we further acknowledge that we are responsible for consulting with our advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws, we may have with respect to subsequent purchasers of the Certificates if and when any such future disposition of the Certificates may occur;

(6) we understand that the Certificates (a) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state due to exemptions from registration provided for therein, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) will not be readily marketable;

(7) we understand that the City is not required to make any continuing disclosure pursuant to Rule 15c2-12(b) (the "Rule") of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, because the Certificates are being sold pursuant to a private placement with the Purchaser with denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof; provided, however, the City will provide the Purchasers with its audited annual financial statements within 180 days after each fiscal year end;

(8) To the extent this Purchase and Investment Letter constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, we hereby verify that our company and our 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 Purchase and Investment Letter. 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.

(9) We represent that neither our company nor any of our respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, 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 comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or Texas law and excludes our company and any of its respective parent companies, 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.

(10) To the extent this Purchase and Investment Letter 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), Texas Government Code, as amended, we hereby verify that our company and our 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 Purchase and Investment Letter. 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 such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), 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.

(11) To the extent this Purchase and Investment Letter 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), Texas Government Code, as amended, we hereby verify that our company and our 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 Purchase and Investment Letter. 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 such Senate Bill), (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 such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, 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 such Senate Bill, 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 such Senate Bill, 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 such Senate Bill), 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."

(12) as used in Sections 8 through 11, we understand 'affiliate' to mean an entity that controls, is controlled by, or is under common control with our company within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit;

(13) we understand and agree that the foregoing representations and warranties will be relied upon by Winstead PC, Bond Counsel to the City, in rendering its opinion on the exemption of the Certificates from the registration requirements under existing federal and state securities laws; and

(14) as a condition to the purchase of the Certificates, there shall not have occurred a material adverse change in the City's financial condition and the Purchaser shall receive at the Closing (i) an executed copy of the Ordinance; (ii) an opinion of Bond Counsel stating that the Certificates constitutes a legal, valid, and binding obligation of the City, and that interest on the Certificates will be excludable from the gross income of the holders thereof pursuant to the provisions of the Code; (iii) an opinion of the Attorney General of the State of Texas to the effect that the Certificates have been lawfully issued by the City and are valid and binding obligations of the City under applicable laws of the State of Texas; (iv) an executed certificate as to tax-exemption and IRS Form 8038G; (v) an executed a General Certificate and, unless such certifications are contained in the General Certificate, a Signature and No-Litigation Certificate, to the effect that no litigation of any nature is then pending against, or to the best knowledge of the certifying officer, threatened against the City contesting or attacking the Certificate; restraining or enjoining the authorization, execution, or delivery of the Certificate; affecting the provisions made for the payment of or security for the Certificate; in any manner questioning the authority of the proceedings for the authorization, execution or delivery of the Certificate; or affecting the validity of the Certificate, the Ordinance, the corporate existence of the City, or the titles of the then-present members of the City Commission.

This letter may be executed in multiple counterparts.

Very truly yours,

ZMFU II, Inc.

By: _____

Name: _____

Title: _____

AGREED TO AND ACCEPTED this 8th day of May, 2023.

CITY OF KINGSVILLE, TEXAS

By: _____

Name: Sam R. Fugate

Title: Mayor

AGENDA ITEM #4

**City of Kingsville
Engineering Dept.**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Rutilio P. Mora Jr, P.E., City Engineer

DATE: May 8, 2023

SUBJECT: Consider approving Change Order No. 2 for the Phase II of 2021 City-Wide Miscellaneous Concrete and Drainage Improvements Project (Bid# 21-11).

Purpose:

During the construction phase it was discovered that several residents had an existing secondary entrance. These drainage improvements involve excavating drainage ditches within the right of way (ROW) and additional culverts will be required. Change Order No.2 would need to be approved to minimize the impact to residents along W. Sage Road. Additional time is requested by the contractor for the additional scope of work. The increase to the contract amount is within the 25% allowed.

Summary:

| | |
|-------------------------------------|----------------------|
| Revised Contract Total | \$269,6072.77 |
| <u>Change Order No. 2 Total</u> | <u>+\$47,772.75</u> |
| Revised Contract + C.O. No. 2 Total | \$317,380.52 |
| <u>Revised Contract Revised</u> | <u>-\$269,607.77</u> |
| Change Order No. 2 Amount | \$47,772.75 |

| | |
|---|-----------------|
| Revised Contract Time (calendar days) | 120 days |
| <u>Change Order No. 2 (calendar days)</u> | <u>+21 days</u> |
| Revised Contract + CO No. 2 | 141 days |

Background:

The purpose is to award 2021 City-wide Misc. Concrete and Drainage Improvements Project – Phase II for the drainage improvements along W. Sage Road between N. Armstrong St. (FM1898) and Young Drive, since the contractor has successfully completed Phase I of the project. The project will also include awarding Change Order No.1 for the remaining work on W. Kenedy Ave.



**City of Kingsville
Engineering Dept.**

Original bids were received on August 3, 2021, and the project was then split into two phases. The original construction cost for work on W. Sage Road (Alternate Bid No. 1) and including Alternate Bid No. 2 was \$211,091.70. The contractor submitted a revised construction cost of \$259,962.27 due to the increased material and fuel prices. The cost increase is 23%. This revised cost is still under the original bid of the second lowest bidder. The prices have been verified and justified with the current market prices.

| | |
|---|----------------------|
| Original Contract Amount Revised | \$259,962.27 |
| <u>Add Kenedy Avenue Amount (CO No. 1) +\$ 9,645.50</u> | |
| Total Contract + Change Order No. 1 | \$269,607.77 |
| <u>Original Contract Amount Revised</u> | <u>-\$259,962.27</u> |
| Change Order No. 1 Amount | \$ 9,645.50 |

| | |
|---|-----------------|
| Original Contract Time (calendar days) | 90 days |
| <u>Change Order No. 1 (calendar days)</u> | <u>+30 days</u> |
| Original Contract + CO No. 1 | 120 days |

Per the General Conditions of the Contract, City may order the Contractor to proceed with desired unit prices specified in the Contract, provided that in case of a unit price contract the net value of all changes does not increase the original total amount of the agreement by more than twenty-five percent (25%). Here not more than \$64,990.57.

Financial Impact:

Change Order No.2 will be funded by Fund 055 Utility Storm Water Drainage Fund in the amount of \$47,772.75.

Recommendation:

Staff recommends approving Change Order No. 2 for Phase II (W. Sage Road) in the amount of \$47,772.75 and 21 additional calendar days to the contract for Phase II.

Attachments:

Change Order No.2



CHANGE ORDER NO. 2
2021 CITY-WIDE MISCELLANEOUS CONCRETE
AND DRAINAGE IMPROVEMENTS - PHASE 2



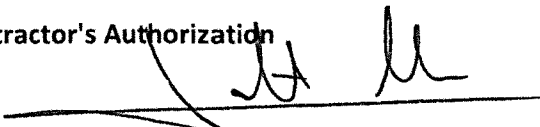
CHANGE ORDER NO. 2 AMOUNT

| WORK ACTIVITIES | QUANTITIES | UNIT | UNIT PRICE | AMOUNT |
|---|------------|------|------------|---------------------|
| REMOVE/DISPOSE OF CONCRETE | 602.5 | SF | \$ 5.00 | \$ 3,012.50 |
| 6" THICK CONCRETE DRIVEWAY | 602.5 | SF | \$ 14.50 | \$ 8,736.25 |
| 18" DIAM. CL III REINFORCED CONCRETE PIPE | 456 | LF | \$ 79.00 | \$ 36,024.00 |
| TOTAL | | | | \$ 47,772.75 |

| | |
|--------------------------------------|---------------------|
| PHASE 2 BASE BID TOTAL | \$ 259,962.27 |
| CHANGE ORDER NO. 1 TOTAL | \$ 9,645.50 |
| CHANGE ORDER NO. 2 TOTAL | \$ 47,772.75 |
| ORIG. CONTRACT + CO NO. 1 + CO NO. 2 | \$ 317,380.52 |
| ORIGINAL CONTRACT + CO NO. 1 | \$ (269,607.77) |
| CHANGE ORDER NO. 2 | \$ 47,772.75 |

| | |
|--|-----------------|
| ORIGINAL CONTRACT TIME (CALENDAR DAYS) | 90 DAYS |
| CHANGE ORDER NO. 1 (CALENDAR DAYS) | 30 DAYS |
| CHANGE ORDER NO. 2 (CALENDAR DAYS) | 21 DAYS |
| ORIG. CONTRACT TIME + CO NO. 1 + CO NO. 2 | 141 DAYS |

Contractor's Authorization

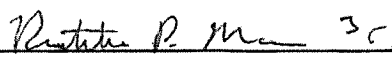


 Contractor's Signature

April 25 2023

 Date

Engineer's Recommendation



 Engineer's Signature

April 25, 2023

 Date

City Commission Approval

 Mayor's Signature

 Date

RESOLUTION #2023-_____

A RESOLUTION AUTHORIZING PHASE II CHANGE ORDER #2 FOR THE CITY-WIDE MISC. CONCRETE AND DRAINAGE SYSTEM IMPROVEMENTS AGREEMENT BETWEEN THE CITY AND ETECH CONSTRUCTION INC.; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville (City) intends to make some city-wide miscellaneous concrete and drainage improvements and went out for bids via BID #21-11 which was advertised on July 15, 2021 and July 22, 2021;

WHEREAS, the City received two bids on August 3, 2021 responsive to BID #21-11 and after reviewing the bid submittals staff recommended BID #21-11 be awarded to the bidder scoring the low bidder providing the best value to the City, which was Etech Construction Inc. (Etech) ;

WHEREAS, the City awarded BID#21-11 to Etech at a Commission meeting on August 23, 2021;

WHEREAS, the City and Etech worked to prepare two contracts for City-wide Miscellaneous Concrete and Drainage Improvements and the parties both agree to the terms of the proposed contracts for the base bid (Phase I) of \$386,717.00 and for alternates no. 1 & 2 (Phase II) of \$211,091.70, which together is a total amount of \$597,808.70, with the contracts being approved by City Commission via Resolution #2021-70 on October 12, 2021;

WHEREAS, due to inflationary cost increases for materials and fuel prices since the time the bid was awarded until now when Phase II is to be started, the total cost for Phase II needs to be adjusted to \$259,962.27 which is still under the original bid of the second lowest bidder;

WHEREAS, work on Phase I has been completed and the Commission authorized Phase II via Resolution #22-55 on October 11, 2022 so staff is recommending the contractor proceed with Phase II Change Order #2 for additional work needed because several residents have secondary entrances that require drainage replacement on West Sage Road in an amount of \$47,772.75 with an additional contract time of 21 calendar day;

BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Commission approves and the Mayor is authorized and directed as an act of the City of Kingsville, Texas to execute Phase II Change Order No.2 of the Standard Form Agreement between the City of Kingsville, Texas and Etech Construction Inc. for City-wide Miscellaneous Concrete and Drainage Improvements as per staff recommendation and in accordance with Exhibit A hereto attached and made a part hereof.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the _____ 8th day of May, 2023.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #5

**City of Kingsville
Engineering Dept.**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Rutilio P. Mora Jr, P.E., City Engineer
DATE: May 8, 2023
SUBJECT: Consider Awarding contract to Ardurra Group, Inc. for Professional Services for Surveying Proposed Utility Easements

Purpose:

The purpose of awarding this project is to complete surveying of proposed utility easements related to future development of wastewater services on the east side of Highway 77/Interstate 69 in Kingsville, Texas.

Summary:

On April 24, 2023, a Proposal for Services was received from Ardurra Group, Inc. for performing utility easement survey work for future development of a new sanitary forcemain easement to be located between E. Santa Gertrudis and E. Kennedy Avenue just east of Highway 77/Interstate 69 in Kingsville, Texas.

The Scope of Services is listed in Attachment 1. Contractor's references have been verified. Ardurra has completed several projects and maintain a good working relationship with the City.

Background:

Financial Impact:

The Utility Fund will allocate up to \$14,250.00 to cover Professional Services.

Recommendation:

Staff recommends:



**City of Kingsville
Engineering Dept.**

1. Approving Contract Agreement between City and Ardurra Group Inc. in an amount Not To Exceed (NTE) \$14,250.00.
2. Authorizing the City Manager to sign the Contract.

Attachments:

Proposed Work on Attachment 1, "*Kingsville - SS Easement Survey Proposal-042423-Ardurra.pdf*"

Resolution No. 2023-_____



RESOLUTION #2023-_____

A RESOLUTION OF THE CITY OF KINGSVILLE, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A PROPOSAL FOR SERVICES WITH ARDURRA GROUP, INC. FOR A UTILITY EASEMENT; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville ("City") plans to propose a utility easement for the future development of wastewater services on the east side of U.S. Highway 77/Interstate 69 in Kingsville, Texas; and

WHEREAS, in order to propose a utility easement, it is necessary to obtain the services of a professional surveyor to perform the utility easement survey work; and

WHEREAS, the City contacted Ardurra Group, Inc. (formerly LNV, LLC) and received a proposal from their survey division for the proposed utility easement work in an amount not to exceed \$14,250.00 that is to be paid from the Utility Fund; and

WHEREAS, the company's references have been verified and the firm has previously performed work satisfactorily for the City;

WHEREAS, staff has negotiated a contract for a fair and reasonable price and now brings the contract back before City Commission for approval.

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Manager is authorized and directed as an act of the City of Kingsville, Texas to execute a Proposal for Services with Ardurra Group, Inc. for a Utility Easement in accordance with Exhibit A hereto attached and made a part thereof.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the
_____ 8th day of _____ May _____, 2023.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney



PROPOSAL FOR SERVICES

April 24, 2023

City of Kingsville
400 W. King Avenue / P.O. Box 1458
Kingsville, TX 78364

Attn: Rutilio "Rudy" P. Mora, Jr, PE, CFM – City Engineer

In response to your request, Ardurra Group, Inc – Survey Division (formerly LNV, LLC) is proposing the following scope of services for the new sanitary forcemain easement to be located between E. Santa Gertrudis and E. Kennedy Avenue just east of Highway 77, in Kingsville, Texas.

SCOPE OF SERVICES

- Ardurra shall perform the boundary work to establish the right-of-way of Kenedy Avenue along with identifying the route of the existing sanitary sewer effluent line between the waste water treatment plant and Kenedy Avenue.
- Ardurra shall also submit a One-Call utility locate ticket for the city and third party utility locators to mark their utilities along the route.
 - To perform this work, Ardurra will need permission from the adjoining land owners south of the waste water treatment plant and east of Tranquitas Creek.
- Ardurra shall prepare a survey exhibit and legal description of said easement and submit to the client for their use.
- Ardurra shall receive a 24 to 48 hour notice for scheduling purposes and coordination for site access to begin survey work.
- Any additional surveying services related to design services, bidding, and/or contract administration shall be performed at our standard hourly rates according to the latest Ardurra standard rate sheet, only upon authorization by Client.
- Optional – In the event utility location is required, Ardurra shall provide the Client with hydro excavation services along the route between the waste water treatment plant and Kenedy Avenue, assuming 4 potholes at locations To Be Determined at a later date.
 - Hydro excavation service includes disposal of old material, new backfill material (assuming non paved areas), and mobilization to and from site.



ESTIMATE OF COST

Ardurra proposes to perform the above listed Scope of Services for a lump sum fee as indicated below;

- **Surveying Services**

- Fieldwork, Utilities, and CAD file \$5,250
- New Utility Easement (for new sanitary forcemain) \$3,500
- Optional – Hydro excavation services \$5,500
 - (includes 4 potholes at locations TBD)

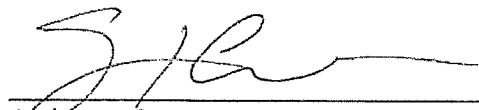
Base Bid = \$8,750 (assuming sales tax exempt)

Base Bid + Option = \$14,250 (assuming sales tax exempt)

Any additional work not listed in the above Scope of Services will be performed in accordance with our current contract rate schedule, only upon authorization by Client.

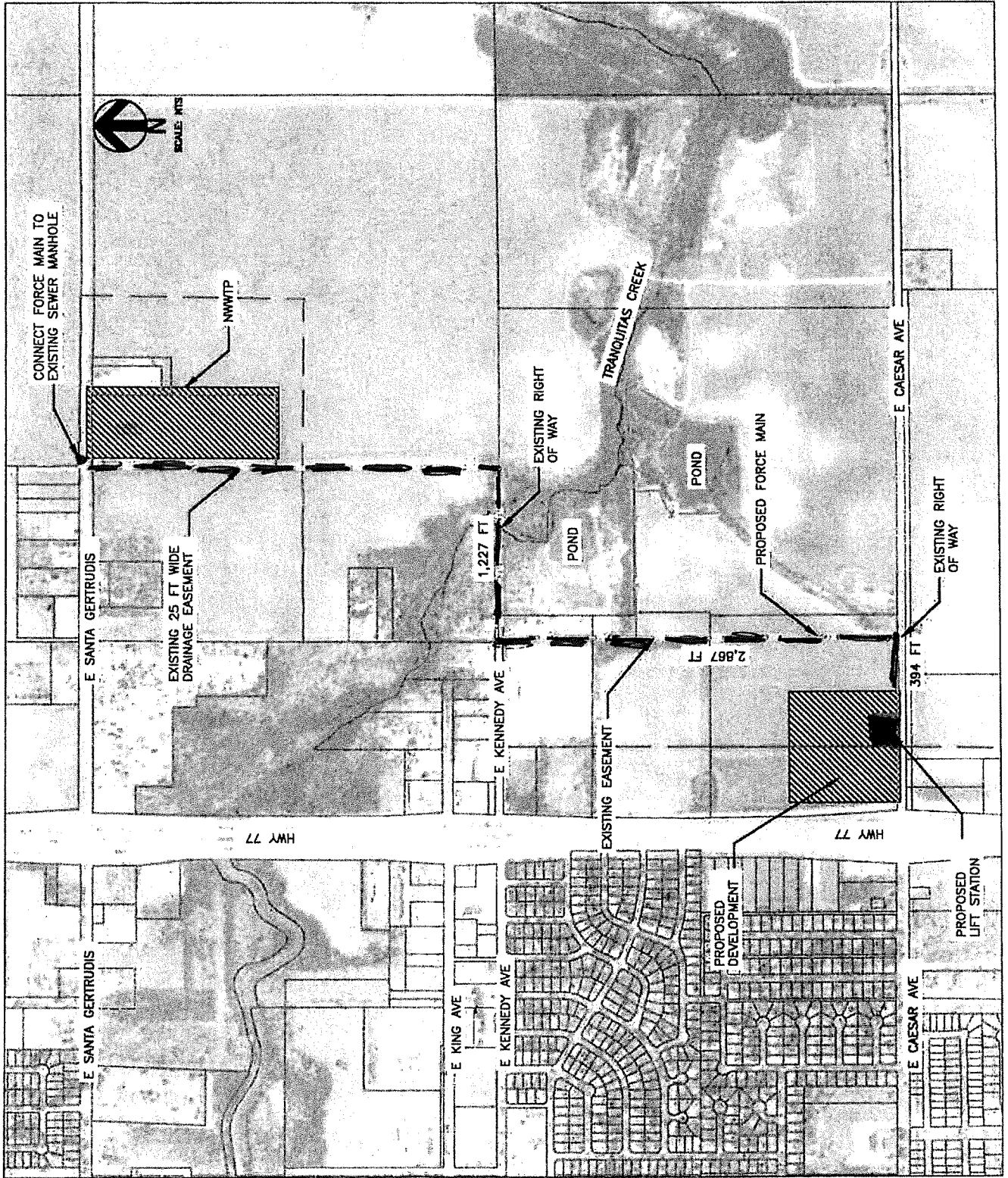
If you are in agreement with our proposal, please provide a Task Order to serve as our authorization to proceed. We appreciate the opportunity to work with you and look forward to providing you with our services. If you have any questions, please feel free to contact me at 361.883.1984 or by email, Scanales@ardurra.com

Sincerely,



Ardurra Group, Inc.

By: Sergio Z. Canales, RPLS
Its: Senior Survey Manager



AGENDA ITEM #6

**City of Kingsville
Engineering Dept.**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Rutilio P. Mora Jr, P.E., City Engineer
DATE: May 8, 2023
SUBJECT: Consider introduction of an ordinance amending the Fiscal Year 2022-2023 budget to cover Professional Services for Surveying Proposed Utility Easements (see map on Page 3 of Attachment 1).

Summary:

The Budget Amendment will be allocated for Professional Services for Surveying proposed Utility Easement to provide wastewater services for future development on the east side of Interstate 69 (see map on Page 3 of Attachment 1 titled "Kingsville - SS Easement Survey Proposal-042423-Ardurra.pdf").

Financial Impact:

The Utility Fund will allocate \$14,250.00 to cover Professional Services.

Recommendation:

Staff recommends approval of the Budget Amendment.

Attachments:

Proposed Work on Attachment 1, "*Kingsville - SS Easement Survey Proposal-042423-Ardurra.pdf*"

Ordinance No. 2023-_____



**City of Kingsville
Engineering Dept.**

*Back-up
for budget
amend. memo*

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Rutilio P. Mora Jr, P.E., City Engineer
DATE: May 8, 2023
SUBJECT: Consider Awarding contract to Ardurra Group, Inc. for Professional Services for Surveying Proposed Utility Easements

Purpose:

The purpose of awarding this project is to complete surveying of proposed utility easements related to future development of wastewater services on the east side of Highway 77/Interstate 69 in Kingsville, Texas.

Summary:

On April 24, 2023, a Proposal for Services was received from Ardurra Group, Inc. for performing utility easement survey work for future development of a new sanitary forcemain easement to be located between E. Santa Gertrudis and E. Kennedy Avenue just east of Highway 77/Interstate 69 in Kingsville, Texas.

The Scope of Services is listed in Attachment 1. Contractor's references have been verified. Ardurra has completed several projects and maintain a good working relationship with the City.

Background:

Financial Impact:

The Utility Fund will allocate up to \$14,250.00 to cover Professional Services.

Recommendation:

Staff recommends:



**City of Kingsville
Engineering Dept.**

1. Approving Contract Agreement between City and Ardurra Group Inc. in an amount Not To Exceed (NTE) \$14,250.00.
2. Authorizing the City Manager to sign the Contract.

Attachments:

Proposed Work on Attachment 1, "*Kingsville - SS Easement Survey Proposal-042423-Ardurra.pdf*"

Resolution No. 2023-_____





PROPOSAL FOR SERVICES

April 24, 2023

City of Kingsville
400 W. King Avenue / P.O. Box 1458
Kingsville, TX 78364

Attn: Rutilio "Rudy" P. Mora, Jr, PE, CFM – City Engineer

In response to your request, Ardurra Group, Inc – Survey Division (formerly LNV, LLC) is proposing the following scope of services for the new sanitary forcemain easement to be located between E. Santa Gertrudis and E. Kennedy Avenue just east of Highway 77, in Kingsville, Texas.

SCOPE OF SERVICES

- Ardurra shall perform the boundary work to establish the right-of-way of Kenedy Avenue along with identifying the route of the existing sanitary sewer effluent line between the waste water treatment plant and Kenedy Avenue.
- Ardurra shall also submit a One-Call utility locate ticket for the city and third party utility locators to mark their utilities along the route.
 - To perform this work, Ardurra will need permission from the adjoining land owners south of the waste water treatment plant and east of Tranquitas Creek.
- Ardurra shall prepare a survey exhibit and legal description of said easement and submit to the client for their use.
- Ardurra shall receive a 24 to 48 hour notice for scheduling purposes and coordination for site access to begin survey work.
- Any additional surveying services related to design services, bidding, and/or contract administration shall be performed at our standard hourly rates according to the latest Ardurra standard rate sheet, only upon authorization by Client.
- Optional – In the event utility location is required, Ardurra shall provide the Client with hydro excavation services along the route between the waste water treatment plant and Kenedy Avenue, assuming 4 potholes at locations To Be Determined at a later date.
 - Hydro excavation service includes disposal of old material, new backfill material (assuming non paved areas), and mobilization to and from site.



ESTIMATE OF COST

Ardurra proposes to perform the above listed Scope of Services for a lump sum fee as indicated below;

- **Surveying Services**

- Fieldwork, Utilities, and CAD file \$5,250
- New Utility Easement (for new sanitary forcemain) \$3,500
- Optional – Hydro excavation services \$5,500
 - (includes 4 potholes at locations TBD)


Base Bid = \$8,750 (assuming sales tax exempt)

Base Bid + Option = \$14,250 (assuming sales tax exempt)

Any additional work not listed in the above Scope of Services will be performed in accordance with our current contract rate schedule, only upon authorization by Client.

If you are in agreement with our proposal, please provide a Task Order to serve as our authorization to proceed. We appreciate the opportunity to work with you and look forward to providing you with our services. If you have any questions, please feel free to contact me at 361.883.1984 or by email, Scanales@ardurra.com

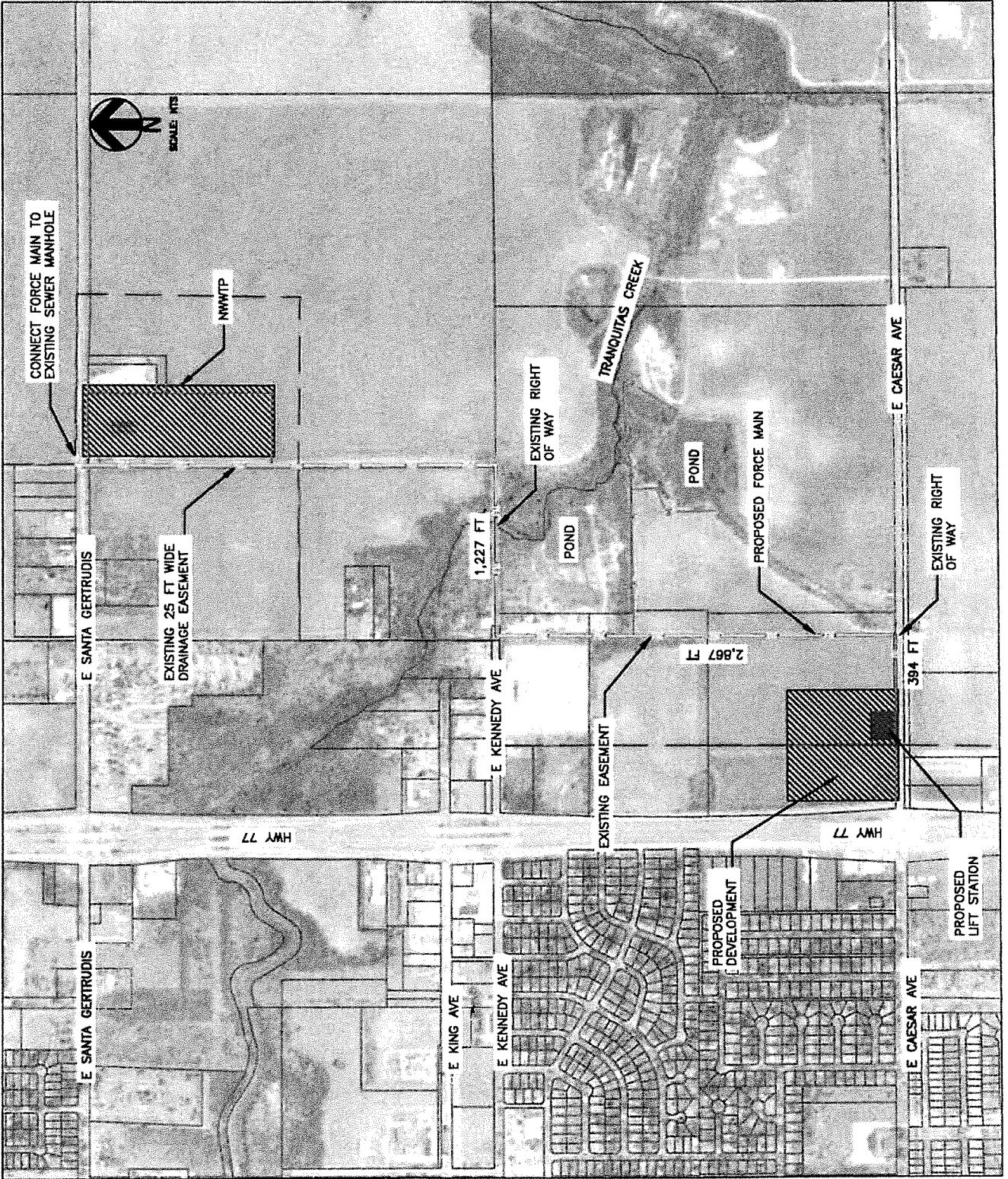
Sincerely,



Ardurra Group, Inc.

By: Sergio Z. Canales, RPLS

Its: Senior Survey Manager



ORDINANCE NO. 2023-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022-2023 BUDGET TO APPROPRIATE FUNDING FOR UTILITY EASEMENT SURVEYING COSTS.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2022-2023 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#44

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|--------------------------------|------------|-----------------------|----------------|-----------------|-----------------|
| Fund 051 – Utility Fund | | | | | |
| <u>Expenditures</u> | | | | | |
| 7001 | Wastewater | Budget Amend Reserve | 86000 | | \$14,250 |
| 7001 | Wastewater | Professional Services | 31400 | \$14,250 | |
| | | | | | |

[To amend the City of Kingsville FY 22-23 budget to appropriate funding for utility easement surveying costs. Funding will come from the Utility Fund Budget Amendment Reserve line item.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 8th day of May 2023.

PASSED AND APPROVED on this the ____ day of May 2023.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #7

**City of Kingsville
Engineering Dept.**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Rutilio P. Mora Jr, P.E., City Engineer

DATE: May 8, 2023

SUBJECT: Consider a Resolution authorizing Participation in the Federal Transportation Alternative Set-Aside Program Step 2 (Detailed Application) through the Texas Department of Transportation (TxDOT).

Summary:

On March 30, 2023, TxDOT notified the City that all three preliminary applications are eligible to move forward to Step 2 (detailed application) and the deadline is June 5, 2023.

Background:

On December 2, 2022, Texas Department of Transportation (TxDOT) issued the 2023 Transportation Alternatives (TA) Call for Projects. The application is a two-step process. Step 1 – Project Sponsors submit Preliminary Application(s) (PA) by January 27, 2023. Step 2 – Project Sponsors submit Detailed Application(s) (DA) by June 5, 2023. If funds are awarded, the City would be notified in the Fall of 2023 for TA FY2022 through FY2025. See **Table 1** attached for the 2023 TA Call for Projects schedule of important dates.

The project(s) would typically be funded by both federal (80%) and local (20%) funds. Local funds are not required since the City's local fund match will be covered by Transportation Development Credits (TDCs). This year the grant also considers an adjustment factor for inflation.

Eligible TA Project Activities include bicycle infrastructure improvements, shared use paths, sidewalk improvements and infrastructure-related projects to improve safety for non-motorized transportation.

Project Evaluation and Selection Criteria includes Safety, Project Readiness, Geographic Equity, Connectivity & Accessibility, Community Support & Planning and Demand.

Allowable Costs eligible for federal reimbursement include Project Construction, Preliminary Engineering and design, including preparation of construction plans,



**City of Kingsville
Engineering Dept.**

specifications and estimates, Environmental Documentation, Planning activities and Right-of-way acquisition on a case -by-case basis as approved by TxDOT.

Costs not eligible for federal reimbursement include Planning Activities, Environmental Mitigation, Utility Adjustments, Landscape Improvements and Land Acquisition.

The City may submit three(3) applications in 2023. Three project locations the City may focus on are:

- East Escondido Road lighting & bike lane improvements
- City-wide Transportation Study that includes use of bicycle/pedestrian counters, along with plans for:
 - City-wide bike parking installations, high visibility crosswalk installations and traffic calming activities directly supporting active transportation networks (i.e. mini roundabouts, curb extensions/bulb-outs)
 - Development of Active Transportation Non-Infrastructure projects (non-motorized transportation networks) such as Safe Routes to School, pedestrian, bicycle, safety action, and ADA transition plans
- Gillette Middle School/Harvey Elementary School/Jubilee Academies and Kleberg Early Literacy & Continuing Education Center Pedestrian Sidewalk Bridge & Crosswalk Improvements

Attached is ***Exhibit 1***, a map indicating the proposed improvements to each area.

Financial Impact:

There is no financial impact in submitting the application.

Recommendation:

Staff recommends applying to the Transportation Alternatives Set-Aside Program 2023 Call for Projects for Step 2 Detailed Application.

Attachments:

Table 1: TxDOT's 2023 TA Call for Projects Important Dates

Exhibit 1: 2023 TxDOT TA Call for Projects 1 through 3, Map and Detailed Descriptions

Resolution:

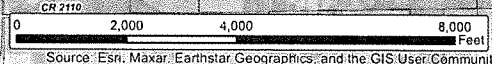


Table 1:

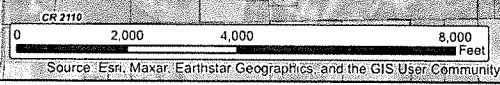
TxDOT's 2023 TA Call for Projects Important Dates

| Milestones | Date |
|--|---------------------------------|
| TxDOT's 2023 TA Call for Projects opens | December 2, 2022 |
| Virtual workshops | November 29 – December 16, 2022 |
| Responses to workshop questions posted | December 21, 2022* |
| Preliminary Application (PA) deadline | January 27, 2023 |
| District coordination meeting | Before March 17, 2023* |
| TxDOT PA review complete | March 24, 2023 |
| TxDOT notifies sponsors of eligibility and provides Detailed Application | March 27, 2023 |
| Detailed Application (DA) deadline | June 5, 2023 |
| TxDOT DA review complete | August 18, 2023* |
| Commission award | October 2023* |
| *Target dates | |



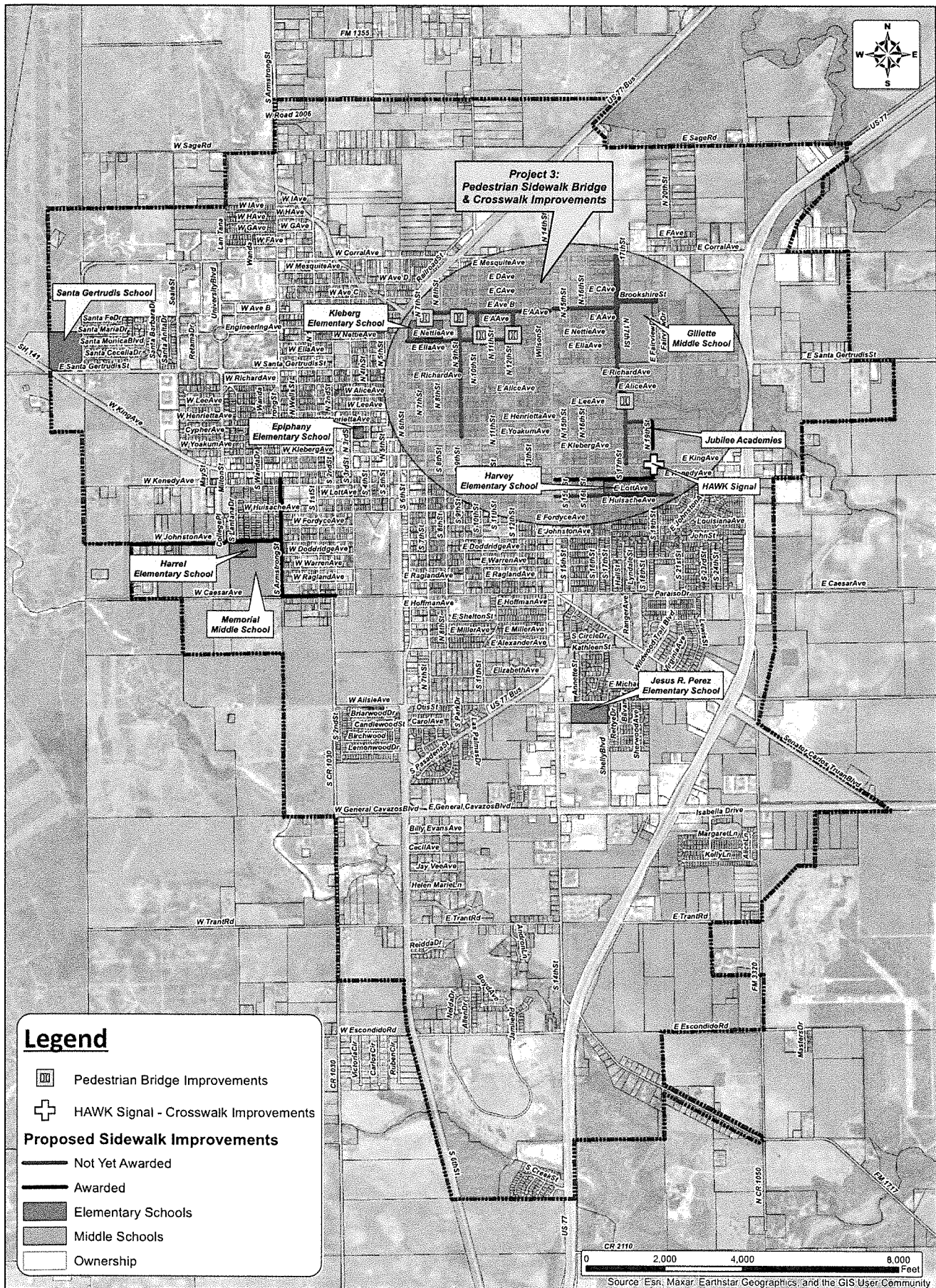


CITY OF KINGSVILLE
ENGINEERING DEPARTMENT
400 W King Ave; Kingsville, TX 78363
Office: (361) 595-8007
Fax: (361) 595-8064



CITY OF KINGSVILLE
ENGINEERING DEPARTMENT
400 W King Ave; Kingsville, TX 78363
Office: (361) 595-8007
Fax: (361) 595-8064

School Connectivity Pedestrian Sidewalk, Bike Line & Crosswalk Interloop Network



RESOLUTION #2023- _____

A RESOLUTION SUPPORTING THE CITY OF KINGSVILLE'S APPLICATION TO THE TEXAS DEPARTMENT OF TRANSPORTATION'S 2023 TRANSPORTATION ALTERNATIVES SET-ASIDE (TA) CALL FOR PROJECTS (FOR PEDESTRIAN AND/OR BICYCLE INFRASTRUCTURE); AUTHORIZING THE MAYOR TO ACT ON THE CITY'S BEHALF WITH SUCH PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Texas Department of Transportation issued a call for projects in December 2023 for communities to apply for funding assistance through the Transportation Alternatives Set-Aside (TA) Program, which is a two-step process with step one being submittal of a preliminary application and step two being submittal of a detailed application; and

WHEREAS, in January 2023, the City Commission of the City of Kingsville ("City") authorized staff to participate in phase one of the 2023 Transportation Alternatives Set-Aside Program to seek funding for three projects near area schools for the development and construction of pedestrian and/or bicycle infrastructure; and

WHEREAS, the three project applications submitted were (1) East Escondido Road lighting & bike lane improvements; (2) City-wide Transportation Study that includes use of bicycle/pedestrian counters, along with plans for: (a) City-wide bike parking installations, high visibility crosswalk installations and traffic calming activities directly supporting active transportation networks, (b) development of active transportation non-infrastructure projects such as Safe Routes to School, pedestrian, bicycle, safety action, and ADA transition plans; and (3) Gillette Middle School/Harvey Elementary School/Jubilee Academies and Kleberg Early Literacy & Continuing Education Center Pedestrian Sidewalk Bridge & Crosswalk Improvements; and

WHEREAS, there is no financial impact in submitting the applications since the City's 20% local match will be covered by Transportation Development Credits and the grant has an adjustment factor for inflation; and

WHEREAS, the City recently received notice that the three Preliminary Applications were accepted so that the City can now move forward with preparing and submitting the Detailed Applications, which is step two of the grant process; and

WHEREAS, if the City is notified this fall that funding is being awarded, then it will be placed on a Conditional Project List for anticipated funding for FYs 2023-2025; and

WHEREAS, the TA funds may be used for development of preliminary engineering (plans, specifications, and estimates and environmental documentation) and construction of pedestrian and/or bicycle infrastructure. The TA funds require a local match, comprised of cash or Transportation Development Credits (TDCs), if eligible. The City of Kingsville ("City") would be responsible for all non-reimbursable costs and 100% of overruns, if any, for TA funds; and

WHEREAS, the City Commission of the City of Kingsville believes it to be in the best interest of the citizens of the City to apply for funding through this grant.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS THAT:

1. The City supports funding the projects as described in the 2023 TA Detailed Application (including the preliminary engineering budget, if any, construction budget, the department's 15% direct state cost for oversight, and the required local match, if any) and is willing to commit to the project's development, implementation, construction, maintenance, management, and financing. The City is willing and able to enter into an agreement with the department by resolution or ordinance, should the project be selected for funding.
2. The City authorizes the Mayor, or his designee, to apply to the Texas Department of Transportation's 2023 Transportation Alternatives Set-Aside (TA) Call for Projects.
3. The Mayor, or his designee, is hereby authorized and directed to act on the City's behalf in all matters pertaining to the 2023 Transportation Alternatives Set-Aside (TA) Call for Projects through the Texas Department of Transportation including any certifications, amendments or representations stipulated therein and that the Mayor, or his designee, will administer the program and execute and submit all certifications, reports, or contracts necessary for the administration and expenditure of such program.
4. This Resolution shall be and become effective on or after adoption.

PASSED AND APPROVED by majority vote of all members of the City Commission of the City of Kingsville, Texas on the 8th day of May, 2023.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #8

City of Kingsville
Human Resources Department

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Diana Gonzales, HR Director

DATE: April 18, 2023

SUBJECT: All-Risk Property Insurance Renewal

Summary: This item presented for consideration will authorize award of the All-Risk Property Insurance Coverage for the City of Kingsville for the period of May 1, 2023 through April 30, 2024. This policy covers perils of Fire, Flood, Earthquake, Lightening, Windstorm, Named Storms, and Equipment Breakdown. The City's Total Insured Values (TIV) for this renewal with incumbent insurance carrier, AmRisc, are \$62,872,506 an increase of \$4,407,848 comprised of valuation increases due to inflation (required by carrier) and new assets.

Background: In March 2023, Carlisle Insurance approached the City's incumbent Property Insurance carrier (Amrisc) to request a renewal quote. Carlisle Insurance also solicited quotes from 37 additional property insurance carriers that underwrite Coastal Windstorm and all-other peril risks. The attached letter from Chase Carlisle illustrates the current state of the global property insurance market which continues to be a hard market. The proposal includes a list of the markets approached for this renewal.

See attached documents including recommendation from Carlisle Insurance, AmRisc proposal and the Carrier's Schedule of Values (SOV) Breakout spreadsheet.

Financial Impact: The enclosed renewal quote of \$ 502,020,.96 is an increase of \$173,828.21 as compared to the expiring premium. The increase is due primarily to the Property Insurance marketplace which is driven by global and domestic property insurance losses.

City of Kingsville
Human Resources Department

Significant Changes

\$50 million loss limit - All Other Perils

- Deductible increase from \$ 10,000 to \$ 25,000 per occurrence

\$50 million loss limit - All Other Wind/Hail

- Deductible increase from \$100,000 per occurrence to 1% Minimum \$100,000 per occurrence, per location

\$25 million loss limit – Named Storm

- Deductible increase from 3% minimum \$100,000 to 5% minimum \$250,000 per occurrence, per location

Electronic Media – Limit decrease from 1 million to \$500,000

Errors & Omissions – Limit decrease from \$100,000 to \$25,000

Fungus, Mold, Mildew, Spores, Yeast – Increase from \$100,000 per occurrence/annual aggregate to \$250,000.

Property Insurance premiums are budgeted in Insurance-Property/Liability Insurance line items in both the General Fund and the Utility Fund.

Recommendation: After review of Carlisle Insurance recommendation and AmRisc proposal, staff is recommending continuing with AmRisc as the City's all-risk property insurance carrier for another policy year (May 1, 2023 – April 30, 2024) with an annual cost of \$ 502,020.96.

ORDINANCE NO. 2023-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022-2023 BUDGET TO APPROPRIATE ADDITIONAL FUNDING FOR THE INCREASE IN ALL-RISK AND WINDSTORM PROPERTY INSURANCE EFFECTIVE MAY 2023.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2022-2023 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#43

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|--------------------------------|-----------------|-------------------------|----------------|-----------------|-----------------|
| Fund 001 – General Fund | | | | | |
| <u>Expenditures</u> | | | | | |
| 1030 | City Special | Insurance-Property/Liab | 33501 | \$86,914.11 | |
| 1030 | City Special | Budget Amend Reserve | 86000 | | \$86,914.11 |
| | | | | | |
| Fund 051 – Utility Fund | | | | | |
| <u>Expenditures</u> | | | | | |
| 6001 | Water Construct | Insurance-Prop/Liab | 33501 | \$16,678.82 | |
| 6002 | Water Product | Insurance-Prop/Liab | 33501 | \$17,513.20 | |
| 6101 | Storm Water | Insurance-Prop/Liab | 33501 | \$2,789.95 | |
| 6201 | Collections | Insurance-Prop/Liab | 33501 | \$10,360.17 | |
| 7001 | WW-North | Insurance-Prop/Liab | 33501 | \$16,079.11 | |
| 7002 | WW-South | Insurance-Prop/Liab | 33501 | \$4,180.56 | |
| 7003 | Sewer Construct | Insurance-Prop/Liab | 33501 | \$11,316.21 | |
| 8000 | Engineering | Insurance-Prop/Liab | 33501 | \$7,996.09 | |
| 6001 | Water Construct | Budget Amend Reserve | 86000 | | \$86,914.11 |
| | | | | | |

[To amend the City of Kingsville FY 22-23 budget to appropriate additional funding for the increase in All-Risk and Windstorm Property Insurance effective May 2023. Funding will come from the Budget Amendment Reserve line items in General and Utility Funds.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 8th day of May 2023.

PASSED AND APPROVED on this the ____ day of May 2023.

EFFECTIVE DATE:_____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #9

**City of Kingsville
Finance Department**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Deborah Balli, Finance Director

DATE: May 1, 2023

SUBJECT: Budget Amendment For Donation Reclass

Summary:

The City received a \$25,000 donation from the Brookshire Foundation in FY 21-22, and it was inadvertently recorded in the General Fund instead of the Park Maintenance Fund where the expenditure was budgeted. This reclassification must be corrected through a budget amendment as it is a fund-to-fund transfer which requires commission approval.

Financial Impact:

Funding for this reclass will come from the unappropriated fund balance of the General Fund as it occurred in FY 21-22.

Recommendation:

Staff recommends the approval of the budget amendment for reclass of a Park donation received in FY 21-22.



ORDINANCE NO. 2023-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022-2023 BUDGET TO RECLASS DONATION FROM GENERAL FUND 001 TO PARK MAINTENANCE FUND 093.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2022-2023 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#44

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|---|------------|----------------------|----------------|-----------------|-----------------|
| Fund 001 – General Fund | | | | | |
| <u>Expenditures</u> | | | | | |
| 6900 | Transfer | Transfer to Fund 093 | 80093 | \$25,000 | |
| | | | | | |
| Fund 093 – Park Maintenance Fund | | | | | |
| <u>Revenues</u> | | | | | |
| 4503 | Park Maint | Park Donations | 58003 | \$25,000 | |
| | | | | | |

[To amend the City of Kingsville FY 22-23 budget to reclass donation from General Fund 001 to Park Maintenance Fund 093. Funding will come from the unappropriated fund balance of General Fund.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission

that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 8th day of May 2023.

PASSED AND APPROVED on this the ____ day of May 2023.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #10

**City of Kingsville
Finance Department**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Deborah Balli, Finance Director

DATE: May 1, 2023

SUBJECT: Budget Amendment For Water Meter Project Certificates of Obligation Interest Payment

Summary:

Once the Certificates of Obligation are approved for the Water Meter Project, the first interest payment of \$46,512.50 will be due on August 1, 2023 and budget needs to be in place for payment to be made.

Financial Impact:

The payment will come from the Utility Fund Budget Amendment Reserve line item.

Recommendation:

Staff recommends the approval of the budget amendment for the interest payment on the Water Meter Project Certificates of Obligation.



SOURCES AND USES OF FUNDS

City Kingsville, Texas (General Obligation)
C/O, Series 2023
--Amegy Rates as of 5/1/2023--
--Stair-Stepped 15 Year Term--
--Callable 8/1/2028--
--For Illustration Purposes--

| | |
|---------------|------------|
| Dated Date | 05/31/2023 |
| Delivery Date | 05/31/2023 |

Sources:

| | |
|----------------|--------------|
| Bond Proceeds: | |
| Par Amount | 6,100,000.00 |
| | 6,100,000.00 |

Uses:

| | |
|-------------------------|--------------|
| Project Fund Deposits: | |
| Project Fund | 6,020,000.00 |
| Delivery Date Expenses: | |
| Cost of Issuance | 80,000.00 |
| | 6,100,000.00 |

BOND SUMMARY STATISTICS**City Kingsville, Texas (General Obligation)****C/O, Series 2023****--Amegy Rates as of 5/1/2023--****--Stair-Stepped 15 Year Term--****--Callable 8/1/2028--****--For Illustration Purposes--**

| | |
|-------------------------------------|---------------|
| Dated Date | 05/31/2023 |
| Delivery Date | 05/31/2023 |
| First Coupon | 08/01/2023 |
| Last Maturity | 08/01/2038 |
| Arbitrage Yield | 4.500753% |
| True Interest Cost (TIC) | 4.500753% |
| Net Interest Cost (NIC) | 4.500000% |
| NIC w/Interest only | 4.500000% |
| NIC w/Interest & OID | 4.500000% |
| NIC w/Interest, OID & Und. Discount | 4.500000% |
| All-In TIC | 4.680031% |
| Average Coupon | 4.500000% |
| Average Life (years) | 9.433 |
| Weighted Average Maturity (years) | 9.433 |
| Duration of Issue (years) | 7.548 |
| Par Amount | 6,100,000.00 |
| Bond Proceeds | 6,100,000.00 |
| Total Interest | 2,589,462.50 |
| Net Interest | 2,589,462.50 |
| Bond Years from Dated Date | 57,543,611.11 |
| Bond Years from Delivery Date | 57,543,611.11 |
| Total Debt Service | 8,689,462.50 |
| Maximum Annual Debt Service | 604,975.00 |
| Average Annual Debt Service | 572,826.68 |
| Underwriter's Fees (per \$1000) | |
| Average Takedown | |
| Other Fee | |
| Total Underwriter's Discount | |
| Bid Price | 100.000000 |

| <i>Bond Component</i> | <i>Par Value</i> | <i>Price</i> | <i>Average Coupon</i> | <i>Average Life</i> | <i>Average Maturity Date</i> | <i>Duration</i> | <i>PV of 1 bp change</i> |
|-----------------------|------------------|--------------|-----------------------|---------------------|------------------------------|-----------------|--------------------------|
| Bond Component | 6,100,000.00 | 100.000 | 4.500% | 9.433 | 11/04/2032 | 7.548 | 4,508.85 |
| | 6,100,000.00 | | | 9.433 | | | 4,508.85 |

| | <i>TIC</i> | <i>All-In TIC</i> | <i>Arbitrage Yield</i> |
|----------------------------|--------------|-------------------|------------------------|
| Par Value | 6,100,000.00 | 6,100,000.00 | 6,100,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | | | |
| - Underwriter's Discount | | | |
| - Cost of Issuance Expense | | -80,000.00 | |
| - Other Amounts | | | |
| Target Value | 6,100,000.00 | 6,020,000.00 | 6,100,000.00 |
| Target Date | 05/31/2023 | 05/31/2023 | 05/31/2023 |
| Yield | 4.500753% | 4.680031% | 4.500753% |

BOND PRICING**City Kingsville, Texas (General Obligation)****C/O, Series 2023****--Amegy Rates as of 5/1/2023--****--Stair-Stepped 15 Year Term--****--Callable 8/1/2028--****--For Illustration Purposes--**

| <i>Bond Component</i> | <i>Maturity Date</i> | <i>Amount</i> | <i>Rate</i> | <i>Yield</i> | <i>Price</i> |
|------------------------------|-----------------------------|----------------------|--------------------|---------------------|---------------------|
| Bond Component: | | | | | |
| | 08/01/2024 | 100,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2025 | 200,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2026 | 300,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2027 | 355,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2028 | 370,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2029 | 390,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2030 | 405,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2031 | 425,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2032 | 445,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2033 | 465,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2034 | 485,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2035 | 505,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2036 | 530,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2037 | 550,000 | 4.500% | 4.500% | 100.000 |
| | 08/01/2038 | 575,000 | 4.500% | 4.500% | 100.000 |
| | | 6,100,000 | | | |

| | | |
|-------------------------|--------------|-------------|
| Dated Date | 05/31/2023 | |
| Delivery Date | 05/31/2023 | |
| First Coupon | 08/01/2023 | |
| Par Amount | 6,100,000.00 | |
| Original Issue Discount | | |
| Production | 6,100,000.00 | 100.000000% |
| Underwriter's Discount | | |
| Purchase Price | 6,100,000.00 | 100.000000% |
| Accrued Interest | | |
| Net Proceeds | 6,100,000.00 | |

BOND DEBT SERVICE**City Kingsville, Texas (General Obligation)****C/O, Series 2023****--Amegy Rates as of 5/1/2023--****--Stair-Stepped 15 Year Term--****--Callable 8/1/2028--****--For Illustration Purposes--**

| <i>Period Ending</i> | <i>Principal</i> | <i>Coupon</i> | <i>Interest</i> | <i>Debt Service</i> |
|--------------------------|------------------|---------------|-----------------|---------------------|
| 09/30/2023 | | | 46,512.50 | 46,512.50 |
| 09/30/2024 | 100,000 | 4.500% | 274,500.00 | 374,500.00 |
| 09/30/2025 | 200,000 | 4.500% | 270,000.00 | 470,000.00 |
| 09/30/2026 | 300,000 | 4.500% | 261,000.00 | 561,000.00 |
| 09/30/2027 | 355,000 | 4.500% | 247,500.00 | 602,500.00 |
| 09/30/2028 | 370,000 | 4.500% | 231,525.00 | 601,525.00 |
| 09/30/2029 | 390,000 | 4.500% | 214,875.00 | 604,875.00 |
| 09/30/2030 | 405,000 | 4.500% | 197,325.00 | 602,325.00 |
| 09/30/2031 | 425,000 | 4.500% | 179,100.00 | 604,100.00 |
| 09/30/2032 | 445,000 | 4.500% | 159,975.00 | 604,975.00 |
| 09/30/2033 | 465,000 | 4.500% | 139,950.00 | 604,950.00 |
| 09/30/2034 | 485,000 | 4.500% | 119,025.00 | 604,025.00 |
| 09/30/2035 | 505,000 | 4.500% | 97,200.00 | 602,200.00 |
| 09/30/2036 | 530,000 | 4.500% | 74,475.00 | 604,475.00 |
| 09/30/2037 | 550,000 | 4.500% | 50,625.00 | 600,625.00 |
| 09/30/2038 | 575,000 | 4.500% | 25,875.00 | 600,875.00 |
| | 6,100,000 | | 2,589,462.50 | 8,689,462.50 |

BOND DEBT SERVICE**City Kingsville, Texas (General Obligation)****C/O, Series 2023****--Amegy Rates as of 5/1/2023--****--Stair-Stepped 15 Year Term--****--Callable 8/1/2028--****--For Illustration Purposes--**

| <i>Period Ending</i> | <i>Principal</i> | <i>Coupon</i> | <i>Interest</i> | <i>Debt Service</i> | <i>Annual Debt Service</i> |
|--------------------------|------------------|---------------|-----------------|---------------------|--------------------------------|
| 08/01/2023 | | | 46,512.50 | 46,512.50 | |
| 09/30/2023 | | | | | 46,512.50 |
| 02/01/2024 | | | 137,250.00 | 137,250.00 | |
| 08/01/2024 | 100,000 | 4.500% | 137,250.00 | 237,250.00 | |
| 09/30/2024 | | | | | 374,500.00 |
| 02/01/2025 | | | 135,000.00 | 135,000.00 | |
| 08/01/2025 | 200,000 | 4.500% | 135,000.00 | 335,000.00 | |
| 09/30/2025 | | | | | 470,000.00 |
| 02/01/2026 | | | 130,500.00 | 130,500.00 | |
| 08/01/2026 | 300,000 | 4.500% | 130,500.00 | 430,500.00 | |
| 09/30/2026 | | | | | 561,000.00 |
| 02/01/2027 | | | 123,750.00 | 123,750.00 | |
| 08/01/2027 | 355,000 | 4.500% | 123,750.00 | 478,750.00 | |
| 09/30/2027 | | | | | 602,500.00 |
| 02/01/2028 | | | 115,762.50 | 115,762.50 | |
| 08/01/2028 | 370,000 | 4.500% | 115,762.50 | 485,762.50 | |
| 09/30/2028 | | | | | 601,525.00 |
| 02/01/2029 | | | 107,437.50 | 107,437.50 | |
| 08/01/2029 | 390,000 | 4.500% | 107,437.50 | 497,437.50 | |
| 09/30/2029 | | | | | 604,875.00 |
| 02/01/2030 | | | 98,662.50 | 98,662.50 | |
| 08/01/2030 | 405,000 | 4.500% | 98,662.50 | 503,662.50 | |
| 09/30/2030 | | | | | 602,325.00 |
| 02/01/2031 | | | 89,550.00 | 89,550.00 | |
| 08/01/2031 | 425,000 | 4.500% | 89,550.00 | 514,550.00 | |
| 09/30/2031 | | | | | 604,100.00 |
| 02/01/2032 | | | 79,987.50 | 79,987.50 | |
| 08/01/2032 | 445,000 | 4.500% | 79,987.50 | 524,987.50 | |
| 09/30/2032 | | | | | 604,975.00 |
| 02/01/2033 | | | 69,975.00 | 69,975.00 | |
| 08/01/2033 | 465,000 | 4.500% | 69,975.00 | 534,975.00 | |
| 09/30/2033 | | | | | 604,950.00 |
| 02/01/2034 | | | 59,512.50 | 59,512.50 | |
| 08/01/2034 | 485,000 | 4.500% | 59,512.50 | 544,512.50 | |
| 09/30/2034 | | | | | 604,025.00 |
| 02/01/2035 | | | 48,600.00 | 48,600.00 | |
| 08/01/2035 | 505,000 | 4.500% | 48,600.00 | 553,600.00 | |
| 09/30/2035 | | | | | 602,200.00 |
| 02/01/2036 | | | 37,237.50 | 37,237.50 | |
| 08/01/2036 | 530,000 | 4.500% | 37,237.50 | 567,237.50 | |
| 09/30/2036 | | | | | 604,475.00 |
| 02/01/2037 | | | 25,312.50 | 25,312.50 | |
| 08/01/2037 | 550,000 | 4.500% | 25,312.50 | 575,312.50 | |
| 09/30/2037 | | | | | 600,625.00 |
| 02/01/2038 | | | 12,937.50 | 12,937.50 | |
| 08/01/2038 | 575,000 | 4.500% | 12,937.50 | 587,937.50 | |
| 09/30/2038 | | | | | 600,875.00 |
| | 6,100,000 | | 2,589,462.50 | 8,689,462.50 | 8,689,462.50 |

ORDINANCE NO. 2023-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022-2023 BUDGET TO APPROPRIATE FUNDING FOR FIRST INTEREST PAYMENT ON THE WATER METER PROJECT CERTIFICATES OF OBLIGATION.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2022-2023 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#46

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|--|-----------|------------------------|----------------|-----------------|-----------------|
| Fund 051 - Utility Fund | | | | | |
| <u>Expenditures</u> | | | | | |
| 6001 | Water | Transfer to Fund 012 | 80012 | \$46,512.50 | |
| 6001 | Water | Budget Amend Reserve | 86000 | | \$46,512.50 |
| | | | | | |
| Fund 012 – Utility Debt Service | | | | | |
| <u>Revenues</u> | | | | | |
| 0000 | Non-Dept | Transfer from Fund 051 | 75010 | \$46,512.50 | |
| | | | | | |
| <u>Expenditures</u> | | | | | |
| 5100 | Interest | Interest Payment | 62100 | \$46,512.50 | |
| | | | | | |

[To amend the City of Kingsville FY 22-23 budget to appropriate funding for the first interest payment on the Water Meter Project Certificates of Obligation. Funding will come from the Utility Fund Budget Amendment Reserve line item.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 8th day of May 2023.

PASSED AND APPROVED on this the ____ day of May 2023.

EFFECTIVE DATE:_____.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney